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 001-37587

CytomX Therapeutics, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**27-3521219**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
151 Oyster Point Boulevard, Suite 400 South San Francisco, California	**94080**
(Address of principal executive offices)	**(Zip Code)**

(650) 515-3185
(Registrant's telephone number, including area code)

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.00001 par value	**CTMX**	**The Nasdaq Global Select Market**

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

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

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

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

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

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

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

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

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

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

As of June 30, 2022, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately $118.4 million, based on the closing price of the registrant's common stock on the Nasdaq Global Select Market on June 30, 2022 of $1.83 per share. Shares of the registrant's common stock held by each officer and director and each person known to the registrant to own 10% or more of the outstanding common stock of the registrant have been excluded in that such persons may be deemed affiliates. This determination of affiliate status is not a determination for other purposes.

As of February 28, 2023, 66,228,046 shares of the registrant's common stock, $0.00001 par value per share, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed for its 2023 Annual Meeting of Stockholders are incorporated by reference into Part III hereof. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the end of the fiscal year covered by this Annual Report on Form 10-K.

EXPLANTORY NOTE

Restatement Background

In connection with preparing its financial statements for the year ending December 31, 2022 and through its financial control processes of evaluating new contracts with collaborators that were entered into by CytomX Therapeutics, Inc. (the "Company") in the fourth quarter of 2022, the Company re-evaluated its application of ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606") for its prior collaboration and license agreements. The Company has historically recognized the revenue for certain arrangements ratably over the estimated research period which Company management deemed to be reflective of the Company's obligation to make the Probody therapeutic platform continuously available to the collaborator through research activities over such period. The Company recognized certain revenue according to this policy upon adoption of ASC 606 on January 1, 2018, based on its judgement in applying the guidance outlined in ASC 606. Upon reassessment, the Company has determined that certain revenue should be recognized over time using an input method as an appropriate measure of progress, rather than ratably over the estimated research period. In applying the input method, revenue is recognized based on actual full-time employee ("FTE") hours incurred as a percentage of total estimated FTE hours for completing the combined performance obligation over the estimated service period. The restatement affects the accounting for the Company's agreements with Bristol-Myers Squibb Company, Astellas Pharma Inc., and certain agreements with AbbVie Ireland Unlimited Company, and Amgen, Inc. The error resulted in an overstatement of revenue in the statements of operations for the years ended December 31, 2021, 2020 and 2019, and an understatement of deferred revenue in the balance sheets as of December 31, 2021 and December 31, 2020. These periods were restated in the Amendment No. 1 of the Annual Report on Form 10-K/A for the year ended December 31, 2021 filed with the Securities and Exchange Commission (the "SEC") on March 27, 2023. In the 2021 Form 10-K/A, the Company also restated its previously issued (i) unaudited condensed balance sheets as of March 31, 2021, June 30, 2021 and September 30, 2021, (ii) unaudited condensed statements of operations and comprehensive loss for the three months ended March 31, 2021 and 2020, three and six months ended June 30, 2021 and 2020, and three and nine months ended September 30, 2021 and 2020, (iii) unaudited condensed statements of cash flows for the three months ended March 31, 2021 and 2020, six months ended June 30, 2021 and 2020 and nine months ended September 30, 2021 and 2020, and unaudited notes related thereto, in each of the Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2021, June 30, 2021 and September 30, 2021.

In this Annual Report on Form 10-K for the year ended December 31, 2022, the Company is restating (the "Restatement") its previously issued (i) unaudited condensed balance sheets as of March 31, 2022, June 30, 2022 and September 30, 2022, (ii) unaudited condensed statements of operations and comprehensive loss for the three months ended March 31, 2022, three and six months ended June 30, 2022, and three and nine months ended September 30, 2022, (iii) unaudited condensed statements of cash flows for the three months ended March 31, 2022, six months ended June 30, 2022 and nine months ended September 30, 2022, and unaudited notes related thereto, in each of the Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2022, June 30, 2022 and September 30, 2022 (the "Prior Quarterly Financial Statements").

Restatement Overview

In connection with the restatement of the Prior Financial Statements, the Company, in this Annual Report on Form 10-K:

1. Restated the Prior Quarterly Financial Statements, in *Note 2. Basis of Presentation and Summary of Significant Accounting Policies*, and *Note 17. Selected Quarterly Financial Data (Unaudited)*, in Part II, Item 8 of this Annual Report on Form 10-K;
2. Amended Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, the revenue discussion for each of the quarterly periods ended March 31, 2022, June 30, 2022 and September 30, 2022.

The financial information that has been previously filed or otherwise reported for the Prior Quarterly Financial Statements is superseded by the information in this Annual Report on Form 10-K, *Note 2. Basis of Presentation and Summary of Significant Accounting Policies*, and *Note 17. Selected Quarterly Financial Data (Unaudited)*, in Part II, Item 8 of this Annual Report on Form 10-K for additional information on the restatement and the related financial statement impact.

We have not filed and do not intend to file amendments to our Quarterly Reports on Form 10-Q for any of the quarterly periods in the fiscal years 2021 and 2022. Accordingly, investors should rely only on the restated Financial Statements and related disclosures included in the 2021 Form 10-K/A and this 2022 Form 10-K for the applicable periods or in future filings with the SEC (as applicable), and not on any previously issued or filed reports, earnings releases or similar communications including the Financial Statements.

Internal Control Considerations

In connection with the Restatement described above, management has determined that there was a material weakness in the Company's operation of effective internal control over financial reporting related to its application of ASC 606 for collaboration and license agreements as of December 31, 2022. For a discussion of management's considerations of the Company's disclosures controls and procedures, internal controls over financial reporting, and the material weakness identified, refer to "Controls and Procedures" in Part II, Item 9A of this Annual Report on Form 10-K.

CYTOMX THERAPEUTICS, INC.
ANNUAL REPORT ON FORM 10-K
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Forward-Looking Statements

This Annual Report on Form 10-K contains certain forward-looking statements that involve risks and uncertainties. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “potential,” “believe,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “would,” “annualized” and “outlook,” or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

A number of important factors could cause our actual results to differ materially from those indicated in these forward-looking statements, including those factors identified in “Risk Factors” or “Management’s Discussion and Analysis of Financial Condition and Results of Operations” or the following:

- the extent to which COVID-19 or any future pandemic and related governmental regulations and restrictions may impact our business, including our research, clinical trials, which include ongoing site initiation and patient enrollment, manufacturing and financial condition;
- our expectations regarding the potential benefits, activity, effectiveness and safety of our product candidates and therapeutics developed utilizing our Probody® platform technology;
- the initiation, timing, progress and results of our ongoing clinical trials, research and development programs, preclinical studies, and Investigational New Drug Application (“IND”), Clinical Trial Application, New Drug Application (“NDA”), Biologics License Application (“BLA”); and other regulatory submissions;
- the timing of the completion of our ongoing clinical trials and the timing and availability of clinical data from such clinical trials;
- our ability to identify and develop additional product candidates;
- our dependence on collaborators for developing, obtaining regulatory approval for and commercializing product candidates in the collaboration;
- our or a collaborator’s ability to obtain and maintain regulatory approval of any of our product candidates;
- our receipt and timing of any milestone payments or royalties under any research collaboration and license agreements or arrangements;
- our expectations and beliefs regarding the evolution of the market for cancer therapies and development of the immuno-oncology industry;
- the rate and degree of market acceptance of any approved product candidates;
- the commercialization of any approved product candidates;
- our ability to establish and maintain collaborations and retain commercial rights for our product candidates in such collaborations;
- the implementation of our business model and strategic plans for our business, technologies and product candidates;
- our estimates of our expenses, ongoing losses, future revenue and capital requirements, including our estimate of cash flow savings as a result of our restructuring plan announced in July 2022;
- our ability to obtain additional funds for our operations;
- our or any collaborator’s ability to obtain and maintain intellectual property protection for our technologies and product candidates and our ability to operate our business without infringing the intellectual property rights of others;
- our reliance on third parties to conduct our preclinical studies or any future clinical trials;
- our reliance on third-party supply and manufacturing partners to supply the materials and components for, and manufacture, our research and development, preclinical and clinical trial product supplies;

- our ability to attract and retain qualified key management and technical personnel;
- our ability to secure and maintain licenses of intellectual property to protect our technologies and product candidates;
- our financial performance; and
- developments relating to our competitors, our industry, international conflict or uncertainties.

Any forward-looking statements in this Annual Report on Form 10-K reflect our current views with respect to future events or 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 listed under Part I, Item 1A. Risk Factors and discussed elsewhere in this Annual Report on Form 10-K. 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.

This Annual Report on Form 10-K also contains estimates, projections and other information concerning our industry, our business and the markets for certain drugs and therapeutic biologics, including data regarding the estimated size of those markets, their projected growth rates and the incidence of certain medical conditions. Information that is based on estimates, forecasts, projections or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained these industry, business, market and other data from reports, research surveys, studies and similar data prepared by third parties, industry, medical and general publications, government data and similar sources. In some cases, we do not expressly refer to the sources from which these data are derived.

Except where the context otherwise requires, in this Annual Report on Form 10-K, “we,” “us,” “our” and the “Company” refer to CytomX Therapeutics, Inc.

Trademarks

This Annual Report on Form 10-K includes trademarks, service marks and trade names owned by us or other companies. All trademarks, service marks and trade names included in this Annual Report on Form 10-K are the property of their respective owners.

Risk Factors Summary

We are providing the following summary of risk factors contained in this Annual Report on Form 10-K to enhance the readability and accessibility of our risk factor disclosures in accordance with SEC rules. Please carefully review the full risk factors pertaining to this summary and to additional general risk factors contained in this Annual Report on Form 10-K in their entirety for additional information regarding the material factors that make an investment in our securities speculative or risky. These risks and uncertainties include, but are not limited to, the following:

- The COVID-19 pandemic or any future pandemic could adversely impact our business, including our research, clinical trials, including clinical trial site initiation and patient enrollment, and financial condition.
- We are a clinical-stage biopharmaceutical company with a limited operating history and have not generated any revenue from product sales.
- We expect that we will need to raise substantial additional funds to advance development of our product candidates and we cannot guarantee that this additional funding will be available on acceptable terms or at all.
- Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.
- Our product candidates are in early stages of development and may fail or suffer delays that materially and adversely affect their commercial viability.
- Interim, “top-line,” and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

- Our product candidates may cause undesirable side effects at any time during or after the clinical trial process 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, including withdrawal from the market.
- If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.
- Our approach to the discovery and development of our therapeutic treatments is based on novel technologies that are unproven and may not result in marketable products.
- The market may not be receptive to our product candidates based on a novel therapeutic modality, and we may not generate any future revenue from the sale or licensing of product candidates.
- We have entered, and may in the future seek to enter, into collaborations with third parties for the development and commercialization of our product candidates using our Probody platform. If we fail to enter into such collaborations, or such collaborations are not successful, we may not be able to capitalize on the market potential of our Probody platform and resulting product candidates.
- If we do not achieve our projected development and commercialization goals in the timeframes we announce and expect, the commercialization of any of our product candidates may be delayed, or never attained, and our business will be harmed.
- We may not successfully engage in strategic transactions, including any additional collaborations we seek, which could adversely affect our ability to develop and commercialize product candidates, impact our cash position, increase our expense and present significant distractions to our management.
- We rely on third parties to conduct all of our clinical trials and certain of our preclinical studies and intend to continue to do so, and if such third parties do not perform as contractually required, fail to satisfy regulatory or legal requirements or miss expected deadlines, our development programs could be delayed with material and adverse effects on our business, financial condition, results of operations and prospects.
- Because we have no long-term contracts with and rely on third-party manufacturing and supply partners, most of which are sole source suppliers, our supply of research and development, preclinical and clinical development materials may become limited or interrupted or may not be of satisfactory quantity or quality.
- We, or third-party manufacturers, may be unable to successfully scale-up manufacturing of our product candidates in sufficient quality and quantity, which would delay or prevent us from developing our product candidates and commercializing approved products, if any.
- We face competition from entities that have developed or may develop product candidates for cancer, including companies developing novel treatments and technology platforms. If these companies develop technologies or product candidates more rapidly than we do or their technologies are more effective, our ability to develop and successfully commercialize product candidates may be adversely affected.
- If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 in a timely manner or with adequate compliance, we may be subject to a loss of stockholder confidence and sanctions or investigations by regulatory authorities or litigation.
- Our stock price may be volatile and purchasers of our common stock could incur substantial losses.

PART I

Item 1. *Business*

Overview

We are a clinical-stage, oncology-focused biopharmaceutical company focused on developing novel conditionally activated, biologics localized to the tumor microenvironment. We aim to build a commercial enterprise to maximize our impact on the treatment of cancer. By pioneering a novel class of localized biologic drug candidates, powered by our Probody® therapeutic technology platform, we lead the field of conditionally activated oncology therapeutics and have established biologics localization as a strategic area of research and development. Our goal is to transcend the limits of current cancer treatments by successfully leveraging therapeutic targets and strategies that were once thought to be inaccessible.

Our proprietary and versatile Probody technology platform is designed to enable conditional activation of biologic therapeutic candidates within the tumor microenvironment while minimizing drug activity in healthy tissues and circulation. Our industry-leading platform is built on a strong foundation of tumor biology expertise including deep knowledge of tumor-associated enzymes known as proteases. Proteases are tightly controlled in normal tissues but often poorly regulated and active in tumor microenvironments where they play important roles in cancer cell migration, invasion and metastasis. Leveraging our deep scientific knowledge, we conceived of and constructed our Probody therapeutic platform which allows us to genetically engineer biologic therapeutic candidates to contain protease-cleavable masks. Our masking strategy is designed to reduce binding of biologic drugs to their targets until the mask is removed by proteases in the tumor microenvironment, providing more selective targeting of the tumor. We believe this innovative approach has the potential to improve cancer treatment in three ways:

1. Allowing the pursuit of high potential targets that were previously considered “undruggable” due to their ubiquitous expression on normal tissues;
2. Enhancing a potential product’s “therapeutic window,” the balance between tolerability and anti-tumor activity; and
3. Enabling the development of new combination therapies, including immunotherapies, by improving tolerability.

We are employing our leading, conditional activation platform technology to address some of the biggest challenges today in oncology biologics research and development. These include the validation of potential new targets for antibody-drug conjugates (“ADCs”), opening solid tumor opportunities for T-cell engaging bispecific antibodies (“TCBs”), and increasing the therapeutic window for immune modulators such as cytokines and checkpoint inhibitors (“CPIs”). Additionally, we have recently initiated a research collaboration that will explore the potential of our Probody platform beyond cancer into therapeutic areas outside of oncology.

We have utilized our multi-modality Probody platform to build a promising, broad pipeline of potential first-in-class and best-in-class therapeutics that includes molecules in clinical testing including: CX-2029, a Probody ADC targeting CD71; CX-904, a conditionally activated TCB, targeting the epidermal growth factor receptor (“EGFR”) on tumor cells and the CD3 receptor on T cells and BMS-986288, a Probody version of a non-fucosylated anti-CTLA-4 antibody.

We also have a broad pre-clinical pipeline across our collaborations and internally, including two wholly-owned next-generation molecules in Investigational New Drug Application (“IND”) enabling studies. For CytomX’s next generation molecules, the Company has selected the previously validated anti-cancer targets, the epithelial cell adhesion molecule (“EpCAM”) and interferon alpha-2b (“IFNa2b”), that have been limited in their potential due to systemic toxicities. In the molecular design of CX-2051, an ADC, and CX-801, a masked cytokine, we have incorporated our platform expertise and clinical learnings to optimize predicted therapeutic index in order to broaden the clinical potential of these promising targets through tumor localized conditional activation.

Our Corporate Strategy

We are utilizing our industry-leading, proprietary, versatile, and tunable Probody platform to create a robust pipeline of biologic therapeutics to improve the lives of people with cancer and to build a long-term, multi-product, commercial biopharmaceutical company. We aim to achieve this goal by:

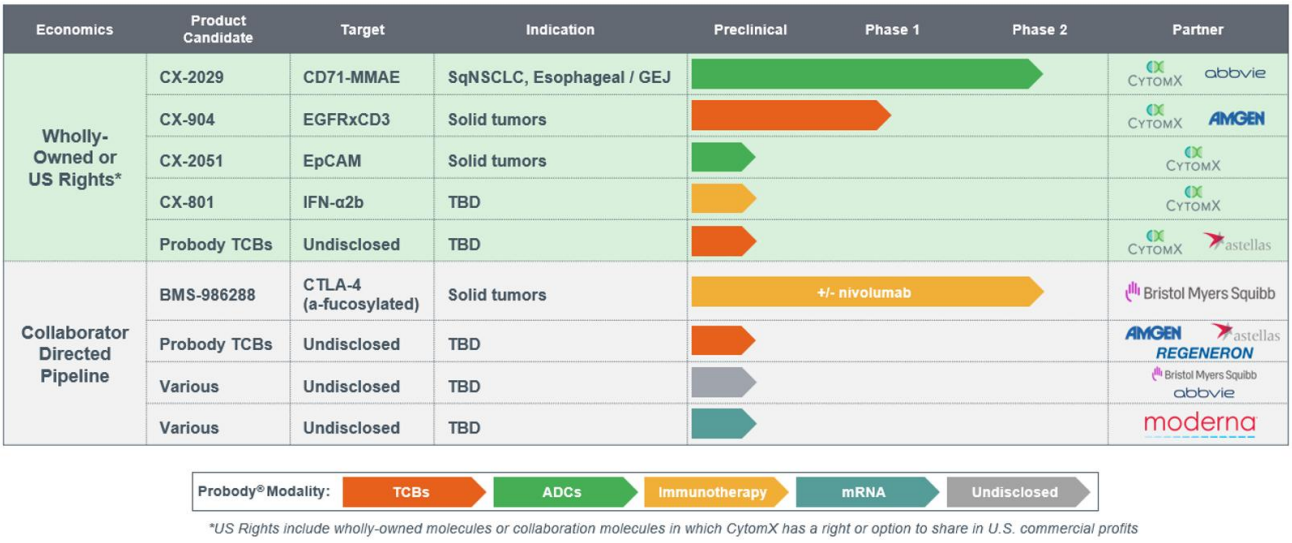
- Advancing potentially first-in-class therapies against high potential targets that have not yet been developed because of broad expression in healthy tissue. CX-2029, targeting CD71, and CX-2051, targeting EpCAM, respectively, are novel programs in this class.

- Continuing our leadership in the field of conditionally activated, localized biologics by advancing new therapeutic formats into the clinic. In May 2022, CX-904, our first TCB entered the clinic and the Phase 1 study continues to progress in the dose escalation phase. CX-904 was the sixth therapeutic candidate and the third treatment modality overall to enter the clinic from the Probody platform.
- Developing novel and improved combination therapies based on validated immuno-oncology targets and pathways that have the potential to improve outcomes for cancer patients. Our partner, Bristol Myers Squibb Company ("Bristol Myers Squibb"), is advancing a next generation, anti-CTLA-4 Probody, BMS-986288, in a Phase 1 / 2 study alone and in combination with nivolumab, a PD-1 inhibitor, in advanced solid tumors. In February 2023, BMS announced that BMS-986288 had moved from Phase 1 studies to Phase 2. Additionally, CX-801 (IFNa2B), our first cytokine program, is in IND-enabling studies.
- Partnering with leading global biopharmaceutical companies to access capital, additional resources and expertise, as well as increase the number of Probody therapeutic candidates being advanced into clinical studies. To date, we have formed several strategic alliances with major multinational drug companies, including AbbVie, Inc. ("AbbVie"), Amgen, Inc. ("Amgen"), Bristol Myers Squibb, Astellas Pharma Inc. ("Astellas"), Regeneron Pharmaceuticals Inc. ("Regeneron"), and ModernaTX, Inc., a wholly-owned subsidiary of Moderna, Inc ("Moderna").
- Fostering a unique, patient-focused culture of execution, alignment and accountability centered around our vision, mission and values.

Our Pipeline of Conditionally Activated, Localized Product Candidates

We are leveraging our Probody platform to build a robust pipeline of potential first-in-class and best-in-class therapies. CytomX's pipeline spans pre-clinical to Phase 2 and includes a range of therapeutic modalities including T-cell bispecifics, immunotherapies, antibody drug conjugates, and, most recently, mRNA. The table below depicts the current status of our conditionally activated product candidates, including both collaboration and wholly owned programs that are in clinical and preclinical development.

CytomX Pipeline of Probody Therapeutics
as of March 2023



*US Rights include wholly-owned molecules or collaboration molecules in which CytomX has a right or option to share in U.S. commercial profits

CX-2029: A Potentially First-in-Class Conditionally Activated ADC Targeting CD71, The Transferrin Receptor

CX-2029 was being developed in a global co-development collaboration with AbbVie. This program is intended to open a therapeutic window for successful targeting of CD71, also known as the transferrin receptor 1 ("TfR1"). CD71 is a cell surface protein essential for iron uptake in dividing cells and is highly expressed in a number of solid and hematologic cancers. However, given its central role in iron metabolism, CD71 is present on most healthy cells and is thought to be an undruggable target with conventional ADCs. CX-2029 is conjugated with the tubulin inhibitor, monomethyl auristatin E ("MMAE"), as the payload.

In 2020, we completed the dose-escalation phase of an ongoing Phase 1/2 clinical study, for which we received a $40 million milestone payment from AbbVie. We published these first-in-human data in the peer-reviewed journal *Clinical Cancer Research* in June 2021. A total of 45 patients with advanced solid tumors were enrolled to receive CX-2029 intravenously every three weeks at dose levels ranging from 0.1 mg/kg to 5 mg/kg. At doses of 0.25 mg/kg to 5 mg/kg, more than 90% of CX-2029 circulated predominantly as the intact species. CX-2029 was generally well tolerated at doses up to 3 mg/kg, with infusion related reactions, anemia, and neutropenia as the most common dose-dependent adverse events. Neutropenia is commonly associated with the MMAE payload. The etiology of anemia is under investigation and is likely multifactorial. The MMAE payload is also known to be associated with anemia, and preclinical studies have shown that reduction of red blood cell precursors has been observed in response to targeting CD71, which is known to play a role in early erythroid development. Anemia was managed with transfusions and supportive care. Additionally, no CX-2029 treatment related deaths were reported, and no patient withdrew from the dose-escalation phase of the clinical trial due to anemia.

Encouraging preliminary clinical activity was observed at doses of 2 mg/kg and higher. Notably, three of four patients with squamous non-small cell lung carcinoma ("sqNSCLC") had stable disease ("SD") or better, including two confirmed partial responses ("PRs") (at doses of 3 and 5 mg/kg); and seven of eight patients with head and neck squamous cell carcinoma ("HNSCC") had SD or better, including one confirmed PR at 3 mg/kg.

In November 2020, we expanded this study into a multi-cohort Phase 2 expansion, designed to evaluate CX-2029 as a monotherapy in patients with sqNSCLC, HNSCC, esophageal and gastro-esophageal junction cancers, and diffuse large B-cell lymphoma ("DLBCL"). The DLBCL cohort was later deprioritized due to strategic and competitive reasons and did not enroll any patients.

In January 2023, we disclosed updated data from the Phase 2 expansion study, which included data across all fully enrolled cohorts. The study results reflected an August 5, 2022 data cut-off for overall enrollment and safety and an October 4, 2022 data cutoff for efficacy. The enrolled study cohorts included advanced esophageal/gastro-esophageal junction cancer (E/GEJ), sqNSCLC, and HNSCC. The efficacy-evaluable study population included 29 patients with E/GEJ, 30 patients with sqNSCLC, and 28 patients with HNSCC. These patients had received at least one dose of CX-2029 at 3 mg/kg and had at least one post baseline assessment, including, per protocol, 5 patients (2 sqNSCLC and 3 HNSCC) enrolled in the previously reported Phase 1 dose escalation. Patients were not selected for CD71 expression.

The data demonstrated encouraging clinical activity in unselected, heavily pre-treated patients with tumors of squamous histology. In the 29 efficacy evaluable patients with E/GEJ, 14 patients had squamous esophageal cancer. In the 14 patients with squamous esophageal cancer, the ORR was 21.4% (3 patients) and 35.7% (5 patients) had a best response of stable disease (SD). As of the October 4, 2022 data snapshot, 5 patients remained on study (3 confirmed partial responses (cPRs) and 2 SD), 3 of which had already been on study for 24 weeks, suggesting promising durability of response. There were no confirmed responses in E/GEJ patients with non-squamous tumors. 4 patients had a best response of stable disease with two on study greater than 6 months. In the 30 efficacy evaluable patients with sqNSCLC, the objective response rate (ORR) by local investigator was 10.0% and 56.7% (17 sqNSCLC patients) of patients had a best response of stable disease. In 28 patients with HNSCC, the confirmed ORR was 4% (1 patient with duration of response of approximately 12 months) and 46.4% (13 patients) had a best response of SD, including one with duration of response of approximately 10 months, and one unconfirmed partial response.

Safety analysis was conducted on all patients who received at least one dose of CX-2029 at 3 mg/kg (N=92). The median number of prior therapies in the metastatic setting was three (range, 1-12) for sqNSCLC, four (range, 1-9) for HNSCC, and three (range, 1-6) for Esophageal. All patients with sqNSCLC had received prior platinum and prior checkpoint inhibition; in HNSCC, all but one patient received prior platinum and all but two, prior checkpoint inhibition; in G/EJ, 100% of patients received prior platinum; in squamous esophageal, 60% of patients received prior checkpoint inhibition, and in non-squamous esophageal 20% of patients received prior checkpoint inhibition therapy. The safety profile was consistent with previous observations, with no new safety signals identified. The most common treatment-related adverse events (TRAEs) in 10% or more of patients (All Grade, Grade 3+) were anemia (82.6%, 76.1%), infusion related reactions (70.7%, 3.3%), neutropenia (23.9%, 17.4%), fatigue (17.4%, 1.1%), nausea (13.0%, 1.1%), and diarrhea (10.9%, 0%). There was 1 febrile neutropenia event (Grade 3) reported. The most common reason for treatment discontinuation was disease progression (77.1%), three patients (3.3%) discontinued due to treatment-related anemia. Five squamous esophageal patients were still on treatment as of the October 4, 2022, data snapshot.

On March 21, 2023, AbbVie, notified us that it would not advance CX-2029 into additional clinical studies and terminated the 2016 CD71 License and Collaboration Agreement. CytomX has an exclusive option to re-acquire full rights to CX-2029 and is evaluating potential next steps for CX-2029 if it exercises the option.

Next Generation CTLA-4 Therapies (BMS-986288)

In collaboration with our partner, Bristol Myers Squibb, we have developed two next-generation anti-CTLA-4 Probody therapeutics that are in clinical stage testing. Ipilimumab, sold under the brand name Yervoy®, is a monoclonal antibody that targets CTLA-4, a checkpoint protein receptor that downregulates the immune system. In the United States, ipilimumab has been approved by the FDA to treat melanoma as a single agent and in combination with nivolumab, an anti-PD-1 antibody, for colorectal cancer, hepatocellular carcinoma, malignant pleural mesothelioma, NSCLC, and renal cell carcinoma. While treatment with ipilimumab as a monotherapy or in combination with nivolumab has resulted in clinically meaningful anti-tumor activity in these malignancies, highlighted by the median overall survival of 72.1 months for the combination in the Phase 3 study of nivolumab or nivolumab plus ipilimumab versus ipilimumab alone in previously-untreated advanced melanoma ("CheckMate-067"), ipilimumab has a narrow therapeutic window and the FDA approved label has a warning about potential severe and fatal immune-related adverse events. We believe that a Probody therapeutic targeting CTLA-4 may be able to effectively localize the anti-CTLA-4 antibody activity to the tumor microenvironment, thereby limiting systemic toxicities normally seen with ipilimumab, which could improve the benefit/risk profile of anti-CTLA-4 containing treatment regimens.

Bristol Myers has advanced two anti-CTLA-4 Probody therapeutics into the clinic, BMS-986249, a Probody version of ipilimumab and BMS-986288, a non-fucosylated CTLA-4 targeting Probody. BMS-986249 is in an ongoing Phase 1/2 study conducted by Bristol Myers Squibb in patients with advanced cancers and Bristol Myers Squibb reported data at the European Society for Medical Oncology ("ESMO") 2022 indicating that escalating doses of BMS-986249 ranging from 240 mg to 2400 mg (approximately 3 to 30 mg/kg of ipilimumab) were found to be generally well tolerated, either as a single agent or in combination with nivolumab. In February 2020, Bristol Myers Squibb initiated a randomized Phase 2 study cohort expansion in combination with nivolumab in patients with previously-untreated unresectable stage III-IV melanoma. This study has been modified to include three additional single-arm cohorts: advanced hepatocellular carcinoma, metastatic castration-resistant prostate cancer, and unresectable locally advanced or metastatic triple negative breast cancer ("TNBC").

For BMS-986288, a Probody version of non-fucosylated ipilimumab, Bristol Myers Squibb is evaluating its safety and efficacy alone and in combination with nivolumab in an ongoing Phase 1/2 study in patients with selected advanced solid tumors. In February 2023, BMS advanced BMS-986288 to Phase 2 and prioritized the molecule as its lead next-generation CTLA-4 program over its non-fucosylated CTLA-4 antibody (BMS-986218) and the Probody version of ipilumamb (BMS-986249).

CX-904

We have also extended our Probody platform to the new and promising modality of T-cell engaging bispecific antibodies. Conventional TCBs are a highly potent therapeutic modality designed to direct the activity of cytotoxic T cells to tumors. TCBs such as the BiTE® molecule, Blincyto®, a CD19-directed TCB commercialized by Amgen, have shown clinical activity in hematologic malignancies, but development of TCBs for solid tumor indications has been challenging. Due to their high potency, TCBs can target normal tissues with low antigen expression, which may result in significant toxicity. We believe these toxicity challenges could be addressed using our Probody platform by localizing the activity of TCBs to the tumor microenvironment thereby increasing the therapeutic window for TCBs in solid tumors.

Our most advanced program in this modality is CX-904, a conditionally activated epidermal growth factor receptor-CD3 (“EGFRxCD3”) TCB, which we partnered with Amgen. In preclinical studies, our Probody EGFRxCD3 bispecific therapeutics demonstrated anti-tumor activity and better tolerability when compared to EGFRxCD3 bispecifics without Probody masking. In May 2022, the first patient was dosed in a Phase 1 study in patients with advanced solid tumors. The Phase 1 study continues to enroll patients in the dose escalation phase. We reported in January 2023 that the initial single patient cohort phase of the study was complete and that the “3+3” patient cohort phase had been initiated.

Preclinical Product Candidates and Research

We are actively broadening the potential application of our Probody platform technology to multiple other product candidates, including additional potential first-in-class conditionally activated ADC product candidates, investigational TCBs, cytokines and, most recently, mRNAs.

CX-2051, Anti-Trop-1 (EpCAM) Conditionally Activated ADC Program

EpCAM is a high potential oncology target that has been clinically validated with locally administered, approved cancer therapies. However, efforts to generate systemic anti-EpCAM therapeutics have, to date, not been successful due to toxicities in epithelial tissues. CX-2051, a conditionally activated ADC, is designated to optimize the therapeutic index for EpCAM-expressing epithelial cancers. CX-2051’s payload is a camptothecin derivative, a topoisomerase-1 inhibitor, that has a well characterized profile base on the

strong clinical activity observed with other topoisomerase-1 inhibiting ADCs. CX-2051 has demonstrated a wide predicted therapeutic index, as well as, strong preclinical activity and tolerability in multiple preclinical models, including colorectal cancer. We anticipate submitting an IND for this novel ADC in the second half of 2023.

CX-801, Interferon alpha-2b (IFNa2b)

Interferon alpha-2b is an approved immunotherapeutic that has demonstrated clinical activity in multiple cancer types, including in combination with checkpoint inhibitors. IFNa2b provides a potentially superior approach to activating anti-tumor immune responses than other cytokines. CX-801 is a dually masked, conditionally activated version of IFNa2b that we believe has the potential to be developed as a unique centerpiece of combination therapy for a wide range of tumor types. The Company plans to advance this program towards clinical evaluation with an IND submission targeted for the second half of 2023.

T-cell engaging Bispecific Antibodies

In addition to our work on CX-904, we are expanding our research and development activities in the field of T-cell engaging bispecific antibodies, both ourselves, and with our partners, Amgen, Astellas, and Regeneron. The Probody® platform may potentially be well suited to unlock this important modality. In addition to CX-904, CytomX has developed significant expertise and capabilities in TCB discovery and clinical candidate optimization through its biologic masking strategies which has resulted in meaningful pre-clinically pipeline opportunities in both its wholly owned and collaboration pipeline.

Other Probody Programs

Praluzatamab Ravtansine (CX-2009): A Conditionally Activated ADC Targeting CD-166

Praluzatamab ravtansine is our conditionally activated ADC directed toward CD166 and was evaluated in a three-arm Phase 2 study in patients with advanced human epidermal growth factor receptor 2 (“HER2”)-non-amplified breast cancer. Arms A and B examined praluzatamab ravtansine monotherapy in patients with hormone receptor-positive/HER2-non-amplified breast cancer and TNBC, respectively. Arm C studied praluzatamab ravtansine in combination with pacmilimab (CX-072), our wholly owned PD-L1 inhibitor, in patients with TNBC. In July 2022, Phase 2 topline results were disclosed for Arms A and B as of the data cut-off date of May 2022. Arm A met the primary endpoint of confirmed objective response rate greater than 10% by central radiology review. The safety results in Arm A were generally consistent with Phase 1 observations and the DM4 payload, with high-grade toxicities or toxicities resulting in dose modification being predominantly ocular or neuropathic in nature. 30% of patients in Arm A discontinued treatment for an adverse event. Grade 3 or greater ocular and neuropathic toxicities were 15% and 10%, respectively. All patients in Arm A were treated at the initial starting dose of 7 mg/kg administered every three weeks. Arm B did not pass the protocol-defined futility boundary in patients with advanced TNBC and enrollment into Arms B and C was discontinued. Arm B evaluated patients at starting doses of 7 mg/kg or 6 mg/kg. The toxicity findings from the 7 mg/kg starting dose in Arm B were consistent with the 7 mg/kg starting dose in Arm A. In the 6 mg/kg cohort in Arm B, no patients discontinued treatment for an adverse event as of the May 2022 data cut-off date and Grade 3 or greater ocular or neuropathic related events were 3% and 0%, respectively. Based on these results, the Company announced it would deprioritize further investment and seek a potential partnership to further develop praluzatamab ravtansine. The Phase 2 study data in advanced breast cancer were presented at the San Antonio Breast Cancer Symposium in 2022.

Pacmilimab (CX-072): A Probody Therapeutic Targeting PD-L1

Pacmilimab is a Probody therapeutic against PD-L1, a clinically and commercially validated cancer target which we progressed into Phase 2 clinical trials. The PD pathway consists principally of two targets: PD-1, which is typically expressed on T-cells, and PD-L1, which is typically expressed on the tumor cells as well as on healthy tissue. In healthy tissue, PD-1 and PD-L1 work together to negatively regulate immune response and maintain tolerance between the immune system and healthy tissue. Tumors, however, upregulate PD-L1 to evade immune surveillance by the host’s immune system. Therefore, development of antibodies against PD-1 and PD-L1 have been an important focal point in cancer drug development. PD-1 and PD-L1 inhibitors activate the immune system and as such can lead to immune-related side effects in patients. Additionally, combining a PD pathway inhibitor with another anti-cancer agent often results in significantly greater toxicity than monotherapy alone. Therefore, a conditionally-activated PD pathway inhibitor could potentially reduce the toxicity of monotherapy and combination therapies.

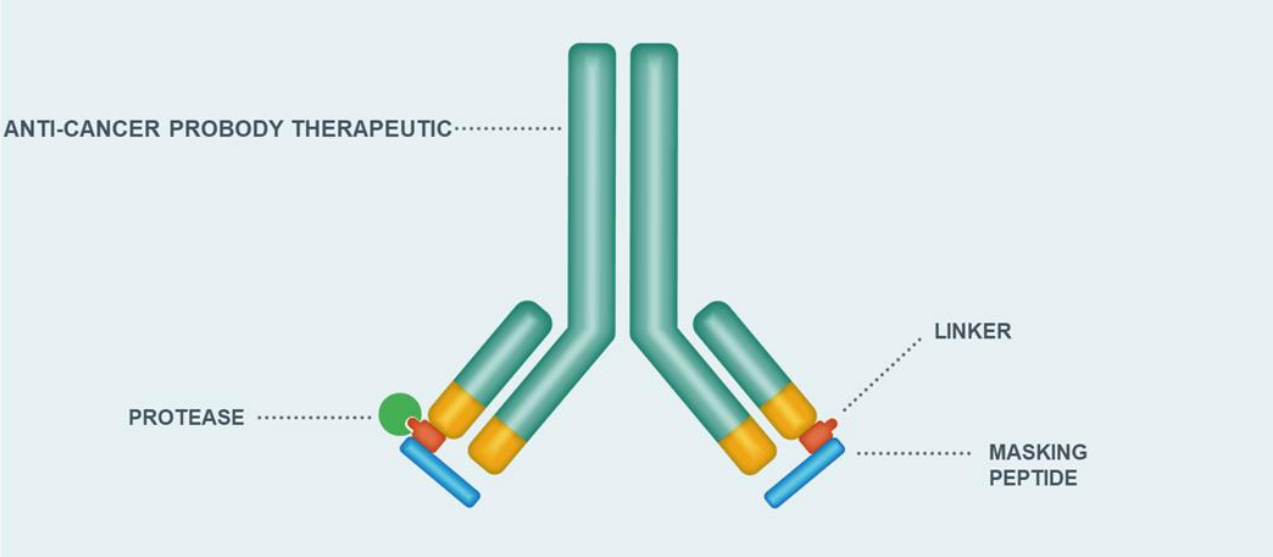
In 2019, we initiated PROCLAIM-CX-072-002, a Phase 2 clinical study evaluating the conditionally activated anti-PD-L1 pacmilimab in combination with ipilimumab. In March 2020, we made the strategic decision to terminate this study. While Phase 1/2 data indicated that CX-072 monotherapy showed durable anti-tumor activity in patients with IO sensitive tumors and a favorable safety profile, the decision to terminate followed a re-evaluation of the evolving clinical, competitive and commercial landscapes in immuno-oncology, along with impact of the COVID-19 pandemic. In July 2022, based on data we presented, we announced that we

would deprioritize further investment and seek a partner for the further development of the praluzatamab ravtansine program. At this time, we do not have plans for the further development of pacmilimab.

The successful development of our product candidates involves a lengthy and expensive process with an uncertain outcome, and preliminary or interim results of our studies may not be predictive of the final results from those trials and the results of earlier studies and trials may not be predictive of future trial results. This is due to the numerous risks and uncertainties associated with the development of product candidates. If our Probody therapeutic technology and product candidates generally prove to be ineffective, unsafe or commercially unviable, it would have a material and adverse effect on our business, financial condition, results of operations and prospects. See "Risk Factors" for a discussion of the risks and uncertainties associated with our product candidates and our research and development projects.

Our Probody Platform

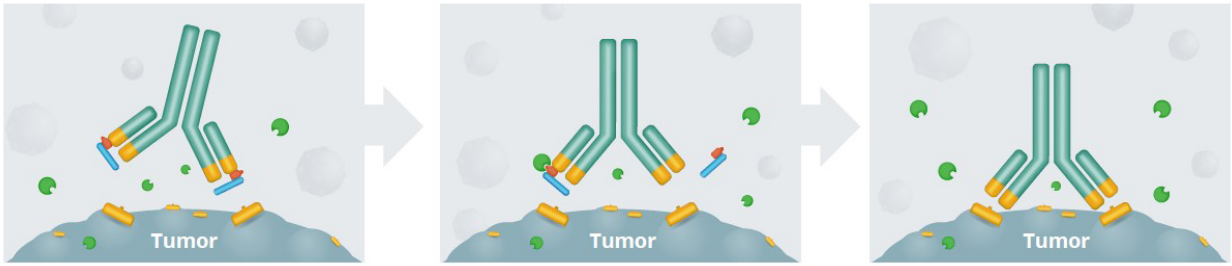
Localization of therapeutic activity of biologics within disease tissue is of increasing interest in the biopharmaceutical industry due to the desire to maximize the activity of biologics while reducing their toxicities. We call our approach to therapeutic localization of biologics our Probody platform. A Probody therapeutic candidate consists of three components: an active anti-cancer biologic, a mask for the biologic, and a protease-cleavable linker which connects the mask to the biologic. The mask is a peptide designed to disguise the active binding site of the biologic to prevent it from binding to the target present on healthy tissue. Probody therapeutic candidates are produced as a single protein by standard biologic production methodology. The following graphic depicts the three components of a Probody therapeutic candidate:



Depiction of the structure of a Probody therapeutic candidate and a protease interacting with the Probody to cleave the linker and activate the molecule

When a Probody therapeutic candidate enters a tumor, it encounters proteases, which are enzymes that cleave proteins and have increased activity in the tumor microenvironment. The proteases in the tumor cleave the linker, releasing the mask and allowing the

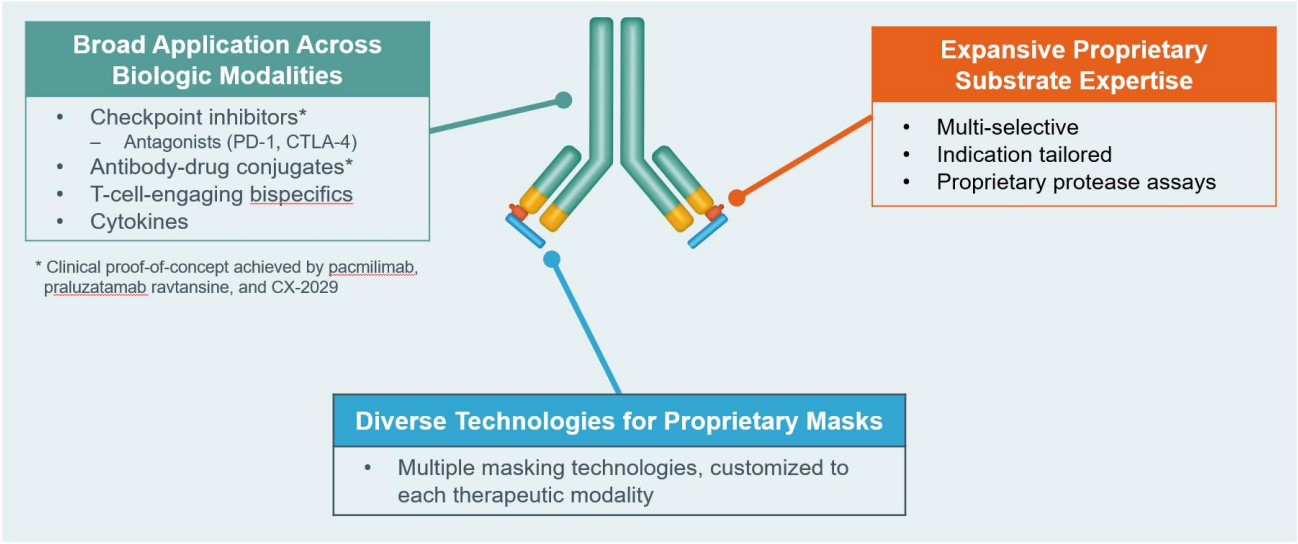
biologic to bind to the target on the tumor. The following graphic depicts the way a Probody therapeutic candidate is designed to be activated by proteases:



Depiction of how a Probody therapeutic is designed to enter the tumor microenvironment (left), be activated by protease cleavage to remove the mask (middle), thereby enabling the released biologic to bind to the tumor target (right)

Proteases play an essential role in many aspects of normal physiology, such as digestion of food in the gastrointestinal tract, wound healing and metabolic function. However, uncontrolled protease activity can lead to destruction of essential proteins and tissues. Therefore, proteases are normally very tightly regulated by multiple mechanisms, with only small amounts of extracellular protease activity being detectable in healthy tissues. In contrast, it has been well documented that proteases are not only present, but also activated, in virtually all types of tumors, playing a key role in tumor growth, invasion and metastasis. Probody therapeutics are designed to be activated in this protease-rich tumor microenvironment, but not in healthy tissue where proteases are under tight control. Consequently, we believe that toxicities that arise from the binding of a biologic therapeutic to a target in healthy tissues can be reduced, while biological activity against the tumor where it is desired can be preserved. We and our partners have demonstrated the potential of our Probody platform across multiple modalities, including ADCs, cancer immunotherapy, TCBs, and cytokines.

Key Advantages of Our Probody Platform



CytomX's leadership in conditional activation is built on a decade-long expertise in tumor biology and its customizable Probody platform

We believe that our Probody platform provides the following key advantages:

- ***A novel biologic therapeutic class enabled by our proprietary platform.*** By pioneering a novel class of conditionally activated biologic candidates, we are a leader in the field and have established conditional activation as a strategic area of biologics research and development. Our technology platform is supported by more than a decade of research and a strong intellectual property portfolio. More than 500 patients with diverse tumor types have been treated with our Probody

therapeutic candidates in multiple clinical studies, providing clinical proof of concept and a deep knowledge base for translational advancement and optimization of our drug candidates and platform.

- ***A versatile technology for improvement of therapeutic window.*** By engineering our therapeutics to selectively activate in the tumor microenvironment, our Probody product candidates have the potential to improve safety and tolerability. We are applying our technology to some of the biggest challenges in oncology biologics research and development today. Namely, the validation of potential new targets for ADCs, opening solid tumor opportunities for TCBs, and increasing the therapeutic window for immune modulators such as cytokines and CPIs.
- ***Ability to combine more effectively with other therapies.*** We believe the therapeutic window and tumor specificity of our drug candidates have the potential to reduce the dose-limiting toxicities observed in combination therapies and thus enable new combinations with other cancer therapies that are difficult or impossible to use.
- ***Molecular tunability and applicability across many targets.*** Our proprietary masking technologies, leveraging affinity-based and steric approaches, allow for unique customization of large drug candidate pools from which high potential clinical candidates are selected. Our technology has the potential to address many different molecular targets expressed by a wide range of tumor types, including targets that are difficult to address due to their widespread expression on healthy cells. CD71 is an example of such target, for which we have developed CX-2029, a conditionally activated ADC.
- ***Deep knowledge of the tumor protease microenvironment.*** Our extensive protease biology expertise, driven by state-of-the-art experimental and computational methods, allows us to employ multiple approaches to generate novel targeted, multi-selective, and potentially indication-tailored protease-cleavable substrates.

Our Collaborations

We believe that the Probody platform has broad applicability across many cancer types, biological targets and antibody modalities. We have leveraged strategic partnering to (a) extend the reach of our therapeutic opportunity, and (b) bring in significant non-dilutive capital into the Company. Since 2013, we have entered into several collaborations, including with AbbVie, Amgen, Astellas, Bristol Myers Squibb, ImmunoGen, Moderna, and Regeneron to enable development of certain Probody therapeutics. In constructing each of these collaborations, our primary objectives are to collaborate with leading biopharmaceutical players to realize the potential of Probody therapeutics, gain meaningful near-term funding or access technology to enable the advancement of our wholly-owned Probody therapeutics pipeline, and broaden the number of Probody therapeutics that ultimately reach the clinic.

AbbVie Ireland Unlimited Company

In April 2016, we entered into two agreements with AbbVie, a CD71 Co-Development and Licensing Agreement (the “CD71 Agreement”) and the Discovery Agreement (the Discovery Agreement, together with the CD71 Agreement are collectively referred to as the “AbbVie Agreements”). Under the terms of the CD71 Agreement, we and AbbVie were co-developing CX-2029, an ADC against CD71, with CytomX being responsible for pre-clinical and early clinical development. AbbVie was responsible for later development and commercialization, with global late-stage development costs shared between the two companies from Phase 3 onwards.

Under the CD71 Agreement, we received an upfront payment of $20.0 million in April 2016, and a milestone payment of $40.0 million in May 2020 for completion of the dose-escalation phase of the ongoing Phase 1/2 study. On March 21, 2023, AbbVie notified us that it would not advance CX-2029 into additional clinical studies and terminated the 2016 CD71 License and Collaboration Agreement. CytomX has an exclusive option to re-acquire full rights to CX-2029 and is evaluating potential next steps for CX-2029 if it exercises the option.

Under the Discovery Agreement, we received an upfront payment of $10.0 million in April 2016 and AbbVie received exclusive worldwide rights to develop and commercialize conditionally activated ADCs against up to two targets, one of which was selected in March 2017 and the second of which was selected in July 2019. We received an additional upfront payment of $10.0 million in July 2019 upon the selection by AbbVie of the second target and the satisfaction of certain performance conditions under the CD71 Agreement.

As of December 31, 2022, research on the two discovery targets has concluded with no plans to advance the discovery targets into clinical studies or to pursue new programs. As a result, AbbVie provided notice of termination of the Discovery Agreement on March 21, 2023 and all target rights will revert back to CytomX.

Amgen, Inc.

In September 2017, we entered into a Collaboration and License Agreement (the "Amgen Agreement") with Amgen. Pursuant to the Amgen Agreement, we received an upfront payment of $40.0 million in October 2017. Concurrent with the entry into the Amgen Agreement, Amgen purchased 1,156,069 shares of our common stock for $20.0 million.

Under the terms of the Amgen Agreement, we and Amgen are co-developing a conditionally activated T-cell engaging bispecific therapeutic targeting EGFR ("EGFR Products"). We are responsible for early-stage development of EGFR Products and all related costs (up to certain pre-set limits based on clinical study size). Amgen will be responsible for late-stage development, commercialization, and all related costs of EGFR Products. Following early-stage development, we will have the right to elect to participate financially in the global co-development of EGFR Products with Amgen, during which we would bear certain of the worldwide development costs for EGFR Products and Amgen would bear the rest of such costs (the "EGFR Co-Development Option"). If we exercise our EGFR Co-Development Option, we will share in somewhat less than 50% of the profit and losses from sales of such EGFR Products in the U.S., subject to certain caps, offsets, and deferrals. If we choose not to exercise our EGFR Co-Development Option, we will not bear any costs of later stage development. We are eligible to receive up to $460.0 million in development, regulatory, and commercial milestone payments for EGFR Products, and royalties in the low-double digit to mid-teen percentage of worldwide commercial sales, provided that if we exercise our EGFR Co-Development option, we shall only receive royalties in the low-double digit to mid-teen percentage of commercial sales outside of the United States.

In October 2021, we and Amgen executed an amendment to the Amgen Agreement primarily to (1) extend the target selection date for Amgen to select its additional targets for research and development, and (2) reduce the total number of milestone events and increase the total amount of milestone payments for EGFR Products.

Amgen also has the right to select a total of up to three targets, including the two additional targets discussed below. We and Amgen will collaborate in the research and development of conditionally activated T-cell engaging bispecifics products directed against such targets. Amgen has selected one such target (the "Amgen Other Product"). If Amgen exercises its option within a specified period of time, it can select two such additional targets (the "Amgen Option Products" and, together with the Amgen Other Product, the "Amgen Products"). Except with respect to preclinical activities to be conducted by us, Amgen will be responsible, at its expense, for the development, manufacture, and commercialization of all Amgen Products. If Amgen exercises all of its options and advances all three of the Amgen Products, we are eligible to receive up to $950.0 million in upfront, development, regulatory, and commercial milestones and tiered high single-digit to low-teen percentage royalties.

We had the option to select, from programs specified in the Amgen Agreement, an existing pre-clinical stage T-cell engaging bispecific product from the Amgen pre-clinical pipeline. We will be responsible, at our expense, for converting this program to a conditionally activated T-cell engaging bispecific product, and thereafter, be responsible for development, manufacturing, and commercialization of the product ("CytomX Product"). Amgen is eligible to receive up to $203.0 million in development, regulatory, and commercial milestone payments for the CytomX Product, and tiered mid-single digit to low double-digit percentage royalties.

Astellas Pharma Inc

In March 2020, we entered into a Collaboration and License Agreement (the "Astellas Agreement") with Astellas, pursuant to which we and Astellas will collaborate on the research, development and commercialization of T-cell engaging bispecific antibody products ("Products") directed to CD3 and selected tumor antigen targets using our Probody® platform and other proprietary technology. Under the Astellas Agreement, we granted Astellas an exclusive, worldwide, royalty-bearing license to develop and commercialize Products in all fields. Astellas may select up to four targets to develop, and had an option to expand to six targets. We will lead preclinical research and discovery activities up to clinical candidate selection for Products directed against up to four targets. Astellas will lead preclinical and clinical development of and regulatory approval for all Products. Astellas will be responsible for commercializing each Product, provided that we will have the option to elect to co-commercialize certain Products with Astellas in the United States, subject to the terms of a separate commercialization agreement to be entered into between us and Astellas.

Under the terms of the Astellas Agreement, we received an upfront payment of $80 million, and Astellas will be responsible for funding the cost of preclinical research and discovery activities of both parties for all Products and for funding the cost of development and commercialization of all Products worldwide. Under the agreement, we are eligible to receive future preclinical, clinical and commercial milestones of approximately $1.6 billion. Astellas will pay us tiered royalties on global net sales of Products from high single-digit to mid-teens percentages, subject to certain reductions. Astellas' royalty obligations continue with respect to each country and each Product until the later of (i) the date on which such Product is no longer covered by certain intellectual property rights, (ii) the 10th anniversary of the first commercial sale of such product in such country, and (iii) the loss of regulatory exclusivity for such Product in such country.

In addition, for a specified number of targets, at a pre-specified time prior to the initiation of the first pivotal study of a Product directed against such target, we will have an option to elect to co-fund certain subsequently initiated clinical trials for such Product. If

we opt in, we would be responsible for a pre-determined portion of the costs of such trials, subject to specified caps, deferrals and offsets. We would then have the option to elect to co-commercialize such Products in the United States. For any such Products, in lieu of royalties in the United States, we will receive less than 40% of the profits for such Products in the United States and tiered low double-digit to mid-teens percentage royalties on net sales of such Products outside of the United States, subject to certain reductions.

In January 2023, Astellas nominated the first clinical candidate under the collaboration which resulted in a $5 million milestone payment to CytomX.

Bristol Myers Squibb Company

In May 2014, we and Bristol Myers Squibb entered into a Collaboration and License Agreement (the "BMS Agreement") to discover and develop compounds for use in human therapeutics aimed at multiple immuno-oncology targets using our Probody therapeutic technology.

Under the terms of the BMS Agreement, we granted Bristol Myers Squibb exclusive worldwide rights to develop and commercialize Probody therapeutics for up to four oncology targets, two of which were selected upon the execution of the BMS Agreement. Pursuant to the BMS Agreement, we received an upfront payment of $50.0 million and were entitled to receive contingent payments in development, regulatory and commercial milestone payments, which can be reduced by any such payments received or by any termination of targets being pursued. We are entitled to royalty payments in the mid-single-digit to low double-digits percentage from potential future sales. We also received research and development service fees. Bristol Myers Squibb has terminated certain targets from the BMS Agreement, as described below.

In January 2016, Bristol Myers Squibb selected the third target pursuant to the BMS Agreement and paid us $10.0 million. In December 2016, Bristol Myers Squibb selected the fourth and its final target pursuant to the BMS Agreement and paid us $15.0 million. In December 2016, Bristol Myers Squibb selected BMS-986249, a CTLA-4 Probody therapeutic, as a clinical candidate pursuant to the BMS Agreement, which triggered a $2.0 million pre-clinical milestone payment to us. In November 2017, Bristol Myers Squibb received acceptance of the IND for BMS-986249 from the FDA, which triggered a $10.0 million milestone payment to us. Bristol Myers Squibb recently advanced BMS-986249 into a randomized Phase 2 cohort expansion in patients with metastatic melanoma in combination with the PD-1 inhibitor nivolumab as part of the larger clinical trial, triggering, in February 2020, a $10.0 million milestone payment from Bristol Myers Squibb to us. This study has been modified to include three additional single-arm cohorts: advanced hepatocellular carcinoma, metastatic castration-resistant prostate cancer, and unresectable locally advanced or metastatic TNBC.

In September 2019, Bristol Myers Squibb initiated the dose escalation phase of a Phase 1/2a clinical trial of a second anti-CTLA-4-directed therapeutic, BMS-986288, based on a modified version of ipilimumab, administered as monotherapy and in combination with nivolumab in patients with selected advanced solid tumors. In February 2023, BMS updated its pipeline to prioritize the a-fucosylated Probody anti-CTLA-4 molecule, BMS-986288 as its lead next-generation CTLA-4 program and removed BMS-986249 from its pipeline.

In March 2017, we and Bristol Myers Squibb entered into Amendment Number 1 to Extend Collaboration and License Agreement ("Amendment 1"). Amendment 1 granted Bristol Myers Squibb exclusive worldwide rights to develop and commercialize Probody therapeutics for up to six additional oncology targets and two non-oncology targets. Under the terms of Amendment 1, we continued to collaborate with Bristol Myers Squibb to discover and conduct preclinical development of Probody therapeutics against targets selected by Bristol Myers Squibb. Pursuant to Amendment 1, we received an upfront payment of $200.0 million and were eligible to receive contingent payments for development, regulatory and sales milestones. We were also entitled to tiered mid-single to low double-digit percentage of royalties from potential future sales.

In February 2021, we and Bristol Myers Squibb entered into Amendment Number 2 to amend the Collaboration and License Agreement ("Amendment 2"), as amended by Amendment 1. Pursuant to Amendment 2, the available targets under Amendment 1 were reduced to five oncology targets. Under the terms of Amendment 2, the period for target selection has been extended and we will continue to collaborate with Bristol Myers Squibb to discover and conduct preclinical development of Probody therapeutics against targets selected by Bristol Myers Squibb. Pursuant to Amendment 2, we are eligible to receive contingent payments for development, regulatory and sales milestones of up to an aggregate of $1,779.0 million. We are also entitled to tiered mid-single-to low double-digit percentage of royalties from potential future sales.

ImmunoGen, Inc.

In January 2014, CytomX and ImmunoGen entered into the Research Collaboration Agreement (the "ImmunoGen Research Agreement"). The ImmunoGen Research Agreement provides us with the right to use ImmunoGen's ADC technology in combination

with our Probody therapeutic technology to create a conditionally activated ADC directed at one specified target under a research license, and to subsequently obtain an exclusive, worldwide development and commercialization license to use ImmunoGen's ADC technology to develop and commercialize such conditionally activated ADCs. Under the agreement, we provided ImmunoGen with the rights to our Probody therapeutic technology to create conditionally activated ADCs directed at two targets under the research license and to subsequently obtain exclusive, worldwide development and commercialization licenses to develop and commercialize such conditionally activated ADCs. In February 2016, we exercised our option to obtain a development and commercialization license for praluzatamab ravtansine (CX-2009) pursuant to the terms of the ImmunoGen Research Agreement (the "CX-2009 License"). In February 2017, ImmunoGen exercised its option to obtain a development and commercialization license for the first of its two targets. ImmunoGen discontinued this program in July 2017 and substitution rights for this program terminated in February 2017. ImmunoGen exercised its second option to obtain a development and commercialization license pursuant to the ImmunoGen Research Agreement (the "ImmunoGen 2017 License") for a target, EpCAM, in December 2017. At the end of 2019, as a result of a strategic restructuring by ImmunoGen and its decision to out-license certain programs, we obtained a worldwide, exclusive, sublicensable license to the EpCAM conditionally activated ADC program from ImmunoGen (the "ImmunoGen 2019 License") and the ImmunoGen 2017 license ended.

Under the terms of the ImmunoGen Research Agreement, both we and ImmunoGen were required to perform research activities on behalf of the other party for no monetary consideration. Each party was solely responsible for the development, manufacturing and commercialization of any products resulting from the exclusive development and commercialization license obtained by such party under the agreement. In consideration for the praluzatamab ravtansine License, ImmunoGen is entitled to receive up to $60.0 million in development and regulatory milestone payments, up to $100.0 million in sales milestone payments and royalties in the mid to high single-digits percentage on the commercial sales of any resulting product. In August 2017, we made a milestone payment of $1.0 million to ImmunoGen for the first patient dosing with praluzatamab ravtansine and in February 2020, we triggered a $3.0 million milestone payment to ImmunoGen for the first dosing of a patient in the praluzatamab ravtansine Phase 2 clinical trial. Under the ImmunoGen 2019 License, we gained rights to the EpCAM conditionally activated ADC program and, in return, we made an upfront payment, and we will pay certain clinical development, approval and commercialization milestone payments if achieved and royalties on product sales.

Moderna, Inc.

In December 2022, the "Company entered into a Collaboration and License Agreement (the "Collaboration and License Agreement") with Moderna, pursuant to which the Company and Moderna will collaborate on the creation of mRNA-based conditionally-activated investigational therapies utilizing the Company's Probody® therapeutic platform and Moderna's mRNA and lipid nanoparticle technologies. The collaboration will leverage core scientific advances at Moderna and the Company to open up the strategy of encoding potent, masked biologics through mRNA technologies, for the potential treatment of oncology and non-oncology conditions. The Company and Moderna will collaborate on a specified number of preclinical research and discovery programs ("Collaboration Programs") within a specified period under the Collaboration and License Agreement.

Under the Collaboration and License Agreement, the Company granted Moderna an exclusive, worldwide, royalty-bearing license under certain Company intellectual property to develop, manufacture, commercialize and otherwise exploit certain products ("Licensed Products") for all human and non-human diagnostic, prophylactic and therapeutic uses, subject to certain exceptions with respect to Licensed Products within certain Collaboration Programs.

Under the terms of the Collaboration and License Agreement, Moderna made an upfront payment to the Company of $35 million, including $5 million of pre-paid research funding. CytomX will continue to receive research funding and the Company will be eligible to receive future development, regulatory and commercial milestone payments of up to $1.2 billion for all Licensed Products in total under the Moderna Agreement. Moderna will pay the Company tiered royalties on global net sales of Licensed Products from high single digit to low-teen percentages, subject to certain reductions. Moderna's royalty obligations continue with respect to each country and each Product until the later of (i) the date on which such Licensed Product is no longer covered by certain patent rights, (ii) the 10th anniversary of the first commercial sale of such product in such country, and (iii) the loss of regulatory exclusivity for such Licensed Product in such country.

The Collaboration and License Agreement also provides Moderna with a one-time option to participate in a future equity financing by the Company subject to certain terms, conditions and regulatory requirements.

Regeneron Pharmaceuticals, Inc.

The Company and Regeneron entered into a Collaboration and License Agreement (the "Regeneron Agreement") in November 2022, to collaborate on the creation of conditionally activated investigational bispecific cancer therapies utilizing the Company's Probody®

therapeutic platform and Regeneron's Veloci-Bi® bispecific antibody development platform. The Company and Regeneron will collaborate on preclinical research and discovery activities for initially agreed upon collaboration programs ("Collaboration Program") with an option to include additional Collaboration Programs ("Additional Collaboration Program Option").

Under the Collaboration and License Agreement, the Company granted Regeneron an exclusive, worldwide, royalty-bearing license under certain Company intellectual property to develop, manufacture, commercialize and otherwise exploit licensed products ("Licensed Products") for all human and non-human diagnostic, prophylactic and therapeutic uses in oncology.

Regeneron is responsible for funding the cost of preclinical research and discovery activities of both parties for all Licensed Products and for funding the cost of development, manufacture and commercialization of all Licensed Products worldwide. Pursuant to the Regeneron Agreement, Regeneron made an upfront payment of $30.0 million to the Company. Upon the achievement of certain development and regulatory milestones and commercial milestones, the Company is eligible to receive milestone payments of up to approximately $0.8 billion for the initial Collaboration Programs. In addition, the Company will receive research and development funding for the work related to the collaboration. If Regeneron exercises its Additional Collaboration Program Options, the Company would be eligible to receive additional upfront payments, development and regulatory milestones payments, and commercial milestone payments of up to approximately $1.2 billion in aggregate for the additional Collaboration Programs, which amount is exclusive of the $0.8 billion for the initial Collaboration Programs. The Company is also entitled to tiered royalties from high-single digit to low-teen percentage royalties from potential future sales, subject to certain reductions. Regeneron's royalty obligations continue with respect to each country and each Product until the later of (i) the date on which such Licensed Product is no longer covered by certain patent rights, (ii) the 10th anniversary of the first commercial sale of such product in such country, and (iii) the loss of regulatory exclusivity for such Licensed Product in such country.

Manufacturing

Our Probody therapeutic candidates are designed to be produced as fully recombinant antibody prodrugs. Our Probody therapeutic candidates are also designed to maintain the manufacturability benefits of antibodies and leverage well established technologies used for antibody production. We conduct cell line development and process development both in-house and in collaboration with contract development and manufacturing organizations ("CMO"). CMOs are responsible for manufacturing of drug substance and clinical drug product materials.

We utilize well established production steps typically part of a platform manufacturing process for antibodies. The CMOs we have selected have a strong track record in manufacturing therapeutic biologics, including antibodies. Similarly, for our conditionally activated ADC projects we have selected CMOs with strong expertise in clinical/commercial drug conjugate manufacturing and with capabilities for toxin conjugation and fill-finish. Furthermore, our conditionally activated ADC programs incorporate toxin payloads that have an established clinical and regulatory history.

To date, we have generally been able to successfully manufacture our investigational product candidates including CX-2029, CX-904, praluzatamab ravtansine (CX-2009), and pacmilimab (CX-072), for our ongoing early-stage clinical trials with contract manufacturers. Our partner, Bristol Myers Squibb, has also been successful in independently manufacturing drug product for BMS-986249 and BMS-986288. In order to conduct later-stage clinical trials of our product candidates, and eventually, if approved, commercial products, we will need to manufacture them in larger quantities. We, or any manufacturing partners, may be unable to successfully increase the manufacturing scale and capacity for any of our product candidates in a timely or cost-effective manner, or at all. Additionally, in some cases, we may have to start late-stage trials with our earlier clinical trial drug product and later switch to the late-stage or commercial drug product in trial. In such cases, the FDA will require us to complete bridging studies to compare the earlier stage material with the late-stage or commercial material to assure comparability between the earlier trial material and the late-stage or commercial material. Changing the formulation and scale up process is a complicated and difficult task and there can be no assurances that the changes we make to the drug product and manufacturing process will be successful or completed in a timely manner or that the FDA will not require additional development steps or studies.

The supply chain for the manufacturing of our product candidates is complicated and can involve many parties. We do not own manufacturing facilities for producing such supplies and rely on third-party contract manufacturers to manufacture our clinical trial and preclinical study product supplies. Our clinical trial manufacturing contractors and suppliers are our sole source for their respective manufacturing and supplies. Failure of any of these contractors could affect our ability to have clinical trial material available when needed. This could result in a substantial delay of our clinical trials. For example, for CX-2029 and CX-904, our manufacturing supply chain includes several contract manufacturers, and failure by any of these manufacturers could result in interruptions of our clinical studies. We do not have any long-term contracts and we do not currently have an alternative to any of our third-party contract manufacturers. Consequently, there can be no assurance that our preclinical and clinical development product supplies will not be limited, interrupted, or of satisfactory quality or continue to be available at acceptable prices. In particular, any replacement of any of our third-party contract manufacturers could require significant effort and expertise because there may be a limited number of qualified replacements. In addition, we may encounter issues with transferring technology to a new third-party manufacturer, and we may encounter regulatory delays if we need to move the manufacturing of our products from one third-party manufacturer to another.

In-Licenses

License from UCSB

In August 2010, we entered into an agreement with UCSB, that grants us an exclusive license, with the right to sublicense, under the patent rights owned by UCSB covering mask and screening technologies relating to the identification and discovery of pro-protein biologics, including masks and substrates, for the identification of pro-proteins, for use in the fields of therapeutics, in vivo diagnostics, and prophylactics (the "UCSB Agreement"). The UCSB Agreement also grants us an exclusive license, with the right to sublicense, under UCSB's interest in certain patent rights we co-own with UCSB covering Probody antibodies and other pro-proteins in the fields of therapeutics, in vivo diagnostics and prophylactics.

We had no upfront payment obligations under the agreement. In April 2019, we amended the UCSB Agreement and in connection with the amendment, we paid UCSB $1.0 million and issued 150,000 shares of our common stock to UCSB. We are obligated to pay to UCSB royalties on net sales of licensed products in the low single digit percentages, subject to annual minimum amounts as well as certain reductions. We are required to make milestone payments to UCSB on the accomplishment of certain milestones totaling up to $1,075 million for each of the first two indications for each licensed product consisting of a molecule or compound covered by the licensed patent rights. We were also obligated to make a payment to UCSB upon the first occurrence of an IPO or change of control. If the Company sublicenses its rights under the UCSB Agreement, it must pay UCSB a percentage of our total sublicense revenues ranging from the mid-single to mid-teen percentages, which total amount would be first reduced by the aggregate amount of certain research and development related expenses incurred by the Company and other permitted deductions.

Competition

CytomX is pioneering a new class of antibody therapeutics – the Probody therapeutic platform. The biotechnology and biopharmaceutical industries, including the ADC and immuno-oncology subsectors, are characterized by rapid evolution of technologies, fierce competition and strong defense of intellectual property. Any product candidates that we successfully develop and commercialize will have to compete with existing therapies and new therapies that may become available in the future. While we believe that our proprietary Probody platform and scientific expertise in the field of biologics and immuno-oncology provide us with competitive advantages, a wide variety of institutions, including large biopharmaceutical companies, specialty biotechnology companies, academic research departments and public and private research institutions, are actively developing potentially competitive products and technologies. We face substantial competition from biotechnology and biopharmaceutical companies developing biopharmaceutical products, particularly with respect to ADC and immuno-oncology therapeutics, where competition is intense and rapidly evolving. These competitors generally fall within the following categories:

Masking and conditional activation: Several companies, including AbbVie, Adagene, Amgen, BioAtla, Halozyme Therapeutics, Harpoon Therapeutics, Revitope Oncology, Roche, Sanofi, Seagen, Takeda Pharmaceutical, Werewolf Therapeutics, and Xilio Therapeutic are exploring, researching or developing antibody masking and/or conditional activation strategies, which could compete with our Probody platform.

Antibody-drug conjugates: Several large pharmaceutical companies, such as AbbVie, Daiichi Sankyo, Gilead Sciences, Pfizer, Roche, and Takeda Pharmaceutical are researching, developing, and in some cases, commercializing ADCs. Two mid-sized companies, ImmunoGen and Seagen are also leaders in this space. In addition, numerous smaller companies have ongoing efforts in the space.

Cancer immunotherapies: Cancer immunotherapy is one of the most competitive and fastest growing segments of the pharmaceutical industry. Almost every large pharmaceutical company is developing or commercializing cancer immunotherapies, including Amgen, AstraZeneca, Bristol Myers Squibb, Celgene, GlaxoSmithKline, Merck, Novartis, Pfizer, Roche, and Sanofi. In addition, many large and mid-sized biotech companies such as BeiGene, Incyte, Nektar Therapeutics, and Alkermes have ongoing efforts in cancer immunotherapy. Numerous smaller companies are also working in this space.

T-cell engaging bispecifics: Several large pharmaceutics companies, such as Amgen, Novartis, and Roche, have on-going efforts in the field of TCBs. In additional, several mid-sized biotech companies such as MacroGenics and Xencor, as well as numerous smaller companies, including Janux Therapeutics, have ongoing efforts in TCBs.

Cytokines: Several companies have ongoing efforts or molecules in development in the field of cytokines including Bristol Myers Squibb, ImmunityBio, Jazz Pharmaceuticals, Merck, Nektar Therapeutics, Novartis, Sanofi, Werewolf Therapeutics, Xencor, and Xilio Therapeutics.

Many of our competitors, either alone or with strategic partners, have substantially greater financial, technical and human resources than we do. Accordingly, our competitors may be more successful than us in obtaining approval for treatments and achieving widespread market acceptance, rendering our treatments obsolete or non-competitive. Accelerated merger and acquisition activity in the biotechnology and biopharmaceutical industries may result in even more resources being concentrated among a smaller number of our competitors. These companies also compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical study sites and patient registration for clinical studies and acquiring technologies complementary to, or necessary for, our programs. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Our commercial opportunity could be substantially limited in the event that our competitors develop and commercialize products that are more effective, safer, less toxic, more convenient or less expensive than our comparable products. In geographies that are critical to our commercial success, competitors may also obtain regulatory approvals before us, resulting in our competitors building a strong market position in advance of our products' entry. We believe the factors determining the success of our programs will be the efficacy, safety and convenience of our product candidates.

Intellectual Property

We strive to protect and enhance the proprietary technology, inventions, and improvements that are commercially important to our business, including seeking, maintaining, and defending patent rights, whether developed internally or licensed from third parties. Our policy is to seek to protect our proprietary position by, among other methods, pursuing and obtaining patent protection in the United States and in jurisdictions outside of the United States related to our proprietary technology, inventions, improvements, platforms and product candidates that are important to the development and implementation of our business. Our patent portfolio is intended to cover, but is not limited to, our technology platforms, our product candidates and components thereof, their methods of use and processes for their manufacture, our proprietary reagents and assays, and any other inventions that are commercially important to our business. We also rely on trade secret protection of our confidential information and know-how relating to our proprietary technology, platforms and product candidates, continuing innovation, and in-licensing opportunities to develop, strengthen, and maintain our proprietary position in our Probody platform and product candidates. We expect to rely on data exclusivity, market exclusivity, patent term adjustment and patent term extensions when available. Our commercial success may depend in part on our ability to obtain and maintain patent and other proprietary protection for our technology, inventions, and improvements; to preserve the confidentiality of our trade secrets; to maintain our licenses to use intellectual property owned or controlled by third parties; to defend and enforce our proprietary rights, including our patents; to defend against and challenge the assertion by third parties of their purported intellectual property rights; and to operate without the unauthorized infringement of valid and enforceable patents and other proprietary rights of third parties.

We believe that we have a strong global intellectual property position and substantial know-how and trade secrets relating to our Probody therapeutic technology, platform and product candidates. As of January 2023, our patent portfolio contains at least 175 granted patents (some of which are co-owned with a third party) and at least 350 pending patent applications (some of which are co-owned with a third party). We have exclusively licensed UCSB's interest in the co-owned patent family covering Probody technology in the fields of therapeutics, in vivo diagnostics and prophylactics.

These patents and patent applications include claims directed to our Probody platform technology, including Probody drug conjugates, bispecific and other multi-specific Probody therapeutics (including T-cell engaging bispecific Probody therapeutics), protease cleavable linkers, and cancer immunotherapy Probody therapeutics.

In addition, we have exclusively licensed a patent portfolio of patent families from UCSB patents and patent applications that cover compositions and methods related to screening for and identification of masks and protease-cleavable linkers that we have incorporated into our Probody therapeutics and may incorporate into future Probody therapeutics.

As for the Probody platform, product candidates and processes we develop and commercialize, in the normal course of business, we intend to pursue, where appropriate, patent protection or trade secret protection relating to compositions, methods of manufacture, assay methods, methods of use, treatment of indications, dosing and formulations. We may also pursue patent protection with respect to product development processes and technology.

We continually assess and refine our intellectual property strategy as we develop new platform technologies and product candidates. To that end, we are prepared to file additional patent applications if our intellectual property strategy requires such filings, or where we seek to adapt to competition or seize business opportunities. Further, we are prepared to file patent applications, as we consider appropriate under the circumstances, relating to the new technologies that we develop. In addition to filing and prosecuting patent applications in the United States, we often file counterpart patent applications in the European Union and in additional countries where we believe such foreign filing is likely to be beneficial.

Our currently issued patents will likely expire on dates ranging from 2028 to 2037, unless we receive patent term extension or adjustment as might be available under applicable law. If patents are issued on our pending patent applications, the resulting patents are projected to expire on dates ranging from 2028 to 2041, unless we receive patent term extension or adjustment. However, the actual protection afforded by a patent varies on a product-by-product basis, from country-to-country, and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country, and the validity and enforceability of the patent.

All of our patents and patent applications are subject to risks and uncertainties under U.S. and foreign law. We also rely on trademark registration to protect our trademarks. For a more comprehensive discussion of risks related to our proprietary technology, inventions, improvements, platforms and product candidates, please see the section entitled “Risk Factors—Risks Related to Intellectual Property.”

We also rely on trade secret protection for our confidential and proprietary information. It is our policy to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. In the case of employees, the agreements provide 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. In many cases our confidentiality and other agreements with consultants, outside scientific collaborators, sponsored researchers and other advisors require them to assign or grant us licenses to inventions they invent as a result of the work or services they render under such agreements or grant us an option to negotiate a license to use such inventions.

Government Regulation and Product Approval

Governmental authorities in the U.S., at the federal, state and local level, and other countries extensively regulate, among other things, the research, development, testing, manufacture, labeling, packaging, promotion, storage, advertising, distribution, marketing and export and import of products such as those we are developing. Our product candidates are subject to regulation in the U.S. as biologics, which must be approved by the FDA through the BLA process before they may be legally marketed in the U.S. and will be subject to similar requirements in other countries prior to marketing in those countries. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources.

U.S. Government Regulation

In the U.S., the FDA regulates biologics under the Federal Food, Drug, and Cosmetic Act (“FDCA”) and the Public Health Service Act (“PHSA”), and their respective implementing regulations.

BLA Approval Process

The process required by the FDA before a biologic may be marketed in the U.S. generally involves the following:

- completion of nonclinical laboratory tests, animal studies and formulation studies conducted according to good laboratory practices (“GLPs”), and other applicable regulations;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- approval by an institutional review board (“IRB”) or ethics committee at each clinical site before the trial is commenced;

- performance of adequate and well-controlled human clinical trials according to good clinical practices ("GCPs"), to establish the safety, purity and potency of the product candidate for its intended use;
- preparation and submission to the FDA of a BLA after completion of all pivotal trials;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities at which the product candidate is produced to assess compliance with current good manufacturing practices ("cGMPs") to assure that the facilities, methods and controls are adequate to preserve the product candidate's continued safety, purity and potency, and of selected clinical investigation sites to assess compliance with GCPs; and
- FDA review and approval of the BLA to permit commercial marketing of the product for its particular labeled uses in the United States.

Preclinical and Clinical Studies

Once a biologic product candidate is identified for development, it enters the preclinical or nonclinical testing stage. Nonclinical tests include laboratory evaluations of product chemistry, toxicity and formulation, as well as animal studies. An IND sponsor must submit the results of the nonclinical tests, together with manufacturing information and analytical data, to the FDA as part of the IND. Some nonclinical testing may continue even after the IND is submitted. In addition to including the results of the nonclinical studies, the IND will also include a protocol detailing, among other things, the objectives of the clinical trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated if the first phase lends itself to an efficacy evaluation. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, places the IND on clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before clinical trials can begin. A clinical hold may occur at any time during the life of an IND and may affect one or more specific studies or all studies conducted under the IND.

All clinical trials must be conducted under the supervision of one or more qualified investigators in accordance with GCPs. They must be conducted under protocols detailing the objectives of the trial, dosing procedures, research subject selection and exclusion criteria and the safety and effectiveness criteria to be evaluated. Each protocol, and any subsequent material amendment to the protocol, must be submitted to the FDA as part of the IND. While the IND is active and before approval, progress reports summarizing the results of the clinical trials and nonclinical studies performed since the last progress report must be submitted at least annually to the FDA, and written IND safety reports must be submitted to the FDA and investigators for serious and unexpected suspected adverse events, findings from other studies suggesting a significant risk to humans exposed to the same or similar drugs, findings from animal or in vitro testing suggesting a significant risk to humans, and any clinically important increased incidence of a serious suspected adverse reaction compared to that listed in the protocol or investigator brochure.

Furthermore, an independent IRB for each site proposing to conduct each clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site and must monitor the study until completion. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring board, which provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. Depending on its charter, this group may determine whether a trial may move forward at designated check points based on access to certain data from the trial. The FDA or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients. There are also requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined.

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

- Phase 2—The product candidate is administered to a limited patient population with the specified disease or condition to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage.
- Phase 3—The product candidate is administered to an expanded patient population to further evaluate dosage, clinical efficacy and safety, generally at geographically dispersed clinical study sites. These studies are intended to establish the overall risk-benefit ratio of the product and provide an adequate basis for product approval.

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

During the development of a new biologic product candidate, sponsors are given opportunities to meet with the FDA at certain points; specifically, prior to the submission of an IND, at the end of Phase 2 and before a BLA is submitted. Meetings at other times may be requested. These meetings can provide an opportunity for the sponsor to share information about the data gathered to date and for the FDA to provide advice on the next phase of development. Sponsors typically use the meeting at the end of Phase 2 to discuss their Phase 2 clinical results and present their plans for the pivotal Phase 3 clinical trial that they believe will support the approval of the new therapeutic. If a Phase 3 clinical trial is the subject of discussion at the end of Phase 2 meeting with the FDA, a sponsor may be able to request a Special Protocol Assessment ("SPA"), the purpose of which is to reach agreement with the FDA on the Phase 3 clinical trial protocol design and analysis that will form the primary basis of an efficacy claim. If a written agreement is reached, it will be binding on the FDA and may not be changed by the sponsor or the FDA after the trial begins except with the written agreement of the sponsor and the FDA or if the FDA determines that a substantial scientific issue essential to determining the safety or efficacy of the product candidate was identified after the testing began.

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

Submission of a BLA to the FDA

The results of product development, nonclinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests and other control mechanisms, proposed labeling and other relevant information are submitted to the FDA as part of a BLA requesting approval to market the product for one or more indications.

Under the Prescription Drug User Fee Act ("PDUFA") as amended, each BLA must be accompanied by a significant user fee. The FDA adjusts the PDUFA user fees on an annual basis. PDUFA also imposes an annual program fee for marketed products. Fee waivers or reductions are available in certain circumstances, such as where a waiver is necessary to protect the public health, where the fee would present a significant barrier to innovation, or where the applicant is a small business submitting its first human therapeutic application for review.

Within 60 days following submission of the application, the FDA reviews a BLA to determine if it is substantially complete before the agency accepts it for filing. The FDA may refuse to file any BLA that it deems incomplete or not properly reviewable at the time of submission and may request additional information. In this event, the BLA must be resubmitted with the additional information. The resubmitted application also is subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review of the BLA. The FDA reviews a BLA to determine, among other things, whether the proposed product is safe, pure and potent for its intended use, and whether the facility in which it is being manufactured, processed, packaged, or held meets standards designed to assure the product's continued safety, purity and potency in accordance with cGMP. The FDA may refer applications for novel products or products that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

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

After the FDA evaluates the BLA and the manufacturing facilities, it issues either an approval letter or a complete response letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A complete response letter generally describes all of the specific deficiencies in the BLA identified by the FDA. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical trials. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the BLA, addressing all of the deficiencies identified in the letter, or withdraw the application.

Even if a product receives regulatory approval, the approval may be significantly limited to specific indications and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling.

As a condition of BLA approval, the FDA may require a Risk Evaluation and Mitigation Strategy ("REMS") to ensure that the benefits of the drug outweigh its risks. If the FDA determines a REMS is necessary prior to or during review of the application, the sponsor must submit a REMS as part of its application, and the FDA will not approve a BLA without a REMS, if required. A REMS program may be required to include various elements, such as a medication guide or patient package insert, a communication plan to educate healthcare providers of the product's risks, or other elements to assure safe use, such as limitations on who may prescribe or dispense the drug, dispensing only under certain circumstances, special monitoring and the use of patient registries. In addition, all REMS programs must include a timetable to periodically assess the strategy following implementation.

Further, product approval may require substantial post-approval testing and surveillance to monitor the product's safety and efficacy, and the FDA has the authority to prevent or limit further marketing of a product based on the results of these post-marketing programs. Once granted, product approvals may be withdrawn if compliance with regulatory standards is not maintained or problems are identified following initial marketing. Moreover, changes to the conditions established in an approved application, including changes in indications, labeling or manufacturing processes or facilities may require submission and FDA approval of a new supplement before the changes can be implemented. A supplement for a new indication typically requires clinical data, and the FDA uses similar procedures in reviewing supplements as it does in reviewing original applications.

Companion Diagnostics

Some of our product candidates may require use of an in vitro diagnostic to identify appropriate patient populations. These diagnostics, often referred to as companion diagnostics, are regulated as medical devices. In the United States, the FDCA and its implementing regulations, and other federal and state statutes and regulations govern, among other things, medical device design and development, pre-clinical and clinical testing, premarket clearance or approval, registration and listing, manufacturing, labeling, storage, advertising and promotion, sales and distribution, export and import, and post-market surveillance. Unless an exemption applies, companion diagnostic tests require marketing clearance or approval from the FDA prior to commercial distribution. The two primary types of FDA marketing authorization applicable to a medical device are premarket notification, also called 510(k) clearance, and premarket approval ("PMA").

If use of companion diagnostic is essential to safe and effective use of a biologic product, then the FDA generally will require approval or clearance of the diagnostic contemporaneously with the approval of the biologic product. According to FDA guidance, for novel product candidates such as drugs and therapeutic biologics, a companion diagnostic device and its corresponding product candidate should be approved or cleared contemporaneously by FDA for the use indicated in the product labeling. The guidance also explains that a companion diagnostic device used to make treatment decisions in clinical trials of a product candidate generally will be considered an investigational device unless it is employed for an intended use for which the device is already approved or cleared. If used to make critical treatment decisions, such as patient selection, the diagnostic device generally will be considered a significant risk device under the FDA's Investigational Device Exemption ("IDE") regulations. Thus, the sponsor of the diagnostic device will be required to comply with the IDE regulations. According to the guidance, if a diagnostic device and a drug or biologic product candidate are to be studied together to support their respective approvals, both products can be studied in the same investigational study, if the study meets both the requirements of the IDE regulations and the IND regulations. The guidance provides that depending on the details of the study plan and subjects, a sponsor may seek to submit an IND alone, or both an IND and an IDE.

The FDA generally requires companion diagnostics intended to select the patients who will respond to cancer treatment to obtain approval of a PMA for that diagnostic contemporaneously with approval of the therapeutic product. The PMA process, including the gathering of clinical and pre-clinical data and the submission to and review by the FDA, can take several years or longer. It involves a rigorous premarket review during which the applicant must prepare and provide the FDA with reasonable assurance of the device's safety and effectiveness and information about the device and its components regarding, among other things, device design, manufacturing and labeling. PMA applications are also subject to an application fee. In addition, PMAs for certain devices must generally include the results from extensive pre-clinical and adequate and well-controlled clinical trials to establish the safety and

effectiveness of the device for each indication for which FDA approval is sought. In particular, for a diagnostic, the applicant must demonstrate that the diagnostic produces reproducible results when the same sample is tested multiple times by multiple users at multiple laboratories. In addition, as part of the PMA review, the FDA will typically inspect the manufacturer's facilities for compliance with the Quality System Regulation ("QSR") which imposes elaborate testing, control, documentation and other quality assurance requirements.

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

After a device is placed on the market, it remains subject to significant regulatory requirements. Medical devices may be marketed only for the uses and indications for which they are cleared or approved. Device manufacturers must also establish registration and device listings with the FDA. A medical device manufacturer's manufacturing processes and those of its suppliers are required to comply with the applicable portions of the QSR, which cover the methods and documentation of the design, testing, production, processes, controls, quality assurance, labeling, packaging and shipping of medical devices. Domestic facility records and manufacturing processes are subject to periodic unscheduled inspections by the FDA. The FDA also may inspect foreign facilities that export products to the United States.

Expedited Development and Review Programs

The FDA offers a number of expedited development and review programs for qualifying product candidates.

A product candidate may be 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 the disease or condition. Fast Track designation applies to the combination of the product candidate and the specific indication for which it is being studied. The sponsor of a Fast Track product candidate has opportunities for frequent interactions with the review team during product development and, once a BLA is submitted, the product candidate may be eligible for Priority Review. A Fast Track product candidate may also be eligible for Rolling Review, where the FDA may consider for review sections of the BLA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the BLA, the FDA agrees to accept sections of the BLA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the BLA.

A product candidate intended to treat a serious or life-threatening disease or condition may also be eligible for Breakthrough Therapy designation to expedite its development and review. A product candidate can receive Breakthrough Therapy designation if preliminary clinical evidence indicates that the product candidate may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the Fast Track program features, as well as more intensive FDA interaction and guidance beginning as early as Phase 1 and an organizational commitment to expedite the development and review of the product candidate, including involvement of senior managers.

After a BLA is submitted for a product candidate, including a product candidate with a Fast Track designation and/or Breakthrough Therapy designation, the BLA may be eligible for other types of FDA programs intended to expedite the FDA review and approval process, such as Priority Review and Accelerated Approval. A BLA is eligible for Priority Review if the product candidate has the potential to provide a significant improvement in the treatment, diagnosis or prevention of a serious disease or condition compared available products. Priority review designation means the FDA's goal is to take action on the marketing application within six months of the 60-day filing date, compared to ten months under standard review.

Additionally, product candidates studied for their safety and effectiveness in treating serious or life-threatening diseases or conditions may receive Accelerated Approval upon a determination that the product candidate has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of Accelerated Approval, the FDA will generally require the sponsor to perform adequate and well-controlled confirmatory clinical studies to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. Products receiving Accelerated Approval may be subject to expedited withdrawal procedures if the sponsor fails to conduct the required confirmatory studies in a timely manner or if such studies fail to verify the predicted clinical benefit. In addition, the FDA currently requires as a condition for Accelerated Approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product.

Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of FDA approval of the use of our therapeutic candidates, some of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Act. The Hatch-Waxman Act permits a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product candidate's approval date. The patent term restoration period is generally one half of the time between the effective date of an IND and the submission date of a BLA, plus the time between the submission date of a BLA and the approval of that application, except that the review period is reduced by any time during which the applicant failed to exercise due diligence. Only one patent applicable to an approved product candidate is eligible for the extension and the application for extension must be made prior to expiration of the patent. The USPTO, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, we intend to apply for restorations of patent term for some of our currently owned or licensed patents to add patent life beyond their current expiration date, depending on the expected length of clinical trials and other factors involved in the submission of the relevant BLA.

Biosimilars and Exclusivity

The Affordable Care Act, signed into law in 2010, includes the Biologics Price Competition and Innovation Act ("BPCIA"), which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. The FDA has issued several guidance documents outlining an approach to review and approval of biosimilars. Biosimilarity, which requires that there be no clinically meaningful differences between the biological product and the reference product in terms of safety, purity, and potency, can be shown through analytical studies, animal studies, and a clinical study or studies. Interchangeability requires that a product is biosimilar to the reference product and the product must demonstrate that it can be expected to produce the same clinical results as the reference product in any given patient and, for products that are administered multiple times to an individual, the biologic and the reference biologic may be alternated or switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic.

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

A biological product can also obtain pediatric market exclusivity in the United States. 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 study in accordance with an FDA-issued "Written Request" for such a study.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant Orphan Drug Designation to therapeutic candidates intended to treat a rare disease or condition, which is generally a disease or condition that affects either (1) fewer than 200,000 individuals in the U.S., or (2) more than 200,000 individuals in the U.S. and for which there is no reasonable expectation that the cost of developing and making available in the U.S. a product candidate for this type of disease or condition will be recovered from sales in the U.S. for that product candidate.

Orphan drug designation entitles the applicant to incentives, which may include grant funding towards clinical study costs, tax advantages, and waivers of FDA user fees. Orphan Drug Designation must be requested before submitting a BLA. After the FDA grants Orphan Drug Designation, the identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. Orphan Drug Designation does not convey any advantage in or shorten the duration of the regulatory review and approval process.

If a product candidate that has Orphan Drug Designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product candidate is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications to market the same product candidate for the same disease or condition for seven years, except under limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or if the FDA finds that the holder of the orphan drug exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. Orphan drug exclusivity does not prevent the FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the NDA application user fee.

A designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. In addition, orphan drug exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or, as noted above, if a second applicant demonstrates that its product is clinically superior to the approved product with orphan exclusivity 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

Pediatric Studies

The Pediatric Research Equity Act (“PREA”), requires a sponsor to conduct pediatric studies for most therapeutic candidates and biologics, for a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration. Under PREA, original BLAs and supplements thereto must contain a pediatric assessment unless the sponsor has received a deferral or waiver. The required assessment must assess the safety and effectiveness of the product candidate for the claimed indications in all relevant pediatric subpopulations and support dosing and administration for each pediatric subpopulation for which the product candidate is determined to be safe, pure and potent. The sponsor or FDA may request a deferral of pediatric studies for some or all of the pediatric subpopulations. A deferral may be granted for several reasons, including a finding that the product candidate or biologic is ready for approval for use in adults before pediatric studies are complete or that additional safety or effectiveness data needs to be collected before the pediatric studies begin. The law requires the FDA to send a PREA Non-Compliance letter to sponsors who have failed to submit their pediatric assessments required under PREA, have failed to seek or obtain a deferral or deferral extension or have failed to request approval for a required pediatric formulation. It further requires the FDA to post the PREA Non- Compliance letter and sponsor’s response.

Post-Approval Requirements

Once a BLA approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements is not maintained or if problems occur after the biologic product reaches the market. Later discovery of previously unknown problems with a product candidate may result in restrictions on the product candidate or even complete withdrawal of the product candidate from the market. 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 FDA review and approval. In addition, the FDA may under some circumstances require testing and surveillance programs to monitor the effect of approved product that have been commercialized, and the FDA under some circumstances has the power to prevent or limit further marketing of a product candidate based on the results of these post-marketing programs.

Biologic manufacturers and other entities involved in the manufacture and distribution of approved therapeutic products are required to register their establishments with the FDA and certain state agencies and are subject to periodic unannounced inspections by the FDA and some state agencies for compliance with cGMPs and other laws. The FDA periodically inspects manufacturing facilities to assess compliance with cGMP, which imposes extensive procedural, substantive and record-keeping requirements. In addition, changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require FDA approval before being implemented. FDA regulations would also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements upon us and any third-party manufacturers that we may decide to use if our product candidates are approved. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory

requirements, may result in mandatory revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warning or other safety information about the product;
- fines, warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve pending BLAs or supplements to approved BLAs, or suspension or revocation of product approvals;
- product seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA closely regulates the marketing, labeling, advertising and promotion of drug products. A company can make only those claims relating to safety and efficacy that are approved by the FDA and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Failure to comply with these requirements can result in, among other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe, in their independent professional medical judgment, legally available products for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. Physicians may believe that such off-label uses are the best treatment for many patients in varied circumstances. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, restrict manufacturer's communications on the subject of off-label use of their products. However, companies may share truthful and not misleading information that is otherwise consistent with a product's FDA-approved labelling.

Regulation Outside of the U.S.

In addition to regulations in the U.S., we will be subject to regulations of other jurisdictions governing any clinical trials and commercial sales and distribution of our therapeutic candidates. Whether or not we obtain FDA approval for a product, we must obtain approval by the comparable regulatory authorities of countries outside of the U.S. before we can commence clinical trials in such countries and approval of the regulators of such countries or economic areas, such as the European Union, before we may market products in those countries or areas. The approval process and requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from place to place, and the time may be longer or shorter than that required for FDA approval.

Under European Union regulatory systems, a company can consider applying for marketing authorization in several European Union member states by submitting its marketing authorization application(s) under a centralized, decentralized or mutual recognition procedure. The centralized procedure provides for the grant of a single marketing authorization that is valid for all European Union member states. The centralized procedure is compulsory for medicines derived from biotechnology, orphan medicinal products, or those medicines with an active substance not authorized in the European Union on or before May 20, 2004 intended to treat acquired immune deficiency syndrome ("AIDS"), cancer, neurodegenerative disorders or diabetes and optional for those medicines containing a new active substance not authorized in the European Union on or before May 20, 2004, medicines which are highly innovative, or medicines to which the granting of a marketing authorization under the centralized procedure would be in the interest of patients at the European Union-level. The decentralized procedure provides for recognition by European Union national authorities of a first assessment performed by one of the member states. Under this procedure, an identical application for marketing authorization is submitted simultaneously to the national authorities of several European Union member states, one of them being chosen as the "Reference Member State", and the remaining being the "Concerned Member States". The Reference Member State must prepare and send drafts of an assessment report, summary of product characteristics and the labelling and package leaflet within 120 days after receipt of a valid marketing authorization application to the Concerned Member States, which must decide within 90 days whether to recognize approval. If any Concerned Member State does not recognize the marketing authorization on the grounds of potential serious risk to public health, the disputed points are eventually referred to the European Commission, whose decision is binding on all member states. The mutual recognition procedure is similar to the decentralized procedure except that a medicine must have already received a marketing authorization in at least one of the member states, and that member state acts as the Reference Member State.

As in the U.S., we may apply for designation of a product candidate as an orphan drug for the treatment of a specific indication in the European Union before the application for marketing authorization is made.

Orphan drugs in the European Union enjoy economic and marketing benefits, including up to ten years of market exclusivity for the approved indication unless another applicant can show that its product is safer, more effective or otherwise clinically superior to the orphan-designated product, the marketing authorization holder is unable to supply sufficient quantity of the medicinal product or the marketing authorization holder has given its consent.

Coverage and Reimbursement

Sales of our products will depend, in part, on the extent to which our products will be covered by third-party payors, such as government health programs, commercial insurance and managed healthcare organizations. These third-party payors are increasingly reducing reimbursements for medical products and services. Additionally, the containment of healthcare costs has become a priority of federal and state governments and the prices of therapeutics have been a focus in this effort. The U.S. government, state legislatures and foreign 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 our net revenue and results. If these third- party payors do not consider our products to be cost-effective compared to other therapies, they may not cover our products after approval 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 on a profitable basis.

Healthcare Reform

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (together, the "ACA") has had a significant impact on the health care industry. The ACA expanded coverage for the uninsured while at the same time containing overall healthcare costs. With regard to biopharmaceutical products, the ACA, among other things, 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, increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations, established annual fees and taxes on manufacturers of certain branded prescription drugs, and a Medicare Part D coverage gap discount program, in which manufacturers had to offer 50% point-of-sale discounts, which, through subsequent legislative amendments, was increased to 70%, off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D.

Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the ACA. On June 17, 2021, the 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 initiating 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.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted that impact payment methodologies and reimbursement amounts. On August 2, 2011, the Budget Control Act of 2011 among other things, created measures for spending reductions by Congress, which led to aggregate reductions to Medicare payments to providers, starting in April 2013, and due to subsequent legislative amendments, will stay in effect through 2032, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022, unless additional Congressional action is taken. On January 2, 2013, the American Taxpayer Relief Act of 2012 (the "ATRA") was signed into law which, among other things, also reduced Medicare payments to several types of 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. In addition, in March 2021, the American Rescue Plan Act of 2021 was signed into law, which eliminates the statutory Medicaid drug rebate cap, currently set at 100% of a drug's average manufacturer price, beginning January 1, 2024.

Recently, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed bills designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. Most recently, on August 16, 2022, the Inflation Reduction Act of 2022, or IRA, was signed into law. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation (first due in 2023), and replaces the Part D coverage gap discount program with a new discounting program (beginning in 2025). The IRA permits the Secretary of the Department of Health and Human Services (HHS) to implement many of these provisions through guidance, as opposed to regulation, for the initial years. For that and other reasons, it is currently unclear how the IRA will be effectuated. Individual states in the United States have also become increasingly active in passing legislation and implementing

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. We cannot predict the extent of the impact of any changes to any of these laws on us.

Finally, in some foreign countries, the proposed pricing for a product candidate must be approved before it may be lawfully marketed. The requirements governing therapeutic pricing vary widely from country to country. For example, the European Union provides options for its member states to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A member state 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 pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Historically, therapeutic candidates launched in the European Union do not follow price structures of the U.S. and generally tend to be significantly lower.

Other Healthcare Laws

We may also be subject to healthcare regulation and enforcement by the federal government and the states and foreign governments where we may market our product candidates, if approved. These laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, physician and other health care provider payment and drug pricing transparency laws and regulations.

The federal Anti-Kickback Statute prohibits, among other things, any person from knowingly and willfully offering, soliciting, receiving or providing remuneration, directly or indirectly, to induce either the referral of an individual, for an item or service or the purchasing or ordering of a good or service, for which payment may be made under federal healthcare programs such as the Medicare and Medicaid programs. The Anti-Kickback Statute is subject to evolving interpretations. In the past, the government has enforced the Anti-Kickback Statute to reach large settlements with healthcare companies based on sham consulting and other financial arrangements with physicians. 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 majority of states also have anti-kickback laws, which establish similar prohibitions and, in some cases, may apply to items or services reimbursed by any third-party payor, including commercial insurers.

Additionally, the civil False Claims Act prohibits knowingly presenting or causing the presentation of a false, fictitious or fraudulent claim for payment to the U.S. government, knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim to the U.S. government, or from knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the U.S. government. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act. Actions under the False Claims Act may be brought by the Attorney General or as a qui tam action by a private individual in the name of the government. The federal government is using the False Claims Act, and the accompanying threat of significant liability, in its investigation and prosecution of pharmaceutical and biotechnology companies throughout the U.S., for example, in connection with the promotion of products for unapproved uses and other sales and marketing practices. The government has obtained multi-million and multi-billion-dollar settlements under the False Claims Act in addition to individual criminal convictions under applicable criminal statutes. Given the significant size of actual and potential settlements, it is expected that the government will continue to devote substantial resources to investigating healthcare providers' and manufacturers' compliance with applicable fraud and abuse laws.

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

There has also been a recent trend of increased federal and state regulation of payments made to physicians and other healthcare providers. The ACA, among other things, imposes new reporting requirements on drug manufacturers for payments made by them to physicians (as defined by statute), certain non-physician practitioners including physician assistants and nurse practitioners and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Certain states also mandate implementation of compliance programs and compliance with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, impose restrictions on drug manufacturer marketing practices and/or require the tracking and reporting of pricing and marketing information as well as gifts, compensation and other remuneration or items of value provided to physicians and other healthcare professionals and entities.

Penalties for violating any of such laws or any other governmental regulations that apply include, without limitation, administrative, civil and criminal penalties, damages, fines, disgorgement, the curtailment or restructuring of operations, exclusion from participation in federal and state healthcare programs, integrity oversight and reporting obligations to resolve allegations of non-compliance and imprisonment.

Data Privacy and Security Laws

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

Environment

Our third-party manufacturers are subject to inspections by the FDA for compliance with cGMP and other U.S. regulatory requirements, including U.S. federal, state and local regulations regarding environmental protection and hazardous and controlled substance controls, among others. Environmental laws and regulations are complex, change frequently and have tended to become more stringent over time. We have incurred, and may continue to incur, significant expenditures to ensure we are in compliance with these laws and regulations. We would be subject to significant penalties for failure to comply with these laws and regulations.

Our Company Origins and Team

Our Probody platform technology has its origins in work performed at the University of California, Santa Barbara ("UCSB"), by our scientific founder Professor Patrick Daugherty. Since our inception, we have continued developing and adding to this technology and aspire to design a pipeline of Probody therapeutics that will better the lives of cancer patients. We have assembled an experienced and talented group of individuals dedicated to the advancement of cancer care. Our chief executive officer and chairman, Dr. Sean McCarthy, leads a team that draws on robust experience in all phases of product discovery, clinical development and commercialization. Our management team members have significant experience in oncology with previous experience at Amylin Pharmaceuticals, Catalyst Biosciences, Coherus BioSciences, Elan Phramaceuticals, Eli Lilly and Company, Exelixis, Genentech, Millennium, Novartis, Onyx Pharmaceuticals, Portola Pharmaceuticals, SGX, Xencor and other companies.

Human Capital

As of December 31, 2022, we had 116 full-time employees and 2 part-time employees. Of these employees, 85 were primarily engaged in research and development activities. None of our employees are represented by a labor union or covered by collective bargaining agreements and we consider our employee relations to be good. Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and additional employees. The principal purposes of our equity incentive plans are to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards.

Corporate Information

Our operations commenced in February 2008 when our predecessor entity was formed. We were incorporated in Delaware in September 2010. We maintain our executive offices at 151 Oyster Point Blvd., Suite 400, South San Francisco, California 94080, and our main telephone number is (650) 515-3185.

We view our operations and measure our business as one reportable segment operating in the United States. See Note 2 to our audited financial statement included elsewhere in this Annual Report on Form 10-K for additional information. Additional information required by this item is incorporated herein by reference to PART II. Item 6 of this Annual Report on Form 10-K.

Our research and development expenses were $111.6 million and $114.2 million for the years ended December 31, 2022 and 2021, respectively. Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations-Research and Development Expenses" for additional detail regarding our research and development activities.

We maintain a website at *www.cytomx.com*, which contains information about us. The information in, or that can be accessed through, our website is not part of this Annual Report on Form 10-K. Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports are available, free of charge, on or through our website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding our filings at *www.sec.gov*.

PART II – OTHER INFORMATION

Item 1A. Risk Factors

You should consider carefully the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K, including our financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations." If any of the following risks are realized, our business, financial condition, results of operations and prospects could be materially and adversely affected. The risks described below are not the only risks facing the Company. Risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, results of operations and/or prospects.

Risks Related to Our Business

The COVID-19 pandemic or any future pandemic could adversely impact our business, including our research, clinical trials, including clinical trial site initiation and patient enrollment, and financial condition.

In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan, China. Since then, COVID-19 has spread to multiple countries, including the United States and European and Asia-Pacific countries, including countries in which we have planned or active clinical trial sites. As COVID-19 and its variants continue to spread around the globe, we will likely continue to experience disruptions that could severely impact our business, research, including research for our partners or research of our partners, and clinical trials, including ongoing or planned clinical trials for CX-2029, CX-904, praluzatamab ravtansine, and clinical trials of our partners, including Bristol Myers Squibb. These disruptions and impacts may include:

- delays or difficulties in enrolling patients in our clinical trials or the clinical trials of our partners;
- delays or difficulties in clinical site initiation for CX-2029, CX-904 or any other clinical trials we or our partners decide to initiate, including difficulties in recruiting clinical site investigators and clinical site staff;
- diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our or our partners' clinical trial sites and hospital staff supporting the conduct of our or our partners' clinical trials;
- interruption of key clinical trial activities, such as clinical trial site monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others;
- difficulty in interpreting clinical data due to patients being infected by COVID-19;
- limitations in employee resources that would otherwise be focused on the conduct of our clinical trials or the clinical trials of our partners, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people;
- delays in receiving approval from local regulatory authorities to initiate our or our partners' planned clinical trials;
- delays in clinical sites receiving the supplies and materials needed to conduct our or our partners' clinical trials;
- interruption in manufacturing or global shipping that may affect the timely delivery or transport of research materials or clinical trial materials, such as investigational drug product used in our or our partners' clinical trials;
- changes in local regulations as part of a response to the COVID-19 outbreak which may require us or our partners to change the ways in which clinical trials are conducted, which may result in unexpected costs, or cause us or our partners to discontinue the clinical trials altogether;
- delays in necessary interactions with local regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government employees; and
- refusal of the FDA to accept data from clinical trials in affected geographies outside the United States.

We cannot be certain of the continuing impact of the COVID-19 pandemic, including COVID-19 variants on clinical trial planning, or that site initiation, patient recruitment or other clinical trial activities for any of our product candidates will not continue to be delayed, discontinued or otherwise impacted.

Furthermore, the COVID-19 pandemic and government limitations on activities may continue to impact our ability to conduct research, including limiting our ability to obtain research materials and equipment, limiting access to our laboratories to conduct research, limiting the ability or willingness of employees to work at our facilities and limiting our ability to complete research and

experiments in a timely basis or at all. In March 2020 we initiated a mandatory work-from-home program, limiting onsite activity to a substantially reduced level of laboratory research activities. Although we have gradually increased levels of such laboratory research activities to a satisfactory level, we continue to operate in a hybrid, work-from-home environment and there can be no assurance that we will be able to maintain current levels of such activity. Furthermore, China from time to time, including in March 2022, has implemented additional regional lockdowns which may continue to impact our ability to obtain some research and clinical trial materials on a timely basis. The COVID-19 pandemic and government limitations could further impact our ability to conduct business generally, including making timely payments, filing timely governmental and other business reports and filings, and otherwise comply with our obligations.

Any of the potential business, research and clinical impacts arising as a result of the COVID-19 pandemic could cause us to default on our obligations to our collaborative partners, including our specific research and development obligations, potentially resulting in termination of one or more collaborations, and could materially and adversely affect our business, financial condition, results of operation and prospects.

In addition, the spread of COVID-19 may negatively impact the trading price of shares of our common stock and could further severely impact our ability to raise additional capital on a timely basis or at all.

The global outbreak of COVID-19 continues to rapidly evolve, including with the discovery of new variants/mutations of the virus. The extent to which the COVID-19 pandemic continues to impact our business, including our clinical trials, research and financial condition will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing in the United States and other countries, business closures or business disruptions and the effectiveness of actions taken in the United States and other countries to contain and treat the disease.

We are a clinical-stage biopharmaceutical company with a limited operating history and have not generated any revenue from product sales. We have a history of losses, expect to continue to incur significant losses for the foreseeable future and may never achieve or maintain profitability, which could result in a decline in the market value of our common stock.

We are a clinical-stage biopharmaceutical company with a limited operating history, developing a novel class of therapeutic antibody product candidates, based on our proprietary biologic Probody technology platform. Since our inception, we have devoted our resources to the development of Probody therapeutics. We have had significant operating losses since our inception. As of December 31, 2022 and December 31, 2021, we had an accumulated deficit of $722.9 million and $623.6 million, respectively. Substantially all of our losses have resulted from expenses incurred in connection with our research and development programs and from general and administrative costs associated with our operations.

Though we have developed our Probody platform, our technologies and product candidates are in early stages of development, and we are subject to the risks of failure inherent in the development of product candidates based on novel technologies. We have not yet demonstrated our ability to successfully complete any mid or late-stage clinical trials, including large-scale, pivotal clinical trials, obtain regulatory approvals, arrange for a third party to manufacture a commercial-scale product candidate, or conduct sales and marketing activities necessary for successful commercialization. Typically, it takes many years to develop one product candidate from the time it enters initial preclinical studies to when it is available for treating patients. Consequently, any predictions made about our future success or viability may not be as accurate as they could be if we had a longer operating history. We will need to transition from a company with a research and development focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

Furthermore, we have never generated any revenue from product sales, and have not obtained regulatory approval for any of our product candidates. We also do not expect to generate any revenue from product sales for the foreseeable future, and we expect to continue to incur significant operating losses for the foreseeable future due to the cost of research and development, preclinical studies and clinical trials and the regulatory approval process for our product candidates. We expect our net losses to increase substantially over time as we continue the development of our pipeline and advance additional programs into clinical development. However, the amount of our future losses is uncertain. Our ability to achieve profitability, if ever, will depend on, among other things, our, or our collaborators, successfully developing product candidates, obtaining regulatory approvals to market and commercialize product candidates, manufacturing any approved products on commercially reasonable terms, establishing a sales and marketing organization or suitable third-party alternatives for any approved product and raising sufficient funds to finance business activities. If we, or our collaborators, are unable to develop our technologies and commercialize one or more of our product candidates or if sales revenue from any product candidate that receives approval is insufficient, we will not achieve profitability, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We expect that we will need to raise substantial additional funds to advance development of our product candidates and we cannot guarantee that this additional funding will be available on acceptable terms or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development and commercialization of our current or future product candidates.

The development of biopharmaceutical product candidates is capital-intensive. To date, we have used substantial funds to develop our technology and product candidates and will require significant funds to conduct our ongoing clinical trials as well as to further our research and development, preclinical testing and future clinical trials of additional product candidates, to seek regulatory approvals for our product candidates and to manufacture and market any products that are approved for commercial sale. In addition, we have incurred and will continue to incur additional costs associated with operating as a public company. However, financial market conditions, including the public equity markets, and government regulation, including the Inflation Reduction Act of 2022, signed into law by President Biden in August 2022, may make it difficult for biotechnology companies to raise additional funds. We cannot predict when or if market conditions will change.

As of December 31, 2022, we had $193.7 million in cash, cash equivalents and investments. We believe that our existing capital resources will be sufficient to fund our planned operations into 2025. Our future capital requirements and the period for which we expect our existing resources to support our operations may vary significantly from what we expect and we may not achieve the expected cash flow savings that we anticipate as a result of our recent restructuring. Our monthly spending levels vary based on our ongoing clinical trials, new and ongoing research and development and other corporate activities. Because the length of time and activities associated with conducting our clinical trials and successfully researching and developing our product candidates is highly uncertain, we are unable to estimate the actual funds we will require for development and, once any product candidate is approved, any subsequent marketing and commercialization activities.

The timing and amount of our operating expenditures will depend largely on:

- the scope, timing and progress of our ongoing clinical trials as well as any other preclinical and clinical development activities which may be affected by, among other things, the COVID-19 pandemic;
- the number, size and type of clinical trials and preclinical studies that we may be required to complete for our product candidates, as well as the cost and time of such studies and trials;
- the number, scope and prioritization of preclinical and clinical programs we decide to pursue;
- the time and cost necessary to produce clinical supplies of our product candidates;
- the time and cost necessary to scale our manufacturing capabilities prior to or following regulatory approval and commercial launch of any product candidates;
- the progress of the development efforts of parties with whom we have entered or may in the future enter into collaborations and research and development agreements;
- the timing and amount of payments we may receive or are obligated to pay under our collaboration agreements and license agreements;
- our ability to maintain our current licenses and research and development programs and to establish new collaboration arrangements;
- the costs involved in prosecuting and enforcing patent and other intellectual property claims, including the ongoing patent infringement lawsuit brought by Vytacera against us;
- the cost of any existing or future litigation to which we are or may become a party;
- the cost and timing of regulatory approvals; and
- our efforts to enhance operational systems and hire additional personnel, including personnel to support development and commercialization of our product candidates and satisfy our obligations as a public company.

If we are unable to obtain funding on a timely basis or on acceptable terms, we may have to delay, reduce or terminate our research and development programs and preclinical studies or clinical trials, limit strategic opportunities or undergo reductions in our workforce or other corporate restructuring activities. We also could be required to seek funds through arrangements with collaborators or others that may require us to relinquish rights to some of our technologies or product candidates that we would otherwise pursue on our own. For example, in July 2022, we announced that we would seek a partner to further develop praluzatamab ravtansine. We have not yet obtained a partner for praluzatamab ravtansine and we may not be able to do so in the future for the development of that product candidate. We do not expect to realize revenue from sales of products or royalties from licensed products in the foreseeable

future, if at all, and unless and until our product candidates are clinically tested, approved for commercialization and successfully marketed. To date, we have financed our operations primarily through sales of our common stock, sale of our convertible preferred securities prior to our IPO and payments received under our collaboration agreements, including, most recently, the collaboration and license agreements that we entered into with each of Regeneron and Moderna in November and December 2022, respectively. We will be required to seek additional funding in the future and currently intend to do so through additional collaborations, public or private equity offerings or debt financings, credit or loan facilities or a combination of one or more of these funding sources. Our ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond our control, including the COVID-19 pandemic. Additionally, our stock price has declined and our ability to raise adequate funding through equity offerings, if at all, may be limited. Additional funds may not be available to us on acceptable terms or at all. If we raise additional funds by issuing equity securities, our stockholders will suffer dilution and the terms of any financing may adversely affect the rights of our stockholders. In addition, as a condition to providing additional funds to us, future investors may demand, and may be granted, rights superior to those of existing stockholders. Debt financing, if available, is likely to involve restrictive covenants limiting our flexibility in conducting future business activities, and, in the event of insolvency, debt holders would be repaid before holders of our equity securities received any distribution of our corporate assets.

Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

As is the case with all oncology drugs, our product candidates in clinical development or preclinical development go through a long process and have a high risk of failure, including termination for strategic reasons. It is impossible to predict when or if any of our or our partner's product candidates will prove safe, pure and potent (or effective) in humans or will receive regulatory approval. Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, we or our partners must complete extensive clinical trials to demonstrate the safety, purity and potency (or efficacy) of our product candidates in humans. Commencement of initial clinical trials for future programs is subject to finalizing the trial design and submission of an IND or similar submission to the FDA or similar global health authorities. In addition, even if we submit an IND or a comparable submission in other jurisdictions for CX-801 and CX-2051 or other product candidates, the FDA or other regulatory authorities could disagree that we have satisfied their requirements to commence our clinical trials or disagree with our study design, which may require us to complete additional preclinical studies or amend our protocols or impose stricter conditions on the commencement of clinical trials and may delay our ability to begin Phase 1 clinical trials, causing an increase in the amount of time and expense required to develop our product candidates, including CX-801 and CX-2051. As a result of the foregoing, the research and development, preclinical studies and clinical testing of any product candidate is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the development process.

Further, we or our collaborators may also experience delays in completing ongoing clinical trials, completing preclinical studies or initiating further clinical trials of our product candidates, including, for example, among other things, as a result of the COVID-19 pandemic. We do not know whether our or our collaborators' ongoing clinical trials or preclinical studies will be completed on schedule or at all, or whether planned clinical trials or preclinical studies will begin on time, need to be redesigned, enroll patients on time or be completed on schedule, if at all. We or our collaborators may have insufficient internal resources to complete ongoing clinical trials or initiate clinical trials for our other product candidates. The development programs for our product candidates may also be delayed for a variety of reasons, including delays related to:

- recruiting suitable patients to participate in a clinical trial, particularly in light of the COVID-19 pandemic;
- developing and validating any companion diagnostic to be used in a clinical trial;
- the FDA or other regulatory authorities requiring us to submit additional data or imposing other requirements before permitting us to initiate a clinical trial;
- obtaining regulatory clearance to commence a clinical trial;
- reaching agreement on acceptable terms with prospective contract research organization ("CROs") and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical trial sites;
- obtaining institutional review board ("IRB") approval at each clinical trial site;
- having patients complete a clinical trial or return for post-treatment follow-up;
- clinical trial sites deviating from trial protocol or dropping out of a trial;
- adding new clinical trial sites;

- manufacturing our product candidates in sufficient quality and quantity for use in clinical trials; or
- collaborators electing to not pursue development and commercialization of our product candidates.

In addition, the results of preclinical studies and early clinical trials of our product candidates may not be predictive of the results of later-stage clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or safety profiles, notwithstanding promising results in earlier trials.

Our product candidates are in early stages of development and may fail or suffer delays that materially and adversely affect their commercial viability. If we are unable to advance our product candidates through clinical development, obtain regulatory approval and ultimately commercialize such product candidates, or experience significant delays in doing so, our business will be materially harmed.

We are very early in our development efforts, with only two product candidates, CX-2029, and CX-904 currently continuing in early-stage clinical development. We have no products on the market and our ability to achieve and sustain profitability depends on obtaining regulatory approvals for and successfully commercializing our product candidates, either alone or with third parties. Before obtaining regulatory approval for the commercial distribution of our product candidates, we or our collaborator must conduct extensive preclinical tests and clinical trials to demonstrate sufficient safety, purity and potency (or efficacy) of our product candidates in patients.

As a result, we may not have the financial resources to continue development of, or to modify existing or enter into new collaborations for, a product candidate if we experience any issues that delay or prevent regulatory approval of, or our ability to commercialize, product candidates, including:

- negative or inconclusive results from our clinical trials, the clinical trials of our collaborators or the clinical trials of others for product candidates similar to ours, leading to a decision or requirement to conduct additional preclinical testing or clinical trials or abandon a program;
- product-related side effects experienced by participants in our clinical trials, the clinical trials of our collaborators or by individuals using drugs or therapeutic biologics similar to our product candidates;
- delays in submitting INDs or comparable foreign applications or delays or failure in obtaining the necessary approvals from regulators to commence a clinical trial, or a suspension or termination of a clinical trial once commenced;
- conditions imposed by the FDA or comparable foreign authorities regarding the scope or design of our clinical trials;
- delays in enrolling research subjects in clinical trials;
- high drop-out rates of research subjects;
- inadequate supply or quality of product candidate components or materials or other supplies necessary for the conduct of our or our collaborators' clinical trials;
- greater than anticipated clinical trial costs;
- delay in the development or approval of companion diagnostic tests for our product candidates;
- unfavorable FDA or other regulatory agency inspection and review of a clinical trial site;
- failure of our third-party contractors or investigators to comply with regulatory requirements or otherwise meet their contractual obligations in a timely manner, or at all;
- delays and changes in regulatory requirements, policy and guidelines, including the imposition of additional regulatory oversight around clinical testing generally or with respect to our technology in particular; or
- varying interpretations of data by the FDA and similar foreign regulatory agencies.

We could find that the therapeutics we or our collaborators pursue are not safe, pure, potent (or efficacious). Further, a clinical trial may be suspended or terminated by us, our collaborators, the IRBs of the institutions in which such trials are being conducted, the Data Safety Monitoring Board for such trial or by the FDA or other regulatory authorities due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues

or adverse side effects, failure to demonstrate a benefit from using a drug or therapeutic biologic, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. Furthermore, we expect to rely on our collaborators, CROs and clinical trial sites to ensure proper and timely conduct of our clinical trials and while we expect to enter into agreements governing their committed activities, we have limited influence over their actual performance.

If we or our collaborators experience delays in the completion of, or termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenues or receive royalties from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product development and approval process and jeopardize our ability to commence product sales and generate revenues. Furthermore, if one or more of our product candidates or our Probody therapeutic technology generally prove to be ineffective, unsafe or commercially unviable, the development of our entire platform and pipeline could be delayed, potentially permanently. For example, in March 2020, we made the strategic decision to terminate our Phase 2 clinical trial evaluating pacmilimab in combination ipilimumab in melanoma. This decision followed a re-evaluation of the evolving clinical, competitive and commercial landscapes in immuno-oncology, taken together with the impact of the COVID-19 pandemic. Additionally, in July 2022, we announced topline results of our Phase 2 clinical trial evaluating praluzatamab ravtansine in patients with breast cancer and that we do not plan to further advance this program without a partner. This decision followed an evaluation of the clinical trial results, the competitive landscape and our estimate of the resources necessary to continue the development of praluzatamb ravtansine alone. Any similar occurrences may materially and adversely affect our business, financial condition, results of operations and prospects. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

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

From time to time, we may publicly disclose preliminary or top-line 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. For example, in December 2021 we announced preliminary data on two of the four expansion cohorts for CX-2029. In January 2023, we announced further clinical results on three expansion cohorts for CX-2029 and the updated data provided further understanding and perspective on the drug candidate. We can make no assurances that the ultimate trial results for these three cohorts will be consistent with or better or worse than that reported data. 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 top-line 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. Top-line data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, top-line data should be viewed with caution until the final data are available.

From time to time, we may also disclose interim data from our preclinical studies and clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available or as patients from our clinical trials continue other treatments for their disease. Adverse differences between preliminary, top-line, or interim data and final data could significantly harm our business prospects.

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 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.

Our product candidates may cause undesirable side effects at any time during or after the clinical trial process 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, including withdrawal from the market.

Undesirable side effects caused by our product candidates could cause us, our collaborators 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 all oncology drugs, there may be immediate or late side effects associated with the use of our product candidates, including praluzatamab ravtansine (CX-2009), CX-2029 and CX-904. There can be no assurance that

unexpected adverse events will not occur in our ongoing trials or in future trials involving our product candidates or the product candidates of our collaborators. Undesirable side effects may appear in later trials that were not observed in our earlier trials or may be more severe in later trials than earlier trials.

Administration of praluzatamab ravtansine has been generally well tolerated with most reported treatment-related adverse events ("TRAEs") being Grade 1/2. In May 2020, we announced that 34/92 (37%) patients experienced a Grade 3/4 TRAE. The most common adverse event observed was ocular toxicity, an anticipated toxicity associated with the DM4 payload. Other Grade 3/4 TRAEs included liver function test abnormalities, gastrointestinal disorders and nervous system disorders. In July 2022, we elected to discontinue further development of praluzatamab without a collaboration partner.

In May 2020, we announced that CX-2029 was generally well tolerated at doses up to 3 mg/kg with the most common TRAEs being infusion related reactions, anemia and neutropenia/leukopenia. Grade 3 or greater hematologic TRAEs, anemia and neutropenia, were dose dependent, with anemia being managed with transfusions and supportive care. In January 2023, we announced that the safety results for CX-2029 for the three ongoing expansion cohorts were consistent with previous observations, with no new safety signals identified. The most common TRAEs in 10% or more of patients (All Grade, Grade 3+) were anemia (82.6%, 76.1%), infusion related reactions (70.7%, 3.3%), neutropenia (23.9%, 17.4%), fatigue (17.4%, 1.1%), nausea (13.0%, 1.1%), and diarrhea (10.9%, 0%). There was 1 febrile neutropenia event (Grade 3) reported. The etiology of anemia remains under investigation and is likely to be multi-factorial. While the MMAE payload is known to be associated with anemia, preclinical studies have shown that reduction of red blood cell precursors has been observed in response to targeting CD71, which is known to play a role in early erythroid development. Although we believe such incidences of anemia can be managed, we continue to explore strategies for the management and mitigation of anemia but there can be no assurance that anemia can be managed sufficiently for eventual commercial acceptance. Additionally, although we believe the other TRAEs are manageable, there can be no assurance that the rate or severity of any of these side effects will not increase over time with more patients being treated in ongoing or future studies.

The results of our or our collaborators' future clinical trials could reveal a high and unacceptable severity of adverse side effects, including immune system related adverse events or increased toxicity, and it is possible that patients enrolled in such clinical trials could respond in unexpected ways or otherwise have unexpected adverse events. For example, in 2022 we have initiated a first-in-human Phase 1 clinical trial with CX-904 and, while we believe our preclinical studies indicate the potential to reach a favorable therapeutic index, clinical data will be necessary to specify an acceptable dose. We cannot provide assurance that we will reach an acceptable dose for CX-904.

Additionally, the Phase 2 clinical trial of BMS-986249 being conducted by Bristol Myers Squibb includes, and the planned Phase 2 clinical trial of BMS-986288 may include, the administration of the product candidate at relatively high dosage levels, which could further exacerbate such risks. In our Phase 2 clinical trial with CX-2029, we are targeting CD71, a target that is broadly expressed on normal tissue, which could create unacceptable toxicity or fail to result in anti-tumor activity. For instance, CD71 is a metabolic protein with high levels of expression in healthy tissues, and the consequences of targeting such protein in humans are unknown. Any future clinical trials of our product candidates could face similar or heightened risks depending on the modality. Similarly, the combination of EGFR and CD3 has been shown to induce significant toxicities in preclinical animal studies due to the widespread expression of each target.

In the event that our clinical trials or the clinical trials of our collaborators reveal severe adverse side effects, our or our collaborators' clinical trials could be suspended or terminated and the FDA or comparable foreign regulatory authorities could impose a clinical hold, order us to cease further development of or deny approval of our product candidates for any or all targeted indications. Such side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. For example, in our Phase 1/2 clinical trial of praluzatamab ravtansine, some patients stopped treatment due to ocular toxicity. In addition, any occurrences of side effects with respect to one of our product candidates could negatively affect our or any collaborator's ability to enroll patients and seek regulatory approval for other product candidates that we have developed using our Probody platform, which could also result in a collaborator terminating any program utilizing our Probody platform and the termination of such collaborative relationship. Any of these occurrences may materially and adversely affect our business, financial condition, results of operations and prospects. 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 product candidates may only be uncovered with a significantly larger number of patients exposed to the product candidate.

In the event that any of our product candidates receives regulatory approval and we, our collaborators or others identify undesirable side effects caused by such product or any other Probody therapeutics, any of the following adverse events could occur, which could result in the loss of significant revenue to us and materially and adversely affect our results of operations and business:

- regulatory authorities may withdraw their approval of the product or seize the product;

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

In addition, adverse side effects caused by any drugs of other companies utilizing the same or similar antibodies of our product candidates, or that are similar in nature to our product candidates could delay or prevent regulatory approval of our product candidates, limit the commercial profile of an approved label for our product candidates, or result in significant negative consequences following marketing approval.

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

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

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

- the ongoing COVID-19 pandemic;
- the size and nature of the target patient population;
- the eligibility criteria for the clinical trial;
- the design of the clinical trial;
- the availability of an appropriate genomic screening test;
- the perceived risks and benefits of the product candidate under study;
- the efforts to facilitate timely enrollment in clinical trials;
- the patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment; and
- the proximity and availability of clinical trial sites for prospective patients.

In addition, competing clinical trials and clinicians’ and patients’ perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any new drugs or therapeutic biologics that may be approved for the indications we are investigating, could affect our ability to enroll a sufficient number of eligible patients in our clinical trials. There can be no assurance that new or further trials with our current or future drug candidates will not be adversely affected by a limited patient population. Our clinical trials of praluzatamab ravtansine and CX-2029 study or have studied patients who have one or a select number of specific tumor types rather than patients suffering from any cancer, which limits the rate of enrollment of the trial. In addition, some of our clinical trials seek to treat indications with small population sizes which could be particularly difficult to enroll. The clinical trials for our molecules also compete with thousands of clinical trials with alternative anti-cancer drugs in similar classes (e.g. antibody-drug conjugates), and certain arms of the clinical trials may be difficult to enroll due to the emerging standard of care for such indications in certain jurisdictions, including the United States. Likewise, our clinical trial of CX-904 is also competing with thousands of other anti-cancer clinical trials. Any clinical trials of our product candidates initiated by our collaborators, including

Bristol Myers Squibb's ongoing and planned Phase 2 clinical trials, face similar and additional risks relating to enrollment. We or our collaborators could also encounter delays in the development of any of our product candidates if prescribing physicians encounter unresolved ethical issues associated with enrolling patients in clinical trials of our product candidates in lieu of prescribing existing treatments that have established safety and efficacy profiles. Any delays relating to patient enrollment could cause significant delays in the timing of our or our collaborators' clinical trials, which may materially and adversely affect our business, financial condition, results of operations and prospects.

Our approach to the discovery and development of our therapeutic treatments is based on novel technologies that are unproven and may not result in marketable products.

We plan to continue to develop a pipeline of product candidates using our proprietary Probody platform. We believe that product candidates (including cancer immunotherapies, conditionally activated ADCs and bispecific antibodies) identified with our product discovery platform may offer an improved therapeutic approach by taking advantage of unique conditions in the tumor microenvironment, thereby reducing the dose-limiting toxic effects associated with traditional antibody products, which can also attack healthy tissue. However, the scientific research that forms the basis of our efforts to develop product candidates based on our Probody platform is ongoing, including the research resulting from our ongoing clinical trials for praluzatamab ravtansine (CX-2009), CX-2029, pacmilimab (CX-072) and CX-904.

We may ultimately discover that our Probody platform and any product candidates resulting from it do not possess certain properties required for therapeutic effectiveness or protection from toxicity. For example, when Probody therapeutics are administered to human subjects, protease levels in tumors may not be sufficient and the peptide mask may not be cleaved, which would limit the potential efficacy of the antibody. In addition, if the peptide mask is inappropriately released, for example, due to an inflammatory disease, it may reduce the potential to limit toxicity of the anti-cancer agent or result in unforeseen events when administered in humans. Binding of the peptide mask to the antigen-binding domain of the Probody may not be constant, which could lead to intermittent periods when the antigen-binding domain or antibody portion is unmasked. Furthermore, Probody product candidates may not remain stable in the human body for the period of time required for the drug to reach and to bind to the target tissue. In addition, product candidates based on our Probody platform may demonstrate different chemical and pharmacological properties in patients than they do in laboratory studies. Although our Probody platform and certain product candidates have demonstrated successful results in animal studies, they may not demonstrate the same chemical and pharmacological properties in humans and may interact with human biological systems in unforeseen, ineffective, or harmful ways. Our understanding of the molecular pharmacology of Probody therapeutics, that is, the precise manner and sequence in which they are activated and behave in vivo, is incomplete. Probody therapeutics are complex biological molecules and we are evaluating the performance of this new technology in cancer patients for the first time. Many specific elements of Probody therapeutic function may contribute to their overall safety and efficacy profile including, but not limited to, the removal of only one mask from the dually-masked antibody, the removal of both masks from the dually-masked antibody, the binding strength of masks for the underlying antibody, and the binding strength of the underlying antibody for its target. We have limited structural evidence for how masks interact with antibodies. It may take many years before we develop a full understanding of Probody pharmacology, and we may never know precisely how they function in vivo. As with any new biologic or product developed on a novel platform, we have a limited understanding of the immunogenicity profile of Probody therapeutics. As a result, our Probody product candidates may trigger immune responses, such as anti-drug antibody ("ADA"), that may inhibit the ability of the antibody to reach the target tissue, inhibit the ability of the antibody to bind to its target, cause adverse side effects in humans or cause hypersensitivity reactions. For example, we reported in February 2019 that in our pacmilimab trial at the 10 mg/kg dose, the ADA rate was approximately 62%. We do not believe the ADA rate impacted our ability to reach targeted drug exposures. However, we cannot provide assurance that it will not later limit drug exposure or cause severe adverse events for pacmilimab or our other drug candidates. Problems that are specific to our Probody platform may have an unfavorable impact on all of our product candidates. As a result, we may never succeed in developing a marketable product and we may never become profitable, which would cause the value of our common stock to decline.

In addition, the scientific evidence to support the feasibility of developing product candidates against novel, difficult to drug targets, is both preliminary and limited. For example, our understanding of the expression of CD166 and CD71 in both healthy and diseased tissues is still developing. As a result, we cannot provide any assurance that we will be able to successfully identify and advance any product candidates to target novel, difficult-to-drug targets.

Additionally, we recently entered into a collaboration with Moderna for the development of mRNA based product candidates. We do not know whether our Probody platform will be able to successfully develop product candidates utilizing this mRNA technology.

We believe that the FDA and foreign regulatory authorities have limited experience with conditionally activated therapeutics in oncology, such experience primarily coming from praluzatamab ravtansine, CX-2029, BMS-986249, BMS-986288, and pacmilimab. We believe that such limited experience may increase the complexity, uncertainty and length of the regulatory approval process for

our product candidates and may keep us from commencing first-in-human trials in certain countries. As there is limited historical precedent for the regulatory clearance of Probody-based therapeutics in oncology, there is a higher degree of risk that the FDA or other regulatory authorities could disagree that we or our collaborators have satisfied their requirements to commence clinical trials for some product candidates or disagree with our study designs, which may require us to complete additional preclinical studies or amend our protocols or impose stricter conditions on the commencement of clinical trials. In addition, local clinical practice in other countries may affect whether we or our collaborators are able to initiate a clinical trial there. As a result, we and our collaborators may never receive approval to market and commercialize any product candidate. Even if we or our collaborators obtain regulatory approval, the approval may be for targets, disease indications or patient populations that are not as broad as we or they intended or desired or may require labeling that includes significant use or distribution restrictions or safety warnings. We or our collaborators may be required to perform additional or unanticipated clinical trials to obtain approval or be subject to post-marketing testing requirements to maintain regulatory approval. If one or more of our product candidates or our Probody technology generally prove to be ineffective, unsafe or commercially unviable, our entire platform and pipeline may have little, if any, value, which would have a material and adverse effect on our business, financial condition, results of operations and prospects.

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

Even if regulatory approval is obtained for a product candidate, we may not generate or sustain revenue from sales of the product due to factors such as whether the product can be sold at a competitive cost and whether it will otherwise be accepted in the market. The product candidates that we are developing are based on our Probody platform, which is a new technology and therapeutic approach. Market participants with significant influence over acceptance of new treatments, such as physicians and third-party payors, may not adopt a product or treatment based on our Probody platform and technologies, and we may not be able to convince the medical community and third-party payors to accept and use, or to provide favorable reimbursement for, any product candidates developed by us or our collaborators. This may be particularly true for any of our product candidates (including BMS-986288) for which there are existing approved therapies, such as approved agents targeting CTLA-4. Market acceptance of our product candidates will depend on, among other factors:

- the timing of our receipt of any marketing and commercialization approvals;
- the terms of any approvals and the countries in which approvals are obtained;
- the safety, purity, potency (or efficacy) of our product candidates, including those being developed by our collaborators;
- the prevalence and severity of any adverse side effects associated with our product candidates;
- limitations or warnings contained in any labeling approved by the FDA or other regulatory authority;
- the availability of effective companion diagnostics;
- relative convenience and ease of administration of our product candidates;
- the willingness of patients to accept any new methods of administration;
- the success of our physician education programs;
- the availability of coverage and adequate reimbursement from government and third-party payors;
- the pricing of our products, particularly as compared to alternative treatments; and
- the availability of alternative effective treatments for the disease indications our product candidates are intended to treat and the relative risks, benefits and costs of those treatments.

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

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

Since 2013, we have entered into collaborations with AbbVie, Amgen, Astellas, Bristol Myers Squibb, ImmunoGen, Moderna, Pfizer, Regeneron and others to develop certain Probody therapeutics. We may in the future seek third-party collaborators for development and commercialization of other therapeutic technologies or product candidates. Biopharmaceutical companies are our prior and likely future collaborators for any marketing, distribution, development, licensing or broader collaboration arrangements. With respect to our

existing collaboration agreements, and what we expect will be the case with any future collaboration agreements, we have and would expect to have limited control over whether such collaborations pursue the development of our product candidates or the amount and timing of resources that such collaborators dedicate to the development or commercialization of our product candidates. For instance, in March 2018, Pfizer terminated the collaboration agreement we had entered into with them in May 2013. Since then, our partners have chosen multiple targets for research, some of which continue to be advanced and others which do not continue to advance. Our partners will continue to choose early research targets from time to time, some of which will advance into further research and development and some of which will not. For example, in January 2023, Bristol Myers Squibb announced that it would deprioritize the Phase 2 clinical program for BMS 986249 and advance the BMS-986288 into a Phase 2 program. As a result, there can be no assurances that any of the programs covered by our existing or future collaborations will be developed further. Further, our ability to generate revenues from our existing and future arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements. Additionally, some of our collaborations may require us to share in certain development and commercialization expenses. If we cannot afford to share such expenses when required, our rights under such collaborations may be adversely affected, including potentially that our collaborators may terminate the relevant agreement.

Overall, collaborations involving our product candidates currently pose, and will continue to pose, the following risks to us:

- collaborators have significant discretion in determining the amount and timing of efforts and resources that they will apply to these collaborations, including, with respect to Bristol Myers Squibb, BMS-986249 and BMS-986288 and with respect to AbbVie, CX-2029;
- collaborators may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization programs based on preclinical or clinical trial results, changes in the collaborators' strategic focus or available funding or resources, or external factors such as an acquisition that diverts resources or creates competing priorities;
- collaborators have significant discretion in designing any clinical trials they operate pursuant to our collaboration agreements, including Bristol Myers Squibb's ongoing Phase 2 cohort expansion of BMS-986249 and its Phase 1/2 clinical trial of BMS-986288, and may release data from such clinical trials, including with respect to our Probody therapeutics, without consulting us;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing and are not necessarily required to give us information about their clinical data;
- collaborators may independently develop, or develop with third parties, products that compete directly or indirectly with our product candidate if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- collaborators with marketing and distribution rights to one or more products may not commit sufficient resources to the marketing and distribution of such product or products;
- collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to litigation or potential liability;
- collaborators may infringe, misappropriate or otherwise violate the intellectual property rights of third parties, which may expose us to litigation and potential liability;
- disputes may arise between the collaborators and us that result in the delay or termination of the research, development or commercialization of our product candidate or that result in costly litigation or arbitration that diverts management attention and resources; and
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product candidates.

For example, in January 2023, we announced topline results of the Phase 2 expansion cohorts of CX-2029 and in March 2023, AbbVie decided not to continue the future development of CX-2029.

As a result of the foregoing, our current and any future collaboration agreements may not lead to development or commercialization of our product candidates in the most efficient manner or at all and may not result in the realization of the benefits we expected to achieve upon our entry into such agreements. Any failure to successfully develop or commercialize our product candidates pursuant to our current or any future collaboration agreements could have a material and adverse effect on our business, financial condition, results of operations and prospects.

If our collaborators cease development efforts under our collaboration agreements, or if any of those agreements are terminated, these collaborations may fail to lead to commercial products and we may never receive milestone payments or future royalties under these agreements.

Substantially all of our revenue to date has been derived from our existing collaboration agreements, including, most recently, the agreements that we entered into with Regeneron and Moderna in 2022, and a significant portion of our future revenue and cash resources is expected to be derived from these agreements or other similar agreements we may enter into in the future. Revenue from research and development collaborations depend upon continuation of the collaborations, reimbursement of development costs, the achievement of milestones and royalties, if any, derived from future products developed from our research. If our development partners do not select additional targets and we are unable to successfully advance the development of our product candidates or achieve milestones, revenue and cash resources from milestone payments under our collaboration agreements will be substantially less than expected.

In addition, to the extent that any of our collaborators were to terminate a collaboration agreement, we may decide to independently develop these product candidates to the extent we retain development rights. Such development could include funding preclinical or clinical trials, assuming marketing and distribution costs and defending intellectual property rights. Alternatively, in certain instances, we may choose to abandon product candidates altogether. For instance, in March 2018, Pfizer terminated our 2013 collaboration agreement with them, and from time to time some of our research programs have been terminated by our partners. The termination of any of our collaboration agreements or individual programs within a collaboration agreement could result in a change to our business plan and may have a material adverse effect on our business, financial condition, results of operations and prospects. If a collaboration is terminated, we would not be eligible to receive the milestone, royalty or other payments that would have been payable under the collaboration agreement. For example, as a result of ImmunoGen's decision to out-license the EpCAM program and our licensing of the program from them in 2019, their license for the program from us ended and we will not receive milestone or other payments from them.

If we do not achieve our projected development and commercialization goals in the timeframes we announce and expect, the commercialization of any of our product candidates may be delayed, or never attained, and our business will be harmed.

For planning purposes, we sometimes estimate the timing of the accomplishment of various scientific, clinical, regulatory and other product development objectives. These milestones may include our expectations regarding the commencement or completion of scientific studies and clinical trials, the submission of regulatory filings, or commercialization objectives. From time to time, we may publicly announce the expected timing of some of these milestones, such as the completion of an ongoing clinical trial, the initiation of other clinical programs, receipt of marketing approval, or a commercial launch of a product. The achievement of many of these milestones may be outside of our control. All of these milestones are based on a variety of assumptions which may cause the timing of achievement of the milestones to vary considerably from our estimates, including:

- our available capital resources or capital constraints we experience;
- the rate of progress, costs and results of our clinical trials and research and development activities, including the extent of scheduling conflicts with participating clinicians and collaborators;
- our ability to identify and enroll patients who meet clinical trial eligibility criteria;
- our receipt of approvals by the FDA and other regulatory authorities and the timing thereof;
- other actions, decisions or rules issued by regulators;
- our ability to access sufficient, reliable and affordable supplies of materials used in the manufacture of our product candidates;
- our ability to manufacture and supply clinical trial materials to our clinical sites on a timely basis;
- the efforts of our collaborators with respect to the commercialization of our products; and
- the securing of, costs related to, and timing issues associated with, product manufacturing as well as sales and marketing activities.

For example, in March 2020, we announced the temporary pause in new patient enrollment and new site activation in our Phase 2 clinical trial of praluzatamab ravtansine (CX-2009) as a result of the COVID-19 pandemic and the termination of the Phase 2 clinical trial of pacmilimab (CX-072) in combination with ipilimumab after a re-evaluation of the evolving clinical, competitive and commercial landscapes in immuno-oncology, taken together with the impact of the COVID-19 pandemic. Additionally, in July 2022, we announced that we would cease to continue the praluzatamab ravtansine program without a partner.

If we fail to achieve announced milestones in the timeframes we expect, the commercialization of any of our product candidates may be delayed or never attained, and our business and results of operations may be harmed.

We may not successfully engage in strategic transactions, including any additional collaborations we seek, which could adversely affect our ability to develop and commercialize product candidates, impact our cash position, increase our expense and present significant distractions to our management.

Since commencing operations, we have entered into several collaboration agreements. Most recently, in November 2022 and December 2022, we entered into strategic collaborations with Regeneron and Moderna, respectively. From time to time, we may consider additional strategic transactions, such as additional collaborations, acquisitions of companies, asset purchases and out- or in-licensing of product candidates or technologies. In particular, we will evaluate and, if strategically attractive, seek to enter into additional collaborations, including with major biotechnology or biopharmaceutical companies. In July 2022, in connection with our announcement of Phase 2 topline results for praluzatamab ravtansine, we communicated our plans to seek collaborators to advance the program further. The competition for collaborators is intense and there can be no assurances that we will be able to secure any collaboration for praluzatamab ravtansine or any other program. The negotiation process for strategic collaborations is time-consuming and complex. Any new collaboration may be on terms that are not optimal for us, and we may not be able to maintain any new collaboration if, for example, development or approval of a product candidate is delayed, sales of an approved product candidate do not meet expectations or the collaborator terminates the collaboration. Any such collaboration, or other strategic transaction, may require us to incur non-recurring or other charges, increase our near- and long-term expenditures and pose significant integration or implementation challenges or disrupt our management or business. These transactions would entail numerous operational and financial risks, including exposure to unknown liabilities, disruption of our business and diversion of our management's time and attention in order to manage a collaboration or develop acquired products, product candidates or technologies, incurrence of substantial debt or dilutive issuances of equity securities to pay transaction consideration or costs, higher than expected collaboration, acquisition or integration costs, write-downs of assets or goodwill or impairment charges, increased amortization expenses, difficulty and cost in facilitating the collaboration or combining the operations and personnel of any acquired business, impairment of relationships with key suppliers, manufacturers or customers of any acquired business due to changes in management and ownership and the inability to retain key employees of any acquired business. Accordingly, although there can be no assurance that we will undertake or successfully complete any transactions of the nature described above, any transactions that we do complete may be subject to the foregoing or other risks and have a material and adverse effect on our business, financial condition, results of operations and prospects. The termination by a collaborator of a collaboration may cause a decrease in the price of our stock. Conversely, any failure to enter any additional collaboration or other strategic transaction that would be beneficial to us could delay the development and potential commercialization of our product candidates and have a negative impact on the competitiveness of any product candidate that reaches market.

If we are unable to successfully develop companion diagnostic tests for certain of our product candidates, or experience significant delays in doing so, we may not realize the full commercial potential of our product candidates.

Because we are focused on precision medicine, in which predictive biomarkers will be used to identify the right patients for our product candidates, we believe that our success may depend, in part, on the development of companion diagnostic tests, including for CX-2029. To successfully develop a companion diagnostic test, we would need to address a number of scientific, technical and logistical challenges. However, we have little experience in the development of companion diagnostic tests and may not be successful in developing appropriate tests to pair with any of our product candidates. Companion diagnostic tests are subject to regulation by the FDA and similar regulatory authorities outside the United States as medical devices and require separate regulatory approval prior to commercialization. Given our limited experience in developing companion diagnostic tests, we could seek to rely on third parties to design, manufacture, obtain regulatory approval for any companion diagnostic tests for our product candidates. However, we and such collaborators may encounter difficulties in developing and obtaining approval for the companion diagnostic tests, including issues relating to selectivity/specificity, analytical validation, reproducibility, or clinical validation. Any delay or failure by us or our collaborators to develop or obtain regulatory approval of the companion diagnostic tests could delay or prevent approval of our product candidates. As a result, our business would be harmed, possibly materially.

We rely on third parties to conduct all of our clinical trials and certain of our preclinical studies and intend to continue to do so, and if such third parties do not perform as contractually required, fail to satisfy regulatory or legal requirements or miss expected deadlines, our development programs could be delayed with material and adverse effects on our business, financial condition, results of operations and prospects.

We do not have the ability to independently conduct clinical trials. As such, we currently rely and intend to continue to rely on third-party clinical investigators, CROs, clinical data management organizations and consultants to help us design, conduct, supervise and

monitor clinical trials of our product candidates. As a result, we will have less control over the timing, quality and other aspects of our clinical trials than we would have had we conducted them on our own. These investigators, CROs and consultants are not our employees and we have limited control over the amount of time and resources that they dedicate to our programs. These third parties may have contractual relationships with other entities, some of which may be our competitors, which may draw time and resources from our programs. The third parties with which we contract might not be diligent, careful or timely in conducting our preclinical studies or clinical trials, resulting in the preclinical studies or clinical trials being delayed or unsuccessful. Furthermore, our third-party contractors, including CROs are being and may continue to be impacted in their ability to conduct our work as a result of the COVID-19 pandemic.

If we cannot contract with acceptable third parties on commercially reasonable terms, or at all, or if these third parties do not carry out their contractual duties, satisfy legal and regulatory requirements for the conduct of preclinical studies or clinical trials or meet expected deadlines, our clinical development programs could be delayed and otherwise adversely affected. In all events, we will be responsible for ensuring that each of our preclinical studies and clinical trials are conducted in accordance with the general investigational plan and protocols for the trial. The FDA requires preclinical studies to be conducted in accordance with good laboratory practices ("GLPs") and clinical trials to be conducted in accordance with good clinical practices ("GCPs"), including for designing, conducting, recording and reporting the results of preclinical studies and clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of clinical trial participants are protected. Our reliance on third parties that we do not control will not relieve us of these responsibilities and requirements. Any adverse development or delay in our clinical trials could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We are currently conducting and will continue to conduct clinical trials and will contract with third-party manufacturers in foreign countries, which could expose us to risks that could have a material adverse effect on the success of our business.

We have enrolled or are planning to enroll patients in our clinical trials outside the United States, including in Europe and South Korea. While we generally conduct our clinical trials primarily or partially in the U.S., 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 sole 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 pursuant to GCP regulations; 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 inspection to be necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means. In addition, even where the foreign study data are not intended to serve as the sole basis for approval, the FDA will not accept the data as support for an application for marketing approval unless the study is well-designed and well-conducted in accordance with GCP requirements and the FDA is able to validate the data from the study through an onsite inspection if deemed necessary. 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 currently contract manufacturing operations to third parties, and certain of our product candidates are manufactured by and will in the future be manufactured by third parties outside the U.S., including in China. For example, we have a contract with a third-party manufacturer located in China for our CX-801 product candidate and accordingly we are exposed to the possibility of drug product supply disruption, delay and increased costs in the event of changes in the policies of the U.S. or Chinese governments, political unrest or unstable economic conditions in China.

Conducting clinical trials and contracting with third-party manufacturers outside the United States also exposes us to additional risks, including risks associated with additional foreign regulatory requirements; foreign exchange fluctuations; patient monitoring and compliance; compliance with foreign manufacturing, customs, shipment and storage requirements; the severity of the COVID-19 pandemic in such jurisdictions; and cultural differences in medical practice and clinical research. We are also subject to risks associated with doing business globally, including commercial, political, and financial risks. In addition, we are subject to potential disruption caused by military conflicts; potentially unstable governments or legal systems; civil or political upheaval or unrest; local labor policies and conditions; possible expropriation, nationalization, or confiscation of assets; problems with repatriation of foreign earnings; economic or trade sanctions; closure of markets to imports; anti-American sentiment; terrorism or other types of violence in or outside the United States; health pandemics; and a significant reduction in global travel. For example, pandemics and public health emergencies, such as the COVID-19 pandemic, have disrupted and delayed and could in the future disrupt or delay enrollment in our clinical trials in Europe, South Korea and elsewhere. Our success will depend, in part, on our ability to overcome the challenges we encounter with respect to these risks and other factors affecting U.S. companies with global operations. If our global clinical trials or

foreign third-party suppliers were to experience significant disruption due to these risks or for other reasons, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

Because we have no long-term contracts with and rely on third-party manufacturing and supply partners, most of which are sole source suppliers, our supply of research and development, preclinical and clinical development materials may become limited or interrupted or may not be of satisfactory quantity or quality.

We rely on third-party contract manufacturers to manufacture our clinical trial and preclinical study product supplies, some of which are located in foreign countries, which, in addition to having other issues, could be adversely impacted by the COVID-19 pandemic. Most of our clinical trial manufacturing contractors and suppliers are our sole source for their respective manufacturing and supplies. Failure of any of these contractors could put our ability to have clinical trial material available when needed. This could result in a substantial delay of our clinical trials. For each of praluzatamab ravtansine (CX-2009), CX-2029, pacmilimab (CX-072), and CX-904, our manufacturing supply chain includes several contract manufacturers, and failure by any of these manufacturers could result in interruptions of our clinical studies. For example, in November 2019, one of our contract manufacturers that manufactures pacmilimab experienced a production failure. If we had not been able to assure sufficient supplies of clinical trial drug product after the production failure, we may have been required to suspend any ongoing trials and postpone future trials. Although we took sufficient steps to assure our current supply of pacmilimab, there can be no assurance that we will not have future production failures, which could affect our ability to conduct our trials for CX-2029, CX-904 or any other clinical trial drug candidates, including CX-801 and CX-2051, on our planned timeline or at all. We do not own manufacturing facilities for producing such supplies and do not have any long-term contracts and we do not currently have an alternative to any of our third-party contract manufacturers. There can be no assurance that our preclinical and clinical development product supplies will not be limited, interrupted, or of satisfactory quality or continue to be available at acceptable prices. In particular, any replacement of any of our third-party contract manufacturers could require significant effort and expertise because there may be a limited number of qualified replacements. In addition, we may encounter issues with transferring technology to a new third-party manufacturer, and we may encounter regulatory delays if we need to move the manufacturing of our products from one third-party manufacturer to another. For example, we were dependent on ImmunoGen under our collaboration for certain steps in the manufacturing of clinical quantities of praluzatamab ravtansine. At the end of 2018, ImmunoGen closed their clinical manufacturing facility in Norwood, MA. This site provided clinical manufacturing support for the praluzatamab ravtansine program. We completed transfer of the drug substance manufacturing process from ImmunoGen to a CMO, where we have an existing relationship and which has expertise in the manufacture of antibody-drug conjugates at a clinical and commercial scale. While the manufacturing transfer process was completed, there can be no assurance that we will not experience a disruption in the supply of any other drug substance or drug product.

The manufacturing process for a product candidate is subject to FDA and foreign regulatory authority review. Suppliers and manufacturers must meet applicable manufacturing requirements and undergo rigorous facility and process validation tests required by regulatory authorities in order to comply with regulatory standards, such as current Good Manufacturing Practices (“cGMPs”). In the event that any of our manufacturers fails to comply with such requirements or to perform its obligations to us in relation to quality, timing or otherwise, such as the pacmilimab manufacturing production failure our contract manufacturer experienced in November 2019, or if our supply of components or other materials becomes limited or interrupted for other reasons, such as one of our manufacturers going out of business, we may be forced to manufacture the materials ourselves, for which we currently do not have the capabilities or resources, or enter into an agreement with another third party, which we may not be able to do on reasonable terms, if at all. In some cases, the technical skills or technology required to manufacture our product candidates may be unique or proprietary to the original manufacturer and we may have difficulty transferring such skills or technology to another third party and a feasible alternative may not exist. These factors would increase our reliance on such manufacturer or require us to obtain a license from such manufacturer in order to have another third party manufacture our product candidates. If we are required to change manufacturers for any reason, we will be required to verify that the new manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines. The delays associated with the verification of a new manufacturer could negatively affect our ability to develop product candidates in a timely manner or within budget.

We expect to continue to rely on third-party manufacturers if we receive regulatory approval for any product candidate. To the extent that we have existing, or enter into future, manufacturing arrangements with third parties, we will depend on these third parties to perform their obligations in a timely manner consistent with contractual and regulatory requirements, including those related to quality control and assurance. If we are unable to obtain or maintain third-party manufacturing for product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize our product candidates successfully. We may find that our third-party manufacturer is unable to scale up the process in order to produce commercial quantities of our products. Our or a third party’s failure to execute on our manufacturing requirements and comply with cGMPs could adversely affect our business in a number of ways, including:

- an inability to initiate or continue clinical trials of product candidates under development;

- delay in submitting regulatory applications, or receiving regulatory approvals, for product candidates;
- loss of the cooperation of a collaborator;
- subjecting third-party manufacturing facilities or our manufacturing facilities to additional inspections by regulatory authorities;
- requirements to cease distribution or to recall batches of our product candidates; and
- in the event of approval to market and commercialize a product candidate, an inability to meet commercial demands for our products.

The supply chain for the manufacturing of our product candidates is complicated and can involve many parties. This is especially the case for our clinical-stage conditionally activated ADCs, praluzatamab ravtansine and CX-2029. If we were to experience any supply chain issues, our product supply could be seriously disrupted. In addition, we expect the logistical challenges associated with our supply chain to grow more complex as additional product candidates commence any clinical trials.

We, or third-party manufacturers, may be unable to successfully scale-up manufacturing of our product candidates in sufficient quality and quantity, which would delay or prevent us from developing our product candidates and commercializing approved products, if any.

It may prove more challenging than we anticipate to manufacture products that incorporate our Probody therapeutic technology. In order to conduct clinical trials of our product candidates, including our clinical trials for CX-2029 and CX-904, we will need to manufacture them in large quantities. To date, we have generally been able to successfully manufacture CX-2029, and CX-904 for our ongoing early-stage clinical trials. However, in November 2019, we had a production failure at one of our contract manufacturers that manufactured pacmilimab for our Phase 1/2 clinical trial and for our future trials. If we had not been able to assure sufficient supplies of clinical trial drug product after the production failure, we may have been required to suspend any ongoing trials and postpone future trials. Although we took sufficient steps to assure our current supply of pacmilimab clinical trial drug product for our planned clinical trials, there can be no assurance that we will not have future production failures, which could affect our ability to conduct our trials for CX-2029, CX-904 or any other clinical trial drug candidates, including CX-801 and CX-2051, on our planned timeline or at all. Furthermore, in order to conduct later stage clinical trials of our product candidates, such as our Phase 2 clinical trial for CX-2029 and eventually, if approved, commercial products, we will need to manufacture them in larger quantities. We, or any manufacturing partners, may be unable to successfully increase the manufacturing scale and capacity for any of our product candidates in a timely or cost-effective manner, or at all. However, we may have to start late-stage trials with our early clinical trial drug product and switch to late-stage or commercial drug product mid trial. In such event, the FDA will require us to complete bridging studies to compare the earlier stage material with late-stage or commercial material to assure comparability between the earlier trial material and the late- stage or commercial material. Changing formulation and scaling up the process is a complicated and difficult task. While we believe we can complete this process successfully, there can be no assurances that the changes we make to the drug product and manufacturing process will be successful or completed in a timely manner or that the FDA will not require additional development steps or studies from those we believe are necessary. If we are not able to scale up our manufacturing capabilities with respect to any of our product candidates, increase the life of drug stability of product candidates, or successfully complete the FDA's bridging requirements, we may not be able to successfully obtain FDA approval and commercialize product candidates in a timely manner or at all.

For CX-2029, the manufacturing of additional clinical quantities could be particularly difficult because we are relying on three different parties to manufacture supplies. If we, or any manufacturing partners, are unable to successfully scale up the manufacture of our product candidates in sufficient quality and quantity, the development, testing, and clinical trials of that product candidate may be delayed or infeasible, and regulatory approval or commercial launch of any resulting product may be delayed or not obtained, which could significantly harm our business.

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

Because we have limited financial and managerial resources, we focus on specific product candidates and indications. For example, in July 2022, we announced that we would not continue the development of pralauzatamab ravtansine without a partner. As a result, we may forgo or delay pursuit of opportunities with those products in other indications or with other product candidates that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable product candidates. 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 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 may experience difficulties in managing our growth and expanding when needed.

Over the last few years, we have expanded our workforce and activities to manage our expanding pipeline, including Phase 2 clinical trials. However, in July 2022, we announced we will not advance praluzatamab ravtansine into further clinical trials and will seek a partner for the program. As a result, we announced that we would reduce our workforce, primarily development and general and administrative staff, by approximately 40%. In the future we may need to grow our organization substantially to continue development and pursue the potential commercialization of our product candidates, including CX-801 and CX-2051, as well as function as a public company. As we increase the number of our product candidates entering and advancing through preclinical studies and clinical trials, we will need to expand our development, regulatory and manufacturing capabilities or contract with additional organizations to provide these capabilities for us. In addition, we expect our collaborations to require greater resources as the development of our product candidates under such agreements progresses. In the future, we expect to also have to manage additional relationships with collaborators or partners, including Regeneron and Moderna, suppliers and other organizations. In particular, if the third parties on which we currently rely are not capable of delivering services or supplies in a manner that is sufficient to meet our requirements as we expand our operations, we could be required to contract with new third parties and there can be no assurances that the services or supplies of such third parties will be available on commercially reasonable terms, or at all. Furthermore, our ability to manage our operations and future growth will require us to continue to increase headcount as well as improve our operational, financial and management controls, reporting systems and procedures. We may not be able to implement improvements to our management information and control systems in an efficient or timely manner and may discover deficiencies in existing systems and controls.

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

The development and commercialization of drugs and therapeutic biologics is highly competitive. We compete with a variety of multinational biopharmaceutical companies and specialized biotechnology companies, as well as technology being developed at universities and other research institutions. Our competitors have developed, are developing or will develop product candidates and processes competitive with our product candidates. Competitive therapeutic treatments include those that have already been approved and accepted by the medical community and any new treatments that enter the market. We believe that a significant number of products are currently under development, and may become commercially available in the future, for the treatment of conditions for which we may try to develop product candidates. Additionally, there is intense and rapidly evolving competition in the biotechnology, biopharmaceutical and antibody and immunoregulatory therapeutics fields, and our competitors include larger and better funded biopharmaceutical, biotechnological and therapeutics companies. In addition, these companies compete with us in recruiting scientific and managerial talent.

We believe that while our Probody platform, its associated intellectual property and our scientific and technical know-how, give us a competitive advantage in this space, competition from many sources remains. The clinical development pipeline for cancer includes small molecules, antibodies and therapies from a variety of groups. In addition, numerous compounds are in clinical development for cancer treatment. As a result, our success will partially depend on our ability to develop and protect therapeutics that are safer and more effective than competing products. Our commercial opportunity and success will be reduced or eliminated if competing products that are safer, more effective, or less expensive than the therapeutics we develop or if we are unable to utilize our Probody therapeutic technology to differentiate our Probody therapeutics from the products of our competitors. For instance, if any of our product candidates, including, CX-2029, are approved, they will compete with a range of therapeutic treatments that are either in development or currently marketed. A variety of oncology drugs and therapeutic biologics are currently on the market or in clinical development Given the amount of time required to successfully develop and obtain regulatory approval for each of our product candidates, it is therefore possible that by the time we obtain any such approval, if ever, and commence sales, we may no longer be able to differentiate such product candidate from those of our competitors.

We face substantial competition from pharmaceutical companies developing products in oncology, including companies such as Amgen, AstraZeneca PLC, Bristol Myers Squibb, GlaxoSmithKline plc, Merck & Co., Inc. Novartis AG, Pfizer, Roche Holding Ltd. and Sanofi SA. Many large and mid-sized biotech companies, including BeiGene, Incyte, Nektar, and Alkermes have ongoing efforts in cancer immunotherapy. Several companies, including Adagene, Amgen, Sanofi, BioAtla, Halozyme, Harpoon Therapeutics, Revitope, Roche, Seagen, Takeda, Werewolf Therapeutics, and Xilio are exploring antibody masking and/or conditional activation strategies, which could compete with our Probody platform. We are also aware of several companies that are developing ADCs, such as AbbVie, ADC Therapeutics, Daiichi Sankyo, Gilead, ImmunoGen, Merck & Co., Mersana Therapeutics, Pfizer, Roche Holding Ltd. Seagen and Takeda. Furthermore, several large pharmaceutical companies, including Amgen, Novartis AG and Roche Holding Ltd., are developing T-cell engaging immunotherapies, and we are aware of several mid-sized biotech companies, such as MacroGenics and Xencor, and small companies with ongoing efforts to develop T-cell engaging immunotherapies. Any of these companies may be well capitalized and may have significant clinical experience. In addition, these companies include our collaborators.

Many of our competitors have significantly greater financial, technical, manufacturing, marketing, sales and supply resources or experience than we do. If we successfully obtain approval for any product candidate, we will face competition based on many different factors, including the safety and effectiveness of our products, the ease with which our products can be administered and the extent to which patients accept relatively new routes of administration, the timing and scope of regulatory approvals for these products, the availability and cost of manufacturing, marketing and sales capabilities, price, reimbursement coverage and patent position. Competing products could present superior treatment alternatives, including by being more effective, safer, less expensive or marketed and sold more effectively than any products we may develop. Competitive products may make any products we develop less differentiated or noncompetitive before we recover the expense of developing and commercializing our product candidates. Such competitors could also recruit our employees, which could negatively impact our level of expertise and our ability to execute our business plan.

Any inability to attract and retain qualified key management and technical personnel would impair our ability to implement our business plan.

Our success largely depends on the continued service of key management, advisors and other specialized personnel, including Sean A. McCarthy, D.Phil., our chief executive officer and chairman. The loss of one or more members of our management team or other key employees or advisors could delay our research and development programs and have a material and adverse effect on our business, financial condition, results of operations and prospects. The relationships that our key managers have cultivated within our industry make us particularly dependent upon their continued employment with us. We are dependent on the continued service of our technical personnel because of the highly technical nature of our product candidates and technologies and the specialized nature of the regulatory approval process. Because our management team and key employees are not obligated to provide us with continued service, they could terminate their employment with us at any time without penalty. In particular, as a result of the COVID-19 pandemic, the ability of employees to engage in a remote working environment has increased the competitive landscape across the country for us in seeking qualified employees. Employees are now able to consider opportunities across the country and it may be more difficult to hire employees. Furthermore, it is more difficult to engage employees in Company culture and build working rapport when they are working remotely. As a result, it may be more difficult to retain employees on a long-term basis. Our future success will depend in large part on our continued ability to attract and retain other highly qualified scientific, technical and management personnel, as well as personnel with expertise in clinical testing, manufacturing, governmental regulation and commercialization. We face competition for personnel from other companies, universities, public and private research institutions, government entities and other organizations, especially as job opportunities in the biotechnology industry have recently increased significantly in the San Francisco Bay Area and across the country.

If any of our product candidates are approved for marketing and commercialization and we are unable to develop sales, marketing and distribution capabilities on our own or enter into agreements with third parties to perform these functions on acceptable terms, we will be unable to commercialize successfully any such future products.

We currently have no sales, marketing or distribution capabilities or experience. If any of our product candidates is approved, we will need to develop internal sales, marketing and distribution capabilities to commercialize such products, which would be expensive and time-consuming, or enter into collaborations with third parties to perform these services. If we decide to market our products directly, we will need to commit significant financial and managerial resources to develop a marketing and sales force with technical expertise and supporting distribution, administration and compliance capabilities. If we rely on third parties with such capabilities to market our products or decide to co-promote products with collaborators, we will need to establish and maintain marketing and distribution arrangements with third parties, and there can be no assurance that we will be able to enter into such arrangements on acceptable terms or at all. In entering into third-party marketing or distribution arrangements, any revenue we receive will depend upon the efforts of the third parties and there can be no assurance that such third parties will establish adequate sales and distribution capabilities or be successful in gaining market acceptance of any approved product. If we are not successful in commercializing any product approved in the future, either on our own or through third parties, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Price controls imposed in foreign markets may adversely affect our future profitability.

In some countries, particularly member states of the European Union, the pricing of prescription drugs is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after receipt of marketing approval for a product. In addition, there can be considerable pressure by governments and other stakeholders on prices and reimbursement levels, including as part of cost containment measures. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various European Union member states and parallel distribution, or arbitrage between low-priced and high-priced member states, can further reduce prices. In some countries, we or future collaborators may be required to conduct a clinical trial or other studies that compare the cost-effectiveness of our Probody therapeutic candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. Publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If reimbursement of any product candidate approved for marketing is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business, financial condition, results of operations or prospects could be materially and adversely affected. We currently do not know how the exit of the United Kingdom from the European Union will affect the pricing of prescription drugs, either in the United Kingdom or in the remaining European Union member states.

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

We are exposed to significant product liability risks inherent in the development, testing, manufacturing and marketing of therapeutic treatments, including as a result of the clinical testing of praluzatamab ravtansine (CX-2009), CX-2029, BMS-986249, BMS-986288, pacmilimab (CX-072) and CX-904 and any of our other product candidates or those of our collaborators. Product liability claims could delay or prevent completion of our development programs. If we succeed in marketing product candidates, such claims could result in an FDA investigation of the safety and effectiveness of our product candidates, our manufacturing processes and facilities (or the manufacturing processes and facilities of our third-party manufacturers) or our marketing programs and potentially a recall of our products or more serious enforcement action, limitations on the approved indications for which they may be used or suspension or withdrawal of approvals. Regardless of the merits or eventual outcome, liability claims may also result in decreased demand for our products, injury to our reputation, costs to defend the related litigation, a diversion of management’s time and our resources, substantial monetary awards to trial participants or patients and a decline in our stock price. We currently have insurance that we believe is appropriate for our stage of development and may need to obtain higher levels of insurance prior to marketing any of our product candidates. Any insurance we have or may obtain may not provide sufficient coverage against potential liabilities. Furthermore, clinical trial and product liability insurance is becoming increasingly expensive. As a result, we may be unable to obtain sufficient insurance at a reasonable cost to protect us against losses caused by product liability claims that could have a material and adverse effect on our business, financial condition, results of operations and prospects.

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

We are exposed to the risk of fraud or other misconduct by our employees or independent contractors. Misconduct by these parties could include intentional failures to comply with FDA regulations, provide accurate information to the FDA, comply with manufacturing standards we may establish, comply with federal and state data privacy, security, fraud and abuse, and other healthcare

laws and regulations, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, 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. Activities subject to these laws could also involve the improper use or misrepresentation of information obtained in the course of clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. 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 be in compliance with such laws or regulations. Additionally, we are subject to the risk that a person or government 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 material and adverse effect on our business, financial condition, results of operations and prospects, including the imposition of significant fines or other sanctions.

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

Our current operations are located in our facilities in South San Francisco, California. Any unplanned event, such as flood, fire, explosion, earthquake, extreme weather condition, medical epidemics, power shortage, telecommunication failure or other natural or manmade accidents or incidents that result in us being unable to fully utilize our facilities, or the manufacturing facilities of our third-party contract manufacturers, may have a material and adverse effect on our ability to operate our business, particularly on a daily basis, and have significant negative consequences on our financial and operating conditions. Loss of access to these facilities may result in increased costs, delays in the development of our product candidates or interruption of our business operations. Earthquakes or other natural disasters could further disrupt our operations and have a material and adverse effect on our business, financial condition, results of operations and prospects. If a natural disaster, power outage or other event 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. For example, in March 2020, the COVID-19 pandemic caused us to restrict access to our facility and initiate a work-from-home program limiting onsite activity to a substantially reduced level of laboratory research activities. Although we have gradually increased levels of our laboratory research activities, we continue to operate in a hybrid, work-from-home environment and there can be no assurance that we will be able to continue to increase or maintain current levels of such activity or that the COVID-19 pandemic will not continue to impact our ability to conduct business.

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 and adverse effect on our business. As part of our risk management policy, we maintain insurance coverage at levels that we believe are appropriate for our business. However, in the event of an accident or incident at these facilities, we cannot assure you that the amounts of insurance will be sufficient to satisfy any damages and losses. If our facilities, or the manufacturing facilities of our third-party contract manufacturers, are unable to operate because of an accident or incident or for any other reason, even for a short period of time, any or all of our research and development programs may be harmed. Any business interruption may have a material and adverse effect on our business, financial condition, results of operations and prospects.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the U.S.

We prepare our financial statements in conformity with accounting principles generally accepted in the U.S. These accounting principles are subject to interpretation by the Financial Accounting Standards Board (“FASB”) and the SEC. A change in these policies or interpretations could have a significant effect on our reported financial results, may retroactively affect previously reported results, could cause unexpected financial reporting fluctuations, and may require us to make costly changes to our operational processes and accounting systems. For example, in May 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers (Topic 606), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU replaced most existing revenue recognition guidance in the U.S. GAAP when it became effective. The new standard was effective at the beginning of our fiscal year 2018 with early adoption permitted for our fiscal year 2017. We evaluated the impact of ASU 2014-09 on our financial statements and adoption of the standard had a significant impact on our financial statements and retroactively affected the accounting treatment of transactions completed before adoption. Additionally, for the purpose of revenue recognition, we are required to estimate the amount of effort to complete, as measured by full-time equivalent hours of our research development programs. Such estimates are inherently uncertain and may result in changes in estimates to financial statements in subsequent periods.

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

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "IRC"), if a corporation undergoes an "ownership change" (generally defined as a greater than 50 percentage points change (by value) in the ownership of its equity over a rolling three-year period), the corporation's ability to use its pre-change net operating loss carryforwards and certain other pre-change tax attributes to offset its post-change income and taxes may be limited. California has similar rules. For example, we performed an IRC Section 382 analysis in 2017 and determined there was an ownership change that resulted in Section 382 limitations. The ownership change limited our ability to utilize net operating losses against taxable income in 2018 for both federal and California tax purposes. The remaining net operating losses and credit will be available in future years before expiration during their respective carryforward periods. We may experience ownership changes in the future as a result of shifts in our stock ownership, some of which are outside our control, and our ability to utilize net operating loss carryforwards could be limited by an "ownership change" as described above, which could result in additional increased tax liability to the Company.

Risks Related to Intellectual Property

If we are not able to obtain and enforce patent protection for our technologies or product candidates, development and commercialization of our product candidates may be adversely affected.

Our success depends in part on our ability to obtain and maintain patents and other forms of intellectual property rights, including in-licenses of intellectual property rights of others, for our product candidates, methods used to manufacture our product candidates and methods for treating patients using our product candidates, as well as our ability to preserve our trade secrets, to prevent third parties from infringing upon our proprietary rights and to operate without infringing upon the proprietary rights of others. We have a substantial number of issued patents and pending patent applications, some of which are co-owned with a third party, covering our Probody platforms and products as well as methods of use and production thereof; we have exclusively licensed UCSB's interest in the patent family co-owned with UCSB that covers Probody and other pro-protein technology in the fields of therapeutics, *in vivo* diagnostics and prophylactics. In addition, we have exclusively licensed a patent portfolio of three patent families from UCSB that includes patents and patent applications that cover compositions and methods related to the screening for and identification of the masks and protease-cleavable linkers that we incorporate into our Probody candidates. We may not be able to apply for patents on certain aspects of our product candidates in a timely fashion or at all. Our existing issued and granted patents and any future patents we obtain may not be sufficiently broad to prevent others from using our technology or from developing competing products and technology. There is no guarantee that any of our pending patent applications will result in issued or granted patents, that any of our issued or granted patents will not later be found to be invalid or unenforceable or that any issued or granted patents will include claims that are sufficiently broad to cover our product candidates or to provide meaningful protection from our competitors. Moreover, the patent position of biotechnology and biopharmaceutical companies can be highly uncertain because it involves complex legal and factual questions. We will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our current and future proprietary technology and product candidates are covered by valid and enforceable patents or are effectively maintained as trade secrets. If third parties disclose or misappropriate our proprietary rights, it may materially and adversely affect our position in the market.

The U.S. Patent and Trademark Office ("USPTO") and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process. There are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case. The standards applied by the USPTO and foreign patent offices in granting patents are not always applied uniformly or predictably. For example, there is no uniform worldwide policy regarding patentable subject matter or the scope of claims allowable in biotechnology and biopharmaceutical patents. As such, we do not know the degree of future protection that we will have on our proprietary products and technology. While we will endeavor to try to protect our product candidates with intellectual property rights such as patents, as appropriate, the process of obtaining patents is time-consuming, expensive and sometimes unpredictable.

In addition, there are numerous recent changes to the patent laws and proposed changes to the rules of the USPTO that may have a significant impact on our ability to protect our technology and enforce our intellectual property rights. For example, the America Invents Act ("AIA") enacted within the last several years involves significant changes in patent legislation. The Supreme Court has ruled on several patent cases in recent years, some of which cases either narrow the scope of patent protection available in certain circumstances or weaken the rights of patent owners in certain situations. The recent decision by the Supreme Court in *Association for Molecular Pathology v. Myriad Genetics, Inc*. precludes a claim to a nucleic acid having a stated nucleotide sequence that is identical to a sequence found in nature and has not been modified. We currently are not aware of an immediate impact of this decision on our patents or patent applications because we are developing product candidates that contain modifications, such as our Probody substrates and masks, that we believe are not found in nature. However, this decision has yet to be clearly interpreted by courts and by the USPTO. We cannot assure you that the interpretations of this decision or subsequent rulings will not adversely impact our patents or

patent applications. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

Once granted, patents may remain open to opposition, interference, re-examination, post-grant review, inter partes review, nullification or derivation action in court or before patent offices or similar proceedings for a given period after allowance or grant, during which time third parties can raise objections against such initial grant. In the course of such proceedings, which may continue for a protracted period of time, the patent owner may be compelled to limit the scope of the allowed or granted claims thus attacked, or may lose the allowed or granted claims altogether. In addition, there can be no assurance that:

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

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

Probody therapeutics are a relatively new scientific field. We have obtained grants and issuances of Probody therapeutic patents and have licensed one patent family comprising several of these patents from a third party on an exclusive basis for therapeutics applications. The issued patents and pending patent applications in the United States and in key markets around the world that we own or license claim many different methods, compositions and processes relating to the discovery, development, manufacture and commercialization of antibody and immunoregulatory therapeutics. Specifically, we own and have licensed a portfolio of patents, patent applications and other intellectual property covering Probody compositions of matter as well as their methods of manufacturing and use.

As the field of antibody and immunoregulatory therapeutics matures, patent applications are being processed by national patent offices around the world. There is uncertainty about which patents will issue, and, if they do, as to when, to whom, and with what claims. In addition, third parties may attempt to invalidate our intellectual property rights.

Even if our rights are not directly challenged, disputes could lead to the weakening of our intellectual property rights. Our defense against any attempt by third parties to circumvent or invalidate our intellectual property rights could be costly to us, could require significant time and attention of our management and could have a material and adverse effect on our business, financial condition, results of operations and prospects or our ability to successfully compete.

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

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

Obtaining a valid and enforceable issued or granted patent covering our technology in the U.S. and worldwide can be extremely costly. In jurisdictions where we have not obtained patent protection, competitors may use our technology to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but where it is more difficult to enforce a patent as compared to the U.S. Competitor products may compete with our future products in jurisdictions where we do not have issued or granted patents or where our issued or granted patent claims or other intellectual property rights are not sufficient to prevent competitor activities in these jurisdictions. The legal systems of certain countries, particularly certain developing countries, make it difficult to enforce patents and such countries may not recognize other types of intellectual property protection, particularly that relating to biopharmaceuticals. This could make it difficult for us to prevent the infringement of our patents or marketing of competing products in violation of our proprietary rights generally in certain jurisdictions. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business.

For example, in March 2022, Russia adopted a decree allowing local companies and individuals to use inventions from certain countries designated as "unfriendly", including the U.S. Further, under current U.S. currency restrictions on payments to entities in Russia, we may be unable in the future to pay for the prosecution of patent applications or the maintenance of existing patents in Russia. As a result of these actions, we may not be able to protect our technology from unlicensed use in Russia.

We generally file a provisional patent application first (a priority filing) at the USPTO. An international application under the Patent Cooperation Treaty ("PCT") is usually filed within twelve months after the priority filing. Based on the PCT filing, national and regional patent applications may be filed in the United States, Europe, Japan, Australia and Canada and, depending on the individual case, also in any or all of, *inter alia*, Brazil, China, Hong Kong, India, Indonesia, Israel, Malaysia, Mexico, New Zealand, Russia or Eurasian Patent Organization, Singapore, South Africa, South Korea and other jurisdictions. We have so far not filed for patent protection in all national and regional jurisdictions where such protection may be available. In addition, we may decide to abandon national and regional patent applications before grant. Finally, the grant proceeding of each national or regional patent is an independent proceeding which may lead to situations in which applications might in some jurisdictions be refused by the relevant registration authorities, while granted by others. It is also quite common that depending on the country, various scopes of patent protection may be granted on the same product candidate or technology.

The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws in the U.S., and many companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions. If we or our licensors encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for our business in such jurisdictions, the value of these rights may be diminished and we may face additional competition from others in those jurisdictions. Many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we or any of our licensors are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position in the relevant jurisdiction may be impaired and our business and results of operations may be adversely affected.

We or our licensors, or any future strategic partners may become subject to third party claims or litigation alleging infringement of patents or other proprietary rights or seeking to invalidate patents or other proprietary rights, and we may need to resort to litigation to protect or enforce our patents or other proprietary rights, all of which could be costly, time consuming, delay or prevent the development and commercialization of our product candidates, or put our patents and other proprietary rights at risk.

We or our licensors, or any future strategic partners may be subject to third-party claims for infringement or misappropriation of patent or other proprietary rights. We are generally obligated under our license or collaboration agreements to indemnify and hold harmless our licensors or collaborators for damages arising from intellectual property infringement by us. For example, in March 2020, Vytacera Bio, LLC filed a patent infringement lawsuit against the Company in the U.S. District Court for the District of Delaware. The lawsuit alleges that the Company's use, offers to sell, and/or sales of the Probody technology platform for basic research applications constitutes infringement. The complaint seeks unspecified monetary damages. The Company believes that the lawsuit is without merit and intends to vigorously defend itself. However, there can be no assurance that a court might not rule against us in these proceedings. Even if we are successful in defending against such claim, this litigation could divert management's attention, as well as our resources, from our business and any claims paid out of our cash reserves would harm our financial condition and operating results.

If we or our licensors, or any future strategic partners are found to infringe a third-party patent or other intellectual property rights, we could be required to pay damages, potentially including treble damages, if we are found to have willfully infringed. In addition, we or our licensors, or any future strategic partners may choose to seek, or be required to seek, a license from a third party, which may not

be available on acceptable terms, if at all. Even if a license can be obtained on acceptable terms, the rights may be non-exclusive, which could give our competitors access to the same technology or intellectual property rights licensed to us. If we fail to obtain a required license, we or our collaborators may be unable to effectively market product candidates based on our technology, which could limit our ability to generate revenue or achieve profitability and possibly prevent us from generating revenue sufficient to sustain our operations. In addition, we may find it necessary to pursue claims or initiate lawsuits to protect or enforce our patent or other intellectual property rights. The cost to us in defending or initiating any litigation or other proceeding relating to patent or other proprietary rights, even if resolved in our favor, could be substantial, and litigation would divert our management's attention. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could delay our research and development efforts and limit our ability to continue our operations.

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

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

Because the antibody landscape is still evolving, including the masked antibody landscape, it is difficult to conclusively assess our freedom to operate without infringing on third-party rights. There are numerous companies that have pending patent applications and issued patents broadly covering antibodies generally or covering antibodies directed against the same targets as, or targets similar to, those we are pursuing. An increasing number of third parties are filing masked antibody patent applications, several of which contain claims that are patterned after our own patent claims. Our competitive position may suffer if patents issued to third parties or other third-party intellectual property rights cover our products or product candidates or elements thereof, or our manufacture or uses relevant to our development plans. In such cases, we may not be in a position to develop or commercialize products or product candidates unless we successfully pursue litigation to nullify or invalidate the third-party intellectual property right concerned, or enter into a license agreement with the intellectual property right holder, if available on commercially reasonable terms. There may be issued patents of which we are not aware, held by third parties that, if found to be valid and enforceable, could be alleged to be infringed by our Probody therapeutic technologies. There also may be pending patent applications of which we are not aware that may result in issued patents, which could be alleged to be infringed by our Probody therapeutic technologies. If such an infringement claim should be brought and be successful, we may be required to pay substantial damages, be forced to abandon our product candidates or seek a license from any patent holders. No assurances can be given that a license will be available on commercially reasonable terms, if at all.

It is also possible that we have failed to identify relevant third-party patents or applications. For example, U.S. applications filed before November 29, 2000, and certain U.S. applications filed after that date that will not be filed outside the U.S. remain confidential until patents issue. 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 products or platform technology could have been filed by others without our knowledge. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our platform technologies, our products or the use of our products. Third-party intellectual property right holders may also actively bring infringement claims against us. We cannot guarantee that we will be able to successfully settle or otherwise resolve such infringement claims. If we are unable to successfully settle future claims on terms acceptable to us, we may be required to engage in or continue costly, unpredictable and time-consuming litigation and may be prevented from or experience substantial delays in marketing our products. If we fail in any such dispute, in addition to being forced to pay damages, we may be temporarily or permanently prohibited from commercializing any of our product candidates that are held to be infringing. We might, if possible, also be forced to redesign product candidates 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.

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

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

We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon, misappropriating or otherwise violating or from successfully challenging our intellectual property rights. For example, although we believe the Vytacera lawsuit is without merit and we intend to vigorously defend ourselves, we cannot provide any assurance that we will be successful. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material and adverse effect on our ability to compete in the marketplace.

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

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

Our intellectual property agreements with our licensors, collaborators and third parties may be subject to disagreements over contract interpretation, which could narrow the scope of, or result in termination of, our rights to the relevant intellectual property or technology or increase our financial or other obligations to such third parties.

Certain provisions in our intellectual property agreements may be susceptible to multiple interpretations. For example, we may disagree with our licensors or collaborators regarding whether, when and to what extent various obligations under these agreements apply to certain of our product candidates and products, including various payment, development, commercialization, funding, diligence, sublicensing, insurance, patent prosecution and enforcement and/or other obligations. The resolution of any contract interpretation disagreement that may arise could affect the scope of our rights to the relevant intellectual property or technology, or affect financial or other obligations under the relevant agreement. In either case, such disagreement could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact conceives or develops intellectual property that we regard as our own. Our assignment

agreements may not be self-executing or may be breached, and we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property.

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

In addition to seeking patent protection for certain aspects of our product candidates, we also consider trade secrets, including confidential and unpatented know-how, important to the maintenance of our competitive position. We protect trade secrets and confidential and unpatented know-how, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to such knowledge, such as our employees, corporate collaborators, outside scientific collaborators, CROs, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants that obligate them to maintain confidentiality and assign their inventions to us.

Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts in the U.S. and certain foreign jurisdictions are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

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

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

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

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected.

Risks Related to Government Regulation

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

Our product candidates that we are currently developing are regulated as therapeutic biologics that are subject to requirements for review and approval of a BLA by the FDA's Center for Drug Evaluation and Research ("CDER"). Therefore, our product candidates are subject to extensive governmental regulations relating to, among other things, research, testing, development, manufacturing, safety, efficacy, approval, recordkeeping, reporting, labeling, storage, packaging, advertising and promotion, pricing, marketing and distribution of drugs and therapeutic biologics. Rigorous preclinical testing and clinical trials and an extensive regulatory approval process are required to be successfully completed in the U.S. and in many foreign jurisdictions before a new drug or therapeutic biologic can be marketed. Satisfaction of these and other regulatory requirements is costly, time consuming, uncertain and subject to unanticipated delays. For example, recently the FDA launched Project Optimus, an initiative to reform the dose optimization and dose selection paradigm in oncology drug development. While the effort is intended to help drive better ultimate outcomes in the development of oncology drugs, these efforts could also lead to longer and more expensive early development efforts for companies, including us, before we are able to initiate registrational studies for our product candidates. Additionally, at this time it is impossible to predict whether the COVID-19 pandemic will cause regulatory delays in the U.S. or foreign jurisdictions. It is possible that none of

the product candidates we may develop will obtain the regulatory approvals necessary for us or our existing or future collaborators to begin selling them.

As a company, we have limited experience in conducting and managing the clinical trials necessary to obtain regulatory approvals, including approval by the FDA. The time required to obtain FDA and other approvals is unpredictable but typically takes many years following the commencement of clinical trials, depending upon the type, complexity and novelty of the product candidate. The standards that the FDA and its foreign counterparts use when regulating us require judgment and can change, which makes it difficult to predict with certainty how they will be applied. Any analysis we perform of data from preclinical and clinical activities is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. We may also encounter unexpected delays or increased costs due to new government regulations, for example, from future legislation or administrative action, or from changes in FDA policy during the period of product development, clinical trials and FDA regulatory review. Further, government shutdowns, such as the partial U.S. federal government shutdown in late 2018 or the United Kingdom's departure from the European Union may impact our ability to access government agencies in a timely manner or otherwise impact our ability to move our product candidates through the regulatory process. It is impossible to predict whether legislative changes will be enacted, or whether FDA or foreign regulations, guidance or interpretations will be changed, or what the impact of such changes, if any, may be.

Moreover, the FDA may respond to our submissions by defining requirements we may not have anticipated. Such responses could lead to significant delays in the clinical development of our product candidates. In addition, because there may be approved treatments for some of the diseases for which we may seek approval, in order to receive regulatory approval, we may need to demonstrate through clinical trials that the product candidates we develop to treat these diseases, if any, are not only safe and effective, but safer or more effective than existing products. Furthermore, in recent years, there has been increased public and political pressure on the FDA with respect to the approval process for new drugs and therapeutic biologics, and the FDA's standards, especially regarding product safety, appear to have become more stringent.

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

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

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

Any regulatory approvals that we or our collaborators obtain for our product candidates may also be subject to limitations on the approved indicated uses for which a product may be marketed or to 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 product candidate. In addition, if the FDA or a comparable foreign regulatory authority approves any of our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, import, export, advertising, promotion and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMPs and good clinical practices for any clinical trials that we conduct post-approval. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market or voluntary or mandatory product 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 our strategic partners;
- suspension or revocation of product approvals;
- product seizure or detention or refusal to permit the import or export of products; and
- injunctions or the imposition of civil or criminal penalties.

The FDA's policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability, which would adversely affect our business.

We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad. 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 be subject to enforcement action, and we may not achieve or sustain profitability.

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

The Affordable Care Act includes a subtitle called the Biologics Price Competition and Innovation Act of 2009 ("BPCIA"), which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. Under the BPCIA, an application for a highly similar or "biosimilar" product may not be submitted to the FDA until four years following the date that the reference product was first approved by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first approved. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of their product.

We believe that any of our product candidates approved as a biological product under a BLA should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to congressional action or otherwise, or that the FDA will not consider our product candidates to be reference products for competing products, potentially creating the opportunity for competition sooner than anticipated. Other aspects of the BPCIA, some of which may impact the BPCIA exclusivity provisions, have also been the subject of recent litigation. Moreover, the extent to which a biosimilar, once approved, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological products is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing.

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

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

Separately, in response to the COVID-19 pandemic, the FDA postponed most inspections of domestic and foreign manufacturing facilities at various points. Even though the FDA has since resumed standard inspection operations of domestic facilities where feasible, the FDA has continued to monitor and implement changes to its inspectional activities to ensure the safety of its employees and those of the firms it regulates as it adapts to the evolving COVID-19 pandemic, and any resurgence of the virus or emergence of new variants may lead to further inspectional delays. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health

concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

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

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs, and government regulation. In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (together, the "ACA"), was passed, which substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacts the U.S. pharmaceutical industry. The ACA, among other things, subjected therapeutic biologics to potential competition by lower-cost biosimilars, addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs and therapeutic biologics that are inhaled, infused, instilled, implanted or injected, increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations, established annual fees and taxes on manufacturers of certain branded prescription drugs and therapeutic biologics, and created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts, which, through subsequent legislative amendments, was increased to 70% starting in 2019, off negotiated prices of applicable brand drugs and therapeutic biologics to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs and therapeutic biologics to be covered under Medicare Part D.

Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the ACA. On June 17, 2021, the 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 initiating 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. It is unclear how healthcare reform measures enacted by Congress or implemented by the Biden administration, if any, will impact our business.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted to reduce healthcare expenditures. The Budget Control Act of 2011, among other things, included aggregate reductions of Medicare payments to providers. These reductions went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2032, with the exception of a temporary suspension from May 2, 2020 through March 31, 2022, unless additional Congressional action is taken. 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 types of 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. If federal spending is further reduced, anticipated budgetary shortfalls may also impact the ability of relevant agencies, such as the FDA or the National Institutes of Health to continue to function at current levels. Amounts allocated to federal grants and contracts may be reduced or eliminated. These reductions may also impact the ability of relevant agencies to timely review and approve research and development, manufacturing, and marketing activities, which may delay our ability to develop, market and sell any products we may develop.

Moreover, payment methodologies, including payment for companion diagnostics, may be subject to changes in healthcare legislation and regulatory initiatives. For example, in March 2018, the Centers for Medicare & Medicaid Services ("CMS") finalized a national coverage determination extending coverage under the Medicare program for certain diagnostic laboratory tests using next generation sequencing ("NGS") that are approved by the FDA as a companion *in vitro* diagnostic and used in a cancer with an FDA-approved companion diagnostic indication. Under the national coverage determination, diagnostic tests that meet these criteria are covered only in patients with recurrent, metastatic, relapsed, refractory or stages III or IV cancer if the test has an FDA-approved or cleared indication for use in that patient's cancer and results are provided to the treating physician for management of the patient using a report template to specify treatment options. Although the Medicare program increasingly is used as a model for how private payors and other governmental payors develop their coverage and reimbursement policies, it is difficult to predict at this time what third-party payors will decide with respect to the coverage and reimbursement for any companion diagnostics associated with our product candidates.

In addition, recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed bills designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. In March 2021, the American Rescue Plan Act of 2021 was signed into law, which eliminates the statutory Medicaid drug rebate cap, currently set at 100% of a drug's average manufacturer

price, beginning January 1, 2024. Most recently, on August 16, 2022, the Inflation Reduction Act of 2022, or IRA, was signed into law by President Biden. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation (first due in 2023), and replaces the Part D coverage gap discount program with a new discounting program (beginning in 2025). The IRA permits the Secretary of the Department of Health and Human Services (HHS) to implement many of these provisions through guidance, as opposed to regulation, for the initial years. For that and other reasons, it is currently unclear how the IRA will be effectuated. These laws and future laws may negatively impact the ability of biotechnology companies, including us, to raise funds from investors for or to obtain collaboration partners who assist us in the funding of research and development of future medicines. Individual states in the United States have also become increasingly active in passing legislation and implementing 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. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or companion diagnostics or additional pricing pressures.

If we or our collaborators, manufacturers or service providers fail to comply with healthcare laws and regulations, we or they could be subject to enforcement actions, which could affect our ability to develop, market and sell our products and may harm our reputation.

Although we do not currently have any products on the market, if and when we begin commercializing our product candidates, we will be subject to additional healthcare statutory and regulatory requirements and enforcement by the federal government and the states and foreign governments in which we conduct our business. Healthcare providers, physicians and third-party payors play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our product candidates for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind to induce or reward either the referral of an individual for, or the purchase, or order or recommendation of, any good or service, for which payment may be made under federal and state healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the U.S. federal False Claims Act, which imposes criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. 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 U.S. federal Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services; similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the U.S. federal legislation commonly referred to as Physician Payments Sunshine Act, enacted as part of the ACA, and its implementing regulations, which requires certain manufacturers of drugs, devices, biologics and medical supplies that are reimbursable under Medicare, Medicaid, or the Children’s Health Insurance Program to report annually to the CMS information related to certain payments and other transfers of value to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain non-physician practitioners (physician assistants, nurse practitioners, clinical nurse specialists, anesthesiologist assistants, certified registered nurse anesthetists and certified nurse midwives) and teaching hospitals, as well as ownership and investment interests held by the physicians described above and their immediate family members; and

- analogous state laws and regulations, such as state anti-kickback and false claims laws that may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; and 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 in addition to requiring drug and therapeutic biologics manufacturers to report information related to payments to physicians and other healthcare providers or marketing expenditures and pricing information.

Ensuring that our future business arrangements with third parties comply with applicable healthcare laws and regulations could involve substantial costs. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance 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 such requirements, we may be subject to penalties, including civil or criminal penalties, monetary damages, the curtailment or restructuring of our operations, loss of eligibility to obtain approvals from the FDA, or exclusion from participation in government contracting, healthcare reimbursement or other government programs, including Medicare and Medicaid, any of which could adversely our financial results. Although effective compliance programs can mitigate the risk of investigation and prosecution for violations of these laws, these risks cannot be entirely eliminated. Any action against us for an alleged or suspected violation could cause us to incur significant legal expenses and could divert our management's attention from the operation of our business, even if our defense is successful. In addition, achieving and sustaining compliance with applicable laws and regulations may be costly to us in terms of money, time and resources.

If we or future collaborators, manufacturers or service providers fail to comply with applicable federal, state or foreign laws or regulations, we could be subject to enforcement actions, which could affect our ability to develop, market and sell our products successfully and could harm our reputation and lead to reduced acceptance of our products by the market. These enforcement actions include, among others:

- adverse regulatory inspection findings;
- warning letters;
- voluntary or mandatory product recalls or public notification or medical product safety alerts to healthcare professionals;
- restrictions on, or prohibitions against, marketing our products;
- restrictions on, or prohibitions against, importation or exportation of our products;
- suspension of review or refusal to approve pending applications or supplements to approved applications;
- exclusion from participation in government-funded healthcare programs;
- exclusion from eligibility for the award of government contracts for our products;
- suspension or withdrawal of product approvals;
- seizures or administrative detention of products;
- injunctions; and
- civil and criminal penalties and fines.

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

Even if we receive marketing and commercialization approval of a product candidate, we will be subject to continuing regulatory requirements, including in relation to adverse patient experiences with the product and clinical results that are reported after a product is made commercially available, both in the U.S. and any foreign jurisdiction in which we seek regulatory approval. The FDA has significant post-market authority, including the authority to require labeling changes based on new safety information and to require post-market studies or clinical trials to evaluate safety risks related to the use of a product or to require withdrawal of the product from the market. The FDA also has the authority to require a REMS plan after approval, which may impose further requirements or restrictions on the distribution or use of an approved drug or therapeutic biologic. The manufacturer and manufacturing facilities we use to make a future product, if any, will also be subject to periodic review and inspection by the FDA and other regulatory agencies, including for continued compliance with cGMP requirements. The discovery of any new or previously unknown problems with our third-party manufacturers, manufacturing processes or facilities may result in restrictions on the product, manufacturer or facility, including withdrawal of the product from the market. If we rely on third-party manufacturers, we will not have control over compliance with applicable rules and regulations by such manufacturers. Any product promotion and advertising will also be subject

to regulatory requirements and continuing regulatory review. If we or our collaborators, manufacturers or service providers fail to comply with applicable continuing regulatory requirements in the U.S. or foreign jurisdictions in which we seek to market our products, we or they may be subject to, among other things, fines, warning letters, holds on clinical trials, delay of approval or refusal by the FDA to approve pending applications or supplements to approved applications, suspension or withdrawal of regulatory approval, product recalls and seizures, administrative detention of products, refusal to permit the import or export of products, operating restrictions, injunction, civil penalties and criminal prosecution.

Actual or perceived failures to comply with applicable data protection, privacy and security laws, regulations, standards and other requirements could adversely affect our business, results of operations, and financial condition.

The regulatory environment surrounding data privacy and security is increasingly demanding. We are or may in the future be subject to numerous U.S. federal and state laws and non-U.S. regulations governing the collection, use, disclosure, retention, and security of personal and confidential information of our clinical subjects, clinical investigators, employees and vendors/business contacts. Implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or perception of their requirements may have on our business. This evolution may create uncertainty in our business, affect our ability to operate in certain jurisdictions or to collect, store, transfer use and share personal information, necessitate the acceptance of more onerous obligations in our contracts, result in liability or impose additional costs on us. The cost of compliance with these laws, regulations and standards is high and is likely to increase in the future. Any failure or perceived failure by us to comply with federal, state or foreign laws or regulations, our internal policies and procedures or our contracts governing our processing of personal information could result in negative publicity, government investigations and enforcement actions, claims by third parties and damage to our reputation, any of which could have a material adverse effect on our business, results of operation, and financial condition.

In the United States, HIPAA imposes, among other things, certain standards relating to the privacy, security, transmission and breach reporting of individually identifiable health information. We may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under HIPAA. Depending on the facts and circumstances, we could be subject to significant penalties if we violate HIPAA. Certain states have also adopted comparable privacy and security laws and regulations, some of which may be more stringent than HIPAA. Such laws and regulations will be subject to interpretation by various courts and other governmental authorities, thus creating potentially complex compliance issues for us and our future customers and strategic partners. For example, the California Consumer Privacy Act (“CCPA”) went into effect on January 1, 2020. The CCPA creates individual privacy rights for California consumers, including the expanded right to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches, that has increased the likelihood of, and risks associated with data breach litigation. Further, the California Privacy Rights Act (“CPRA”) generally went into effect on January 1, 2023 and significantly amends the CCPA. The CPRA imposes additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It also creates a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. Additional compliance investment and potential business process changes may also be required. Similar laws have passed in Virginia, Utah, Connecticut and Colorado, and have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. In the event that we are subject to or affected by HIPAA, the CCPA, the CPRA or other domestic privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

Our operations abroad may also be subject to increased scrutiny or attention from data protection authorities. For example, the GDPR went into effect in May 2018, and imposes stringent requirements for processing the personal data of individuals within the EEA. Companies that must comply with the GDPR face increased compliance obligations and risk, including more robust regulatory enforcement of data protection requirements and potential fines for noncompliance of up to 4% total worldwide annual turnover or €20 million, whichever is higher. Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States; in July 2020, the Court of Justice of the European Union (“CJEU”) limited how organizations could lawfully transfer personal data from the EU/EEA to the United States by invalidating the EU-US Privacy Shield Framework for purposes of international transfers and imposing further restrictions on the use of standard contractual clauses (“SCCs”). In March 2022, the US and EU announced a new regulatory regime intended to replace the invalidated regulations; however, this new EU-US Data Privacy Framework has not been implemented beyond an executive order signed by President Biden on October 7, 2022 on Enhancing Safeguards for United States Signals Intelligence Activities. European court and regulatory decisions subsequent to the CJEU decision of July 16, 2020 have taken a restrictive approach to international data transfers. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the standard contractual clauses cannot be used, or start taking enforcement action, we

could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our products and services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

Further, from January 1, 2021, we have had to comply with the GDPR and also the UK GDPR, which, together with the amended UK Data Protection Act 2018, retains the GDPR in UK national law. The UK GDPR mirrors the fines under the GDPR, i.e., fines up to the greater of €20 million (£17.5 million) or 4% of global turnover. As we continue to expand into other foreign countries and jurisdictions, we may be subject to additional laws and regulations that may affect how we conduct business.

Although we work to comply with applicable laws, regulations and standards, our contractual obligations and other legal obligations, these requirements are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another or other legal obligations with which we must comply. Any failure or perceived failure by us or our employees, representatives, contractors, consultants, collaborators, or other third parties to comply with such requirements or adequately address privacy and security concerns, even if unfounded, could result in significant fines, penalties and damage to our reputation, and we may be forced to change the way we operate. This could result in additional cost and liability to us, which could negatively affect our business, results of operation, and financial condition.

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

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

Our ability to commercialize any products successfully also will depend in part on the extent to which coverage and reimbursement for these products and related treatments will be available from government authorities, private health insurers and other organizations. Even if we succeed in bringing one or more products to the market, these products may not be considered cost-effective, and the amount reimbursed for any products may be insufficient to allow us to sell our products on a competitive basis. Because our programs are in the early stages of development, we are unable at this time to determine their cost effectiveness or the likely level or method of reimbursement. Increasingly, the third-party payors who reimburse patients or healthcare providers, such as government and private insurance plans, are requiring that drug companies provide them with predetermined discounts from list prices, and are seeking to reduce the prices charged or the amounts reimbursed for biopharmaceutical products. If the price we are able to charge for any products we develop, or the reimbursement provided for such products, is inadequate in light of our development and other costs, our return on investment could be adversely affected. There may be significant delays in obtaining reimbursement for newly-approved drugs or therapeutic biologics, and coverage may be more limited than the purposes for which the drug or therapeutic biologic is approved by the FDA or similar regulatory authorities outside of the United States. Moreover, eligibility for reimbursement does not imply that any drug or therapeutic biologic will be reimbursed in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs or therapeutic biologics, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may be based on payments allowed for lower-cost drugs or therapeutic biologics that are already reimbursed, may be incorporated into existing payments for other services and may reflect budgetary constraints or imperfections in Medicare data. Net prices for drugs or therapeutic biologics may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs or therapeutic biologics from countries where they may be sold at lower prices than in the U.S. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement rates. Our inability to promptly obtain coverage and adequate reimbursement rates from both government-funded and private payors for new drugs or therapeutic biologics that we develop and for which we obtain regulatory approval could have a material and adverse effect on our operating results, our ability to raise capital needed to commercialize products and our financial condition.

We may seek and fail to obtain fast track or breakthrough therapy designations for our current or future product candidates. If we are successful, these programs may not lead to a faster development or regulatory review process, and they do not guarantee we

will receive approval for any product candidate. We may also seek to obtain accelerated approval for one or more of our product candidates but the FDA may disagree that we have met the requirements for such approval.

If a product is intended for the treatment of a serious or life-threatening condition and preclinical or clinical data demonstrate the potential to address an unmet medical need for this condition, the product sponsor may apply for fast track designation. Fast track designation provides increased opportunities for sponsor meetings with the FDA during preclinical and clinical development, in addition to the potential for rolling review of a BLA, if the sponsor provides a schedule for the submission of the sections of the BLA, the FDA agrees to accept sections of the BLA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the BLA. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we do receive fast track designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may rescind the fast track designation if it believes that the designation is no longer supported by data from our clinical development program.

We may also seek breakthrough therapy designation for any product candidate that we develop. 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 currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Like fast track designation, breakthrough therapy designation is within the discretion of the FDA. Accordingly, even if we believe a product candidate we develop 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 breakthrough therapy designation for a product candidate may not result in a faster development process, review or approval compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if a product candidate we develop qualifies as a breakthrough therapy, the FDA may later decide that the drug no longer meets the conditions for qualification and rescind the designation.

Product candidates may also be eligible for accelerated approval if the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. The FDA considers a clinical benefit to be a positive therapeutic effect that is clinically meaningful in the context of a given disease, such as irreversible morbidity or mortality. For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. An intermediate clinical endpoint is a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit. As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled confirmatory clinical studies to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. Products receiving accelerated approval may be subject to expedited withdrawal procedures if the sponsor fails to conduct the required confirmatory studies in a timely manner or if such studies fail to verify the predicted clinical benefit. In addition, the FDA requires pre-approval of promotional materials for accelerated approval products, once approved. We cannot guarantee that the FDA will agree any of our product candidates has met the criteria to receive accelerated approval, which would require us to conduct additional clinical testing prior to seeking FDA approval. Even if any of our product candidates received approval through this pathway, the product may fail required confirmatory clinical trials, and we may be required to remove the product from the market or amend the product label in a way that adversely impacts its marketing.

We may seek Orphan Drug Designation for some of our 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.

As part of our business strategy, we may seek Orphan Drug Designation for our product candidates, and we may be unsuccessful. Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs and therapeutic biologics for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug or therapeutic biologic as an orphan drug if it is a drug or therapeutic biologic intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug or therapeutic biologic will be recovered from sales in the United States. In the United States, Orphan Drug Designation entitles a party to financial incentives such as opportunities for grant funding toward clinical trial costs, tax advantages and user-fee waivers. In addition, if a product that has Orphan Drug Designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications, including a full BLA, to market the same product for the same disease or condition or seven years, except in limited circumstances, such as a showing

of clinical superiority to the product with orphan drug exclusivity or where the manufacturer is unable to assure sufficient product quantity.

Even if we obtain Orphan Drug Designation for our product candidates in specific indications, we may not be the first to obtain marketing approval of these product candidates for the orphan-designated disease or condition due to the uncertainties associated with developing pharmaceutical products. In addition, exclusive marketing rights in the United States may be limited if we seek approval for an disease or condition broader than the orphan-designated indication or may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Further, even if we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different biologics can be approved for the same disease or condition. Even after an orphan product is approved, the FDA can subsequently approve the same drug or therapeutic biologic for the same disease or condition if the FDA concludes that the later drug or therapeutic biologic is safer, more effective or makes a major contribution to patient care. Orphan Drug Designation neither shortens the development time or regulatory review time of a drug or therapeutic biologic nor gives the drug or therapeutic biologic any advantage in the regulatory review or approval process. In addition, while we may seek Orphan Drug Designation for our product candidates, we may never receive such designations.

Tax reform legislation passed in 2017 reduced the amount of the qualified clinical research costs for a designated orphan product that a sponsor may claim as a credit from 50% to 25%. Thus, further limiting the advantage and may impact our future business strategy of seeking the Orphan Drug Designation.

Risks Related to Ownership of Our Common Stock

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

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

- variations in the level of expense related to the ongoing development of our Probody platform, our product candidates or future development programs;
- results of clinical trials, or the addition or termination of clinical trials or funding support by us, or existing or future collaborators or licensing partners;
- our execution of any additional collaboration, licensing or similar arrangements, and the timing of payments we may make or receive under existing or future arrangements or the termination or modification of any such existing or future arrangements;
- developments or disputes concerning patents or other proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our products;
- any intellectual property infringement lawsuit or opposition, interference or cancellation proceeding in which we may become involved, including the ongoing patent infringement lawsuit brought by Vytacera against us;
- additions and departures of key personnel;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- if any of our product candidates receives regulatory approval, the terms of such approval and market acceptance and demand for such product candidates;
- regulatory developments affecting our product candidates or those of our competitors; and
- changes in general market and economic conditions.

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

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 in a timely manner or with adequate compliance, we may be subject to a loss of stockholder confidence and sanctions or investigations by regulatory authorities or litigation.

Section 404 of the Sarbanes-Oxley Act of 2002 requires that we evaluate and determine the effectiveness of our internal controls over financial reporting and provide a management report on the internal control over financial reporting. The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. If we are unable to establish or maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements, and harm our operating results. In addition, we are required, pursuant to Section 404, to furnish a report by our management on, among other things, the effectiveness of our internal control over financial reporting in our Annual Report on Form 10-K. 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 acceptable accounting principles in the United States ("GAAP"). This assessment includes disclosure of any material weaknesses identified by management in its internal control over financial reporting. The rules governing the standards that must be met for management to assess its internal control over financial reporting are complex and require significant documentation, testing, and possible remediation. Testing and maintaining internal controls may divert management's attention from other matters that are important to our business. If we are no longer a "smaller reporting company," our auditors will be required to issue an attestation report on the effectiveness of our internal controls on an annual basis.

In connection with the implementation of the necessary practices and procedures related to internal control over financial reporting, we may identify deficiencies that we may not be able to remediate in time to meet the deadline imposed by the Sarbanes-Oxley Act for compliance with the requirements of Section 404. In addition, we may encounter problems or delays in completing the remediation of any deficiencies identified by our independent registered public accounting firm in connection with the issuance of its attestation report. Our testing, or the subsequent testing (if required) by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected on a timely basis. Any material weaknesses could result in a material misstatement of our annual or quarterly consolidated financial statements or disclosures that may not be prevented or detected. The existence of any material weakness would require management to devote significant time and incur significant expense to remediate any such material weakness, and management may not be able to remediate any such material weakness in a timely manner.

If we fail to implement the requirements of Section 404 in the required timeframe, we may be subject to sanctions or investigations by regulatory authorities, including the Securities and Exchange Commission ("SEC") and The Nasdaq Global Select Market. Furthermore, if we are unable to conclude that our internal control over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our securities could decline, and we could be subject to sanctions or investigations by regulatory authorities or litigation. Failure to implement or maintain effective internal control over financial reporting and disclosure controls and procedures required of public companies could also restrict our future access to the capital markets.

In connection with preparing our financial statements for the year ending December 31, 2022, we determined that a material weakness existed in our internal control over financial reporting due to ineffective controls for evaluation and review of the accounting for revenue recognition. Although we initiated plans to remediate the material weakness, there can be no assurance that we will be successful or that we will not identify additional material weaknesses in the future.

In future periods, if our management is unable to conclude that we have effective internal control over financial reporting, or to certify the effectiveness of such controls, or if additional material weaknesses in our internal control over financial reporting are identified, or such material weaknesses are not remediated on a timely basis, our ability to record, process, and report financial information accurately, and to prepare financial statements within the time periods specified by the rules and forms of the SEC, could be adversely affected which, in turn, may adversely affect our business and the market price of our securities.

Our stock price may be volatile and purchasers of our common stock could incur substantial losses.

Our stock price is volatile. Since our initial public offering ("IPO"), our stock had low and high sales prices in the range of $1.17 and $35.00 per share. The market price for our common stock may be influenced by many factors, including the other risks described in this section titled "Risk Factors" and the following:

- results of clinical trials and preclinical studies of our product candidates, or those of our competitors or our collaborators;
- regulatory or legal developments in the U.S. and other countries, especially changes in laws or regulations applicable to our products;
- the success of competitive products or technologies;
- introductions and announcements of new products by us, our future commercialization partners, or our competitors, and the timing of these introductions or announcements;
- actions taken by regulatory agencies with respect to our products, clinical studies, manufacturing process or sales and marketing terms;
- the extent to which the COVID-19 pandemic and related governmental regulations and restrictions may impact our business, including our research, clinical trials, manufacturing and financial condition, as well as the impact of other pandemics, natural disasters and other calamities;
- actual or anticipated variations in our financial results or those of companies that are perceived to be similar to us;
- the success of our efforts to acquire or in-license additional technologies, products or product candidates;
- developments concerning any existing or future collaborations, including but not limited to those with our sources of manufacturing supply and our commercialization partners;
- market conditions in the pharmaceutical and biotechnology sectors;
- announcements by us or our competitors of significant acquisitions, strategic collaborations, joint ventures or capital commitments;
- developments or disputes concerning patents or other proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our products;
- our ability or inability to raise additional capital and the terms on which we raise it;
- the recruitment or departure of key personnel;
- changes in the structure of healthcare payment systems;
- actual or anticipated changes in earnings estimates or changes in stock market analyst recommendations regarding our common stock, other comparable companies or our industry generally;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- announcement and expectation of additional financing efforts;
- speculation in the press or investment community;
- trading volume of our common stock;
- sales of our common stock by us or our stockholders;
- the concentrated ownership of our common stock;
- changes in accounting principles;
- terrorist acts, acts of war or periods of widespread civil unrest;
- natural disasters and other calamities; and
- general economic, industry and market conditions.

The stock markets in general, and the markets for pharmaceutical, biopharmaceutical and biotechnology stocks in particular, have experienced extreme volatility, including as a result of the COVID-19 pandemic, that has been often unrelated to the operating performance of the issuer. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our operating performance.

In addition, the spread of COVID-19 may negatively impact the trading price of shares of our common stock and could further severely impact our ability to raise additional capital on a timely basis or at all.

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

We may choose to raise additional capital in the future, depending on market conditions, strategic considerations and operational requirements. To the extent that additional capital is raised through the issuance of shares or other securities convertible into shares, our stockholders will be diluted. On February 27, 2020, we entered into an Open Market Sale Agreement (the "Sales Agreement") with Jefferies LLC ("Jefferies"), to sell shares of our common stock, par value $0.00001 per share, with aggregate gross sales proceeds of up to $75,000,000, from time to time, through an at the market offering under which Jefferies will act as sales agent. We have issued securities under the Sales Agreement and may do so in the future. In addition, in January and February 2021, we sold 16,428,571 shares of our common stock at $7.00 per share in an underwritten public offering. Future issuances of our common stock or other equity securities pursuant to the Sales Agreement or otherwise, or the perception that such sales may occur, could adversely affect the trading price of our common stock and impair our ability to raise capital through future offerings of shares or equity securities. No prediction can be made as to the effect, if any, that future sales of common stock or the availability of common stock for future sales will have on the trading price of our common stock.

The employment agreements with our executive officers may require us to pay severance benefits to officers in connection with termination of employment or upon a change of control of us, which could harm our financial condition.

Each of our executive officers is entitled to receive a lump sum payment equal to one year or more of his or her base salary as well as continued medical and dental coverage for a period of one year or more plus a prorated portion of his or her target annual bonus for the calendar year in which his or her employment is terminated following his or her termination of employment due to good reason or without cause. In the event of a change in control and a termination of employment without cause or due to good reason, each of our executive officers would similarly receive one year or more of his or her base salary as well as continued medical and dental coverage for a period of one year or more, as well as an additional lump sum payment equal to 100% or more of his or her target annual bonus for the calendar year in which his or her employment is terminated and full vesting of his or her outstanding option awards. The accelerated vesting of options could result in dilution to our existing stockholders and harm the market price of our common stock. Furthermore, the payment of these severance benefits could harm our financial condition. In addition, these potential severance payments may discourage or prevent third parties from seeking a business combination with us.

An active market for our common stock may not be maintained.

Prior to our IPO in October 2015, there had been no public market for shares of our common stock. Our stock began trading on the Nasdaq Global Select Market in 2015, and we can provide no assurance that we will be able to maintain an active trading market on The Nasdaq Global Select Market or any other exchange in the future. If an active market for our common stock is not maintained, it may be difficult to sell shares without depressing the market price for the shares or at all. An inactive market may also impair our ability to raise capital by selling shares and may impair our ability to acquire other businesses, applications or technologies using our shares as consideration.

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

As of December 31, 2022, our executive officers, directors, holders of 5% or more of our capital stock based on publicly available filings made with the SEC and their respective affiliates beneficially owned approximately 42% of our outstanding common stock. Therefore, these stockholders have the ability to influence us through this ownership position. These stockholders may be able to determine all matters requiring stockholder approval. For example, these stockholders may be able to control elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that our stockholders may feel are in their best interest.

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

Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may delay or prevent an acquisition of us or a change in our management. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our

board of directors. Because our board of directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team. These provisions include:

- a prohibition on actions by our stockholders by written consent;
- a requirement that special meetings of stockholders, which our company is not obligated to call more than once per calendar year, be called only by the chairman of our board of directors, our chief executive officer, our board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors, or, subject to certain conditions, by our secretary at the request of the stockholders holding of record, in the aggregate, shares entitled to cast not less than ten percent of the votes at a meeting of the stockholders (assuming all shares entitled to vote at such meeting were present and voted);
- advance notice requirements for election to our board of directors and for proposing matters that can be acted upon at stockholder meetings;
- division of our board of directors into three classes, serving staggered terms of three years each; and
- the authority of the board of directors to issue preferred stock with such terms as the board of directors may determine.

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

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

As a public company, we incur significant legal, accounting and other expenses. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of The Nasdaq Global Select Market and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, which in turn could make it more difficult for us to attract and retain qualified members of our board of directors. However, these rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

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

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

We may incur significant costs from class action litigation due to our expected stock volatility.

Our stock price may fluctuate for many reasons, including as a result of public announcements regarding the progress of our development efforts or the development efforts of future collaborators or competitors, the addition or departure of our key personnel, variations in our quarterly operating results and changes in market valuations of biopharmaceutical and biotechnology companies.

This risk is especially relevant to us because biopharmaceutical and biotechnology companies have experienced significant stock price volatility in recent years. When the market price of a stock has been volatile as our stock price may be, holders of that stock have occasionally brought securities class action litigation against the company that issued the stock. For example, in May 2020, a putative securities class action lawsuit was brought against us (“Class Action Lawsuit”). While the Class Action Lawsuit was voluntarily dismissed without prejudice by the plaintiff and his attorneys in January 2021, a similar lawsuit or another lawsuit could be filed in the

future. Stockholder lawsuits of this type against us, even if it is without merit, could cause us to incur substantial costs defending the lawsuit. The lawsuit could also divert the time and attention of our management.

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

Our amended and restated bylaws provide that, subject to limited exceptions, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, as amended, our amended and restated certificate of incorporation or our amended and restated bylaws, any action to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws or any other action asserting a claim against us that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our amended and restated certificate of incorporation described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

General Risk Factors

Adverse U.S. and multi-national financial market conditions may adversely affect our business and financial position.

The Company maintains the majority of its cash and cash equivalents in accounts with major U.S. and multi-national financial institutions, and our deposits at certain of these institutions may exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect our business and financial position.

We may acquire assets or form strategic alliances in the future, and we may not realize the benefits of such acquisitions.

As we continue to mature our Probody platform and our clinical stage pipeline, we may seek to acquire and/or in-license other oncology products, product candidates, programs or companies that we consider complimentary to our efforts. Such efforts may never result in a transaction and any future growth through acquisition or in-licensing will depend upon the availability of suitable products, product candidates, programs or companies for acquisition or in-licensing on acceptable prices, terms and conditions. Even if appropriate opportunities are available, we may not be able to acquire rights to them on acceptable terms, or at all. The competition to acquire or in-license rights to promising products, product candidates, programs and companies is fierce, and many of our competitors are large, multinational pharmaceutical and biotechnology companies with considerably more financial, development and commercialization resources, personnel, and experience than we have. In order to compete successfully in the current business climate, we may have to pay higher prices for assets than may have been paid historically, which may make it more difficult for us to realize an adequate return on any acquisition. In addition, even if we succeed in identifying promising products, product candidates, programs or companies, we may not have the ability to develop, obtain regulatory approval for and commercialize such opportunities, or the financial resources necessary to pursue them.

Even if we are able to successfully identify and acquire or in-license new products, product candidates, programs or companies, we may not be able to successfully manage the risks associated with integrating any products, product candidates, programs or companies into our business or the risks arising from anticipated and unanticipated problems in connection with an acquisition or in-licensing. Further, while we seek to mitigate risks and liabilities of potential acquisitions through, among other things, due diligence, there may be risks and liabilities that such due diligence efforts fail to discover, that are not disclosed to us, or that we inadequately assess. Any failure in identifying and managing these risks and uncertainties effectively would have a material adverse effect on our business. In any event, we may not be able to realize the anticipated benefits of any acquisition or in-licensing for a variety of reasons, including the possibility that a product candidate fails to advance to clinical development, proves not to be safe or effective in clinical trials, or fails to reach its forecasted commercial potential or that the integration of a product, product candidate, program or company gives rise to unforeseen difficulties and expenditures. Any failure in identifying and managing these risks and uncertainties would have a material adverse effect on our business.

In addition, acquisitions create other uncertainties and risks, particularly when the acquisition takes the form of a merger or other business consolidation. We may encounter unexpected difficulties, or incur unexpected costs, in connection with transition activities and integration efforts, which include:

- high acquisition costs;
- the need to incur substantial debt or engage in dilutive issuances of equity securities to pay for acquisitions;
- the potential disruption of our historical business and our activities under our collaboration agreements;
- the strain on, and need to expand, our existing operational, technical, financial and administrative infrastructure;
- our lack of experience in late-stage product development and commercialization;
- the difficulties in assimilating employees and corporate cultures;
- the difficulties in hiring qualified personnel and establishing necessary development and/or commercialization capabilities;
- the failure to retain key management and other personnel;
- the challenges in controlling additional costs and expenses in connection with and as a result of the acquisition;
- the need to write down assets or recognize impairment charges;
- the diversion of our management's attention to integration of operations and corporate and administrative infrastructures; and
- any unanticipated liabilities for activities of or related to the acquired business or its operations, products or product candidates.

If we fail to integrate or otherwise manage an acquired business successfully and in a timely manner, resulting operating inefficiencies could increase our costs more than we planned, could negatively impact the market price of our common stock and could otherwise distract us from execution of our strategy. Failure to maintain effective financial controls and reporting systems and procedures could also impact our ability to produce timely and accurate financial statements.

Our future growth may depend, in part, on our ability to operate in foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future growth may depend, in part, on our ability to develop and commercialize our product candidates in foreign markets for which we may rely on collaboration with third parties. We are not permitted to market or promote any of our 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 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 product candidates, and we cannot predict success in these jurisdictions. If we obtain approval of our product candidates and ultimately commercialize our product candidates in foreign markets, we would be subject to the risks and uncertainties, including the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements and the reduced protection of intellectual property rights in some foreign countries. We may need to rely on third parties to market, distribute and sell our products in foreign markets.

Our information technology systems, or those of our CROs or other contractors or consultants we may utilize, may fail, suffer disruptions or suffer security breaches, which could result in a material disruption of our product development programs.

We are increasingly dependent on information technology systems and infrastructure, including mobile technologies, to operate our business. In the ordinary course of our business, we collect and store confidential and sensitive electronic information on our networks and in our data centers. This information includes, among other things, our intellectual property and proprietary information, the confidential information of our collaborators and licensees, and the personally identifiable information of our employees. It is important to our operations and business strategy that this electronic information remains secure and is perceived to be secure. Our information technology and other internal infrastructure systems and those of our CROs and contractors and consultants are vulnerable to damage and interruption from computer viruses, unauthorized access, natural disasters, terrorism, war, telecommunication and electrical failures, hacking, cyberattacks, phishing attacks and other social engineering schemes, malicious code, employee theft or misuse, human error, fraud, denial or degradation of service attacks, sophisticated nation-state and nation-state-supported actors or unauthorized access or use by persons inside our organization, or persons with access to systems inside our organization. A system interruption or security breach that leads to disclosure or modification of or prevents access to personally

identifiable information or other protected information could harm our reputation, compel us to comply with federal and/or state breach notification laws and foreign law equivalents, subject us to mandatory corrective action, require us to verify the correctness of database contents and otherwise subject us to liability under laws and regulations that protect personal data, resulting in increased costs or loss of revenue. Similarly, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data.

Attacks upon information technology systems are also increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise. As a result of the COVID-19 pandemic and continued hybrid working environment, we may also face increased cybersecurity risks due to our dependency on remote working technology and electronic monitoring of clinical trial sites, which may create additional opportunities for cybercriminals to exploit vulnerabilities. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data, or inappropriate disclosure of confidential or proprietary information, we could incur liability, recovery of our data could take a prolonged period of time, and the development of our research or product candidates could be delayed.

We and certain of our service providers are from time to time subject to cyberattacks and security incidents. While we do not believe that we have experienced any significant system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations, whether due to a loss, corruption or unauthorized disclosure of our trade secrets, personal information or other proprietary or sensitive information or other similar disruptions. It could also expose us to risks, including an inability to provide our services and fulfill contractual demands, and could cause management distraction and the obligation to devote significant financial and other resources to mitigate such problems, which would increase our future information security costs, including through organizational changes, deploying additional personnel, reinforcing administrative, physical and technical safeguards, further training of employees, changing third-party vendor control practices and engaging third-party subject matter experts and consultants and reduce the demand for our technology and services. If a security breach or other incident were to result in the unauthorized access to or unauthorized use, disclosure, release or other processing of personal information, it may be necessary to notify individuals, governmental authorities, supervisory bodies, the media and other parties pursuant to privacy and security laws. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or systems, or inappropriate disclosure of confidential or proprietary or personal information, we could incur liability, including litigation exposure, penalties and fines, we could become the subject of regulatory action or investigation, our competitive position could be harmed and the further development and commercialization of our products and services could be delayed. Furthermore, federal, state and international laws and regulations can expose us to enforcement actions and investigations by regulatory authorities, and potentially result in regulatory penalties, fines and significant legal liability, if our information technology security efforts fail.

As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. While we have implemented security measures to protect our data security and information technology systems, such measures may not prevent such events. Further, our insurance coverage may not be sufficient to cover the financial, legal, business or reputational losses that may result from an interruption or breach of our systems. Significant disruptions of our information technology systems or breaches of data security could have a material adverse effect on our business, financial condition and results of operations.

The ongoing armed conflict between Russia and Ukraine could adversely affect our business, financial condition, and results of operations.

On February 24, 2022, Russian military forces launched a military action in Ukraine, and sustained conflict and disruption in the region is likely. The length, impact, and outcome of this ongoing military conflict is highly unpredictable, and could lead to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, trade disputes or trade barriers, changes in consumer or purchaser preferences, as well as an increase in cyberattacks and espionage.

Russia’s recognition of two separatist republics in the Donetsk and Luhansk regions of Ukraine and subsequent military action against Ukraine have led to substantial expansion of sanction programs imposed by the United States, the European Union, the United Kingdom, Canada, Switzerland, Japan, and other countries against Russia, Belarus, the Crimea Region of Ukraine, the so-called Donetsk People’s Republic, and the so-called Luhansk People’s Republic, including, among others:

- blocking sanctions against some of the largest state-owned and private Russian financial institutions (and their subsequent removal from the Society for Worldwide Interbank Financial Telecommunication (SWIFT) payment system) and certain Russian businesses, some of which have significant financial and trade ties to the European Union;
- blocking sanctions against Russian and Belarusian individuals, including the Russian President, other politicians, and those with government connections or involved in Russian military activities; and
- blocking of Russia's foreign currency reserves as well as expansion of sectoral sanctions and export and trade restrictions, limitations on investments and access to capital markets, and bans on various Russian imports.

In retaliation against new international sanctions and as part of measures to stabilize and support the volatile Russian financial and currency markets, the Russian authorities also imposed significant currency control measures aimed at restricting the outflow of foreign currency and capital from Russia, imposed various restrictions on transacting with non-Russian parties, banned exports of various products, and imposed other economic and financial restrictions. The situation is rapidly evolving, additional sanctions by Russia on the one hand, and by the other countries on the other hand, could adversely affect the global economy, financial markets, energy supply and prices, certain critical materials and metals, supply chains, and global logistics and could adversely affect our business, financial condition, and results of operations.

We are actively monitoring the situation in Ukraine and Russia and assessing its impact on our business, including our business partners and customers. To date we have not experienced any material interruptions in our infrastructure, supplies, technology systems, or networks needed to support our operations. We have no way to predict the progress or outcome of the military conflict in Ukraine or its impacts in Ukraine, Russia, Belarus, Europe, or the U.S. The extent and duration of the military action, sanctions, and resulting market disruptions could be significant and could potentially have substantial impact on the global economy and our business for an unknown period of time.

If we do not comply with laws regulating the protection of the environment and health and human safety, our business could be adversely affected.

Our research and development activities involve the use of hazardous materials and various chemicals. We maintain quantities of various flammable and toxic chemicals in our facilities in South San Francisco, California that are required for our research and development activities. We are subject to federal, state and local laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials. We believe our procedures for storing, handling and disposing these materials in our South San Francisco facilities comply with the relevant guidelines of South San Francisco, the state of California and the Occupational Safety and Health Administration of the U.S. Department of Labor. Although we believe that our safety procedures for handling and disposing of these materials comply with the standards mandated by applicable regulations, the risk of accidental contamination or injury from these materials cannot be eliminated. If an accident occurs, we could be held liable for resulting damages, which could be substantial. We are also subject to numerous environmental, health and workplace safety laws and regulations, including those governing laboratory procedures, exposure to blood-borne pathogens and the handling of animals and biohazardous materials. 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 these 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 or hazardous materials. Additional federal, state and local laws and regulations affecting our operations may be adopted in the future. We may incur substantial costs to comply with, and substantial fines or penalties if we violate, any of these laws or regulations.

Changes in U.S. or foreign tax laws or regulations that are applied adversely to us may have a material adverse effect on our business, cash flow, financial condition or results of operations.

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could adversely affect our business and financial condition. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. For example, legislation enacted in 2017, informally titled the Tax Cuts and Jobs Act (the "Tax Act"), enacted many significant changes to the U.S. tax laws. Future guidance from the Internal Revenue Service and other tax authorities with respect to the Tax Act may affect us, and certain aspects of the Tax Act could be repealed or modified in future legislation. Changes in applicable tax rules, including changes to corporate tax rates, the realization of net deferred tax assets relating to our operations, the taxation of foreign earnings, and the deductibility of expenses under future reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one-time charges, and could increase our future tax expense.

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

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our target studies and operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

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

None

Item 2. ***Properties***

Our principal executive office is currently located in South San Francisco, California, and consists of approximately 76,000 square feet of office and research and development space, all of which is located in a single building, under a lease that expires in October 2026. We believe that our existing facilities are sufficient for our current needs.

Item 3. Legal Proceedings

On March 4, 2020, Vytacera Bio, LLC filed a patent infringement lawsuit against us in the U.S. District Court for the District of Delaware. The lawsuit alleges that our use, offers to sell, and/or sales of the Probody® technology platform for basic research applications constitutes infringement. The complaint seeks unspecified monetary damages. In September 2022, we filed a motion to dismiss the case and the Court granted the parties' stipulation to stay all pending case deadlines until that motion is finally resolved. We believe that the lawsuit is without merit and intend to vigorously defend ourselves. Accordingly, we cannot reasonably estimate any range of potential future charges, and we have not recorded any accrual for a contingent liability associated with these legal proceedings.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Market Information for Common Stock

Our common stock has been listed on the Nasdaq Global Select Market under the symbol "CTMX" since our initial public offering in October 2015. Prior to that time, there was no public market for our common stock.

Holders of Record

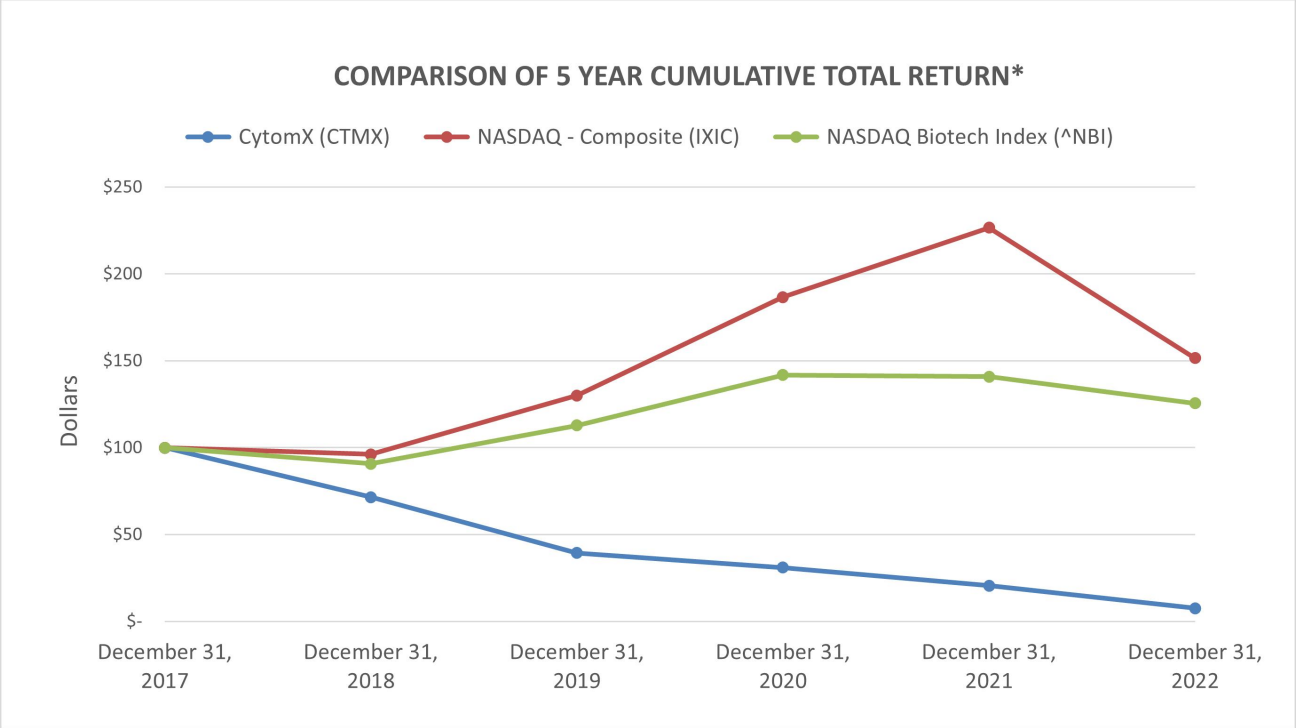
As of January 31, 2023, there were approximately 26 stockholders of record of our common stock. The actual number of stockholders is greater than this number of record holders, and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Dividend Policy

We currently intend to retain future earnings, if any, for use in operation of our business and to fund future growth. We have never declared or paid any cash dividends on our capital stock and do not anticipate paying any cash dividends in the foreseeable future. Payment of cash dividends, if any, in the future will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.

Stock Performance Graph

The following graph shows the total stockholder's return on an investment of $100 in cash at market close on December 31, 2017 through December 31, 2022 for (i) our common stock, (ii) the Nasdaq Composite Index and (iii) the Nasdaq Biotechnology Index. Pursuant to applicable Securities and Exchange Commission rules, all values assume reinvestment of pre-tax amount of all dividends; however, no dividends have been declared on our common stock to date. The stockholder return shown on the graph below is not necessarily indicative of future performance, and we do not make or endorse any predictions as to future stockholder return. This graph shall not be deemed "soliciting material" or be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any of our filings under the Securities Act of 1933, as amended (the "Securities Act"), whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.



*$100 investment in stock or index	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
CytomX (CTMX)	$ 100.00	$ 71.53	$ 39.37	$ 31.03	$ 20.51	$ 7.58
Nasdaq Composite Index (IXIC)	$ 100.00	$ 96.12	$ 129.97	$ 186.69	$ 226.63	$ 151.61
Nasdaq Biotech Index (^NBI)	$ 100.00	$ 90.68	$ 112.81	$ 141.78	$ 140.88	$ 125.52

Securities Authorized for Issuance Under Equity Compensation Plans

The information required by this Item regarding equity compensation plans is incorporated by reference to the information set forth in PART III. Item 12 of this Annual Report on Form 10-K.

Use of Proceeds from Registered Securities

None.

Recent Sales of Unregistered Equity Securities

None.

Issuer Purchases of Equity Securities

None.

Item 6. [Reserved]

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

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

For a discussion related to the results of operations for 2021 compared to 2020, refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Comparison of Years Ended December 31, 2021 and 2020" in Amendment No.1 to our Annual Report on Form 10-K/A for the year ended December 31, 2021 filed with the SEC on March 27, 2023.

Overview

We are a clinical-stage, oncology-focused biopharmaceutical company focused on developing novel conditionally activated, biologics localized to the tumor microenvironment. We aim to build a commercial enterprise to maximize our impact on the treatment of cancer. By pioneering a novel class of localized biologic drug candidates, powered by our Probody® therapeutic technology platform, we lead the field of conditionally activated oncology therapeutics and have established biologics localization as a strategic area of research and development. Our goal is to transcend the limits of current cancer treatments by successfully leveraging therapeutic targets and strategies that were once thought to be inaccessible.

Our proprietary and versatile Probody technology platform is designed to enable conditional activation of biologic therapeutic candidates within the tumor microenvironment, while minimizing drug activity in healthy tissues and circulation. Our industry-leading platform is built on a strong foundation of tumor biology expertise, including deep knowledge of tumor-associated enzymes known as proteases. Proteases are tightly controlled in normal tissues but often poorly regulated and active in tumor microenvironments where they play important roles in cancer cell migration, invasion and metastasis. Leveraging our deep scientific knowledge, we conceived of and constructed our Probody therapeutic platform which allows us to genetically engineer biologic therapeutic candidates to contain protease-cleavable masks. Our masking strategy is designed to reduce binding of biologic therapeutics to their targets until the mask is removed by proteases in the tumor microenvironment, providing more selective targeting of the tumor. We believe this innovative approach has the potential to improve cancer treatment in three ways:

1. Allowing the pursuit of high potential targets that were previously considered "undruggable" due to their ubiquitous expression on normal tissues;
2. Enhancing a potential product's "therapeutic window," the balance between tolerability and anti-tumor activity; and
3. Enabling the development of new combination therapies, including immunotherapies, by improving tolerability.

We are employing our leading, conditional activation platform technology to address some of the biggest challenges today in oncology biologics research and development. These include the validation of potential new targets for antibody-drug conjugates ("ADCs"), opening solid tumor opportunities for T-cell engaging bispecific antibodies ("TCBs"), and increasing the therapeutic window for immune modulators such as cytokines and checkpoint inhibitors ("CPIs"). Additionally, we have recently initiated a research collaboration with our Probody platform beyond cancer into other therapeutic areas.

We have utilized our multi-modality Probody platform to build a promising, broad pipeline of potential first-in-class and best-in-class therapeutics that includes four molecules in clinical testing including: CX-2029, a Probody ADC targeting CD71; CX-904, a conditionally activated TCB, targeting the epidermal growth factor receptor ("EGFR") on tumor cells and the CD3 receptor on T cells and BMS-986288, a Probody version of a non-fucosylated anti-CTLA-4 antibody.

We also have a broad pre-clinical pipeline across our collaborations and internally, including two wholly-owned next-generation molecules in investigational new drug application ("IND") enabling studies. For our next generation molecules, we have selected the previously validated anti-cancer targets, the epithelial cell adhesion molecule (EpCAM) and interferon alpha-2b (IFNa2b), that have been limited in their potential due to systemic toxicities. In the molecular design of CX-2051, an ADC, and CX-801, a masked cytokine, we have incorporated our platform expertise and clinical learnings to optimize predicted therapeutic index in order to potentially broaden the clinical utility of these promising targets through tumor localized conditional activation.

CX-2029, which was partnered with Abbvie until March 2023, is a conditionally activated ADC directed toward the previously undruggable target CD71. Having demonstrated favorable tolerability and encouraging anti-tumor activity in Phase 1 studies, CX-2029 entered into a four-cohort Phase 2 expansion study initially designed to enroll twenty-five efficacy evaluable patients per cohort

in the following malignancies: squamous non-small cell lung cancer (“sqNSCLC”), head and neck squamous cell carcinoma (“HNSCC”), esophageal and gastro-esophageal junction (“E/GEJ”) cancers, and diffuse large B-cell lymphoma (“DLBCL”). The DLBCL cohort was later deprioritized due to strategic and competitive reasons and did not enroll any patients. In January 2023, a data update for the Phase 2 expansion was disclosed which included data across all fully enrolled cohorts. The study results reflected an August 5, 2022 full data cut-off and an October 4, 2022 data snapshot for efficacy. The data demonstrated encouraging clinical activity in unselected, heavily pre-treated patients with tumors of squamous histology including a 21% objective response rate (ORR) in squamous esophageal cancer and a 10% ORR in squamous non-small cell lung cancer (sqNSCLC). The adverse event (AE) profile was consistent with Phase 1 observations with anemia (82.6%) being the most common treatment related adverse event (TRAE). Anemia was managed with transfusions, dose delays, and dose reductions. The treatment discontinuation rate due to AEs was 3.3% as a result of anemia. In March 2023, CytomX announced that it will evaluate the potential next steps for CX-2029 following the decision from its collaboration partner, AbbVie, Inc., to not advance CX-2029 into additional clinical studies. As a result of AbbVie’s decision, the 2016 CD71 License and Collaboration Agreement has been terminated and CytomX has an exclusive option to re-acquire full rights to CX-2029.

Praluzatamab ravtansine is our conditionally activated ADC directed toward CD166 and is being evaluated in a three-arm study in patients with advanced human epidermal growth factor receptor 2 (“HER2”)-non-amplified breast cancer. Arms A and B examined praluzatamab ravtansine monotherapy in patients with hormone receptor-positive/HER2-non-amplified breast cancer and triple-negative breast cancer (“TNBC”), respectively. Arm C studied praluzatamab ravtansine in combination with pacmilimab (CX-072), our wholly-owned PD-L1 inhibitor, in patients with TNBC. In July 2022, Phase 2 topline results were disclosed for Arms A and B as of the data cut-off date of May 2022. Arm A met the primary endpoint of confirmed objective response rate greater than 10% by central radiology review. The safety profile in Arm A was generally consistent with Phase 1 observations and the DM4 payload, with high-grade toxicities or toxicities resulting in dose modification predominantly ocular or neuropathic in nature. Specifically, 30% of patients in Arm A discontinued treatment for an adverse event. Grade 3 or greater ocular and neuropathic toxicities were 15% and 10%, respectively. All patients in Arm A were treated at the initial starting dose of 7 mg/kg administered every three weeks. Arm B did not pass the protocol-defined futility boundary in patients with advanced TNBC and enrollment into Arms B and C was discontinued. Arm B evaluated patients at starting doses of 7 mg/kg or 6 mg/kg. The toxicity profile of the 7 mg/kg starting dose in Arm B was consistent with the 7 mg/kg starting dose in Arm A. In the 6 mg/kg cohort in Arm B, no patients discontinued treatment for an adverse event as of the data cut-off date and Grade 3 or greater ocular or neuropathic related events were 3% and 0%, respectively. Based on these results, the Company deprioritized further investment and seek a partnership to further develop praluzatamab ravtansine.

Our partner, Bristol Myers Squibb, is conducting a randomized Phase 2 study evaluating BMS-986249, a Probody version of ipilimumab, the anti-CTLA-4 antibody, in combination with nivolumab, the anti-PD-1 antibody, in patients with metastatic melanoma. In addition, BMS-986249 is being studied in combination with nivolumab in three additional indications: advanced hepatocellular carcinoma, metastatic castration-resistant prostate cancer and advanced TNBC. Bristol Myers Squibb also continues to evaluate BMS-986288, a Probody version of non-fucosylated ipilimumab, as monotherapy or in combination with nivolumab in a Phase 1 / 2 clinical study. In February 2023, BMS prioritized BMS-986288 as its lead next-generation anti-CTLA-4 program over two other anti-CTLA-4 programs including BMS-986249.

Reinforcing our leadership in the field of conditional activation, we recently advanced our first T-cell engaging bispecific antibody (TCB) into the clinic. CX-904, partnered with Amgen, is a conditionally activated TCB against EGFR and CD3. In preclinical studies, CytomX’s Probody EGFRxCD3 bispecific therapeutics demonstrated anti-tumor activity and better tolerability when compared to EGFRxCD3 bispecifics without Probody masking. In May 2022, the first patient was dosed in a Phase 1 study evaluating CX-904 as a treatment for patients with advanced solid tumors. Patient enrollment in the Phase 1 dose escalation portion of the study continues to progress. We reported in January 2023 that the initial single patient cohort phase of the study was complete and that the “3+3” patient cohort phase had been initiated.

Our pipeline also includes CX-2051, a wholly-owned conditionally activated ADC paired with a next-generation camptothecin payload and directed toward the epithelial cellular adhesion molecule (EpCAM). CX-2051 has been tailored to optimize the therapeutic index for the systemic treatment of EpCAM-expressing epithelial cancers where previous industry efforts targeting EpCAM have not been successful due to dose-limiting toxicities. CX-2051 has demonstrated a wide predicted therapeutic index and strong preclinical activity and tolerability in multiple preclinical models, including colorectal cancer. We plan to submit an IND for this program in the second half of 2023.

Another wholly-owned emerging product candidate is CX-801, an interferon ("IFN") alpha-2b Probody. IFNa2b provides a potentially superior approach to activating anti-tumor immune responses than other cytokines. CX-801 is a dually masked, conditionally activated version of IFNa2b that has the potential to become a unique centerpiece of combination therapy for a wide range of tumor types. An IND submission for CX-801 is planned in the second half of 2023.

We are also continuously engaged in drug discovery efforts towards the generation of new clinical candidates across multiple modalities for the treatment of cancer, including additional ADCs, Cytokines, TCBs, and most recently, mRNAs reflecting the versatility of our Probody platform. We currently have more than 15 active drug discovery and/or development programs.

We do not have any products approved for sale, and we continue to incur significant research and development and general administrative expenses related to our operations. We are not profitable and have incurred losses in each year since our founding in 2008. Our net loss was $99.3 million and $115.9 million for 2022 and 2021, respectively. As of December 31, 2022 and 2021, we had an accumulated deficit of $722.9 million and $623.6 million, respectively. We expect to continue to incur significant losses for the foreseeable future.

Global health authorities, including the FDA, regulate many aspects of a product candidate's life cycle, including research and development and preclinical and clinical testing. We will need to commit significant time, resources, and funding to develop our wholly-owned and partnered product candidates in clinical trials. We are unable to provide the nature, timing, and estimated costs of the efforts necessary to complete the development of our product candidates because, among other reasons, of regulatory uncertainty, manufacturing limitations, and the pace of enrollment of our clinical trials, which is a function of many factors, including the availability and proximity of patients with the relevant condition.

We currently have no manufacturing capabilities and do not intend to establish any such capabilities in the near term. As such, we are dependent on third parties to supply our product candidates according to our specifications, in sufficient quantities, on time, in compliance with appropriate regulatory standards and at competitive prices.

Restructuring

On July 13, 2022, we announced a restructuring plan to prioritize our resources on our emerging pre-clinical and early clinical pipeline as well as our existing collaboration partnerships. The restructuring plan resulted in a reduction to our workforce of approximately 40%. The majority of these changes occurred in our late-stage development teams. During 2022, we recorded aggregate restructuring charges of approximately $7.7 million, primarily related to severance and benefits. The restructuring is substantially complete at the end of 2022.

Impact of COVID-19

The COVID-19 pandemic continues to impact our ongoing operations, including clinical trials. Any preventative or protective actions that we, our collaboration partners or others have taken, or may take, in respect of the virus may result in further disruption for our clinical trials, including clinical trials for CX-2029, CX-904, and praluzatamab ravtansine, manufacturing, research, financial reporting capabilities and operations generally and could potentially impact our patients, partners, employees and third parties. Any resulting financial impact cannot be reasonably estimated at this time but may materially affect the business and our financial condition and results of operations. The extent to which the COVID-19 pandemic continues to impact our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions necessary to contain the virus or treat its impact, among others. Currently, it is not possible to predict how long the pandemic will last or the extent or degree of its ongoing impact on economic activity, and our business. We do not know the full extent of any impact or delay on our business or our operations, including clinical trial activity, however, we will continue to monitor the COVID-19 situation closely and operate in accordance with all relevant health and safety guidelines as they evolve in response to changing public health conditions.

Components of Results of Operations

Revenue

Our revenue to date has been primarily derived from non-refundable license payments, milestone payments and reimbursements for research and development expenses under our research, collaboration, and license agreements. We recognize revenue from upfront payments over the term of our estimated period of performance under the agreement using an input method for the entire performance obligation. In addition to receiving upfront payments, we are entitled to variable payments related to research and development services provided and may be entitled to milestone and other contingent payments upon achieving predefined objectives. Revenue from variable payments related to research and development or milestones and other contingent payments, when it is probable that there will not be a significant revenue reversal, are also recognized over the performance period based on a similar method.

For the foreseeable future, we do not expect to generate any revenue from the sale of products unless and until such time as our product candidates have advanced through clinical development and obtained regulatory approval. We expect that any revenue we generate in the foreseeable future will fluctuate from year to year as a result of the timing and amount of milestones and other

payments from our collaboration agreements with AbbVie, Amgen, Astellas, Bristol Myers Squibb, Regeneron, Moderna and any other collaboration partners, and as a result of the fluctuations in the research and development expenses we incur in the performance of assigned activities under these agreements.

AbbVie, one of our previous collaboration partners, entered into a license agreement with Seagen Inc. ("SGEN") to license certain intellectual property rights. As part of the collaboration agreement with AbbVie, we received a sublicense to these intellectual property rights and therefore paid SGEN sublicense fees. These sublicense fees were treated as reductions to the transaction price and combined with the performance obligation to which they relate. Milestone payments, when considered probable of being reached and when a significant revenue reversal would not be probable of occurring, are also recorded net of the associated sublicense fees and included in the transaction price.

Research and Development Expenses

Our research and development expenses consist primarily of costs incurred to conduct research, such as the discovery and development of our product candidates, clinical development, including activities with third parties, such as contract research organizations ("CRO") and contract development and manufacturing organizations ("CMO"), and the manufacture of drug products used in clinical trials, as well as the development of product candidates pursuant to our research, collaboration and license agreements. Research and development expenses include personnel costs, including stock-based compensation expense, contractor services, laboratory materials and supplies, depreciation and maintenance of research equipment, and an allocation of related facilities costs. We expense research and development costs as incurred.

We expect our research and development expenses could vary substantially in the future as we prioritize our pipeline opportunities, advance our product candidates through clinical trials, initiate additional clinical trials, and pursue regulatory approval of our product candidates. The process of conducting the necessary clinical research to obtain regulatory approval is costly and time-consuming. The actual probability of success for our product candidates may be affected by a variety of factors including: the safety and efficacy of our product candidates, early clinical data, investment in our clinical program, the ability of collaborators to successfully develop our licensed product candidates, competition, manufacturing capability and commercial viability. We may never succeed in achieving regulatory approval for any of our product candidates. As a result of the uncertainties discussed above, we are unable to determine the duration and completion costs of our research and development projects or when and to what extent we will generate revenue from the commercialization and sale of our product candidates.

General and Administrative Expenses

General and administrative expenses include personnel costs, expenses for outside professional services and other allocated expenses. Personnel costs consist of salaries, bonuses, benefits and stock-based compensation. Outside professional services consist of accounting and audit services, legal and other consulting fees. Allocated expenses primarily consist of rent expense related to our office and information technology related costs.

Interest Income

Interest income primarily consists of interest income from our cash equivalents and investments, and accretion of discounts or amortization of premiums on our investments.

Other Income (Expense), Net

Other income (expense), net consists primarily of gains and losses resulting from changes to currency exchange rates.

Income Taxes

Income taxes are recorded in accordance with ASC 740, Accounting for Income Taxes, or ASC 740, which provides for deferred taxes using an asset and liability approach. We recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been included in our financial statements or tax returns. We determine our deferred tax assets and liabilities based on differences between the financial reporting and tax bases of assets and liabilities, which are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Valuation allowances are provided, if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

We also account for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, we recognize the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. The tax relief measures under the CARES Act for businesses include a five-year net operating loss carryback, suspension of annual deduction limitation of 80% of taxable income from net operating losses generated in a tax year beginning after December 31, 2017, changes in the deductibility of interest, acceleration of alternative minimum tax credit refunds, payroll tax relief, and a technical correction to allow accelerated deductions for qualified improvement property. We record the effect of an enacted change in a tax law in the period that includes the enactment date in accordance with ASC 740.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law. Among other changes to the Internal Revenue Code, the IRA imposes a 15% corporate alternative minimum tax on certain corporations and 1% excise tax on public company stock buybacks for tax years beginning after December 31, 2022. The Company does not expect these provisions to have a material impact.

Comparison of Years Ended December 31, 2022 and 2021

Revenue

The following table summarizes our revenue by collaboration partner during the respective periods:

	Year Ended December 31,		
	2022	2021	Change
		(in thousands)	
AbbVie	$ 18,563	$ 11,546	$ 7,017
Amgen	4,967	8,488	(3,521)
Astellas	20,491	17,278	3,213
Bristol Myers Squibb	9,142	-	9,142
Total Revenue	$ 53,163	$ 37,312	$ 15,851

The increase in revenue of $15.9 million for 2022 compared to 2021 was primarily due to:

- An increase in revenue from AbbVie primarily driven by a higher percentage of project completion under the CD71 Agreement and a cumulative adjustment from a change in estimate of $4.4 million due to completion of performance obligation of the second target under the Discovery Agreement in the current year;
- An increase in revenue from Astellas under the Astellas Agreement primarily driven by a higher percentage of completion for existing targets and initiation of pre-clinical research and development on a new target selected in current year;
- An increase in revenue from Bristol Myers Squibb under the BMS Agreement due to initiation and progress of pre-clinical research for new targets selected in current year, offset by;
- A decrease in revenue from Amgen under the Amgen Agreement driven by lower percentage of completion of the CX-904 program in the current year due to an increase in projected hours-to-completion.

Operating Costs and Expenses

Research and Development Expenses

The following table summarizes our research and development expenses by program incurred during the respective periods presented:

	Year Ended December 31,		
	2022	2021	Change
	(in thousands)		
External costs incurred by product candidate (target):			
Praluzatamab ravtansine, CX-2009 (CD166)	$ 15,809	$ 18,516	$ (2,707)
CX-2029 (CD71)	9,708	11,556	(1,848)
Pacmilimab, CX-072 (PD-L1)	948	3,535	(2,587)
CX-904 (EGFRxCD3)	2,822	3,522	(700)
Other wholly owned and partnered programs	14,024	13,831	193
General research and development expenses	13,338	13,534	(196)
	56,649	64,494	(7,845)
Internal costs	55,000	49,700	5,300
Total research and development expenses	$ 111,649	$ 114,194	$ (2,545)

Research and development expenses decreased by $2.5 million for 2022, compared to 2021 primarily driven by a decrease in clinical trial and lab contract services for CX-2009, CX-072, CX-2029, CX-904 and pre-clinical programs, offset by $5.3 million restructuring expenses which are primarily included in internal costs.

General and Administrative Expenses

	Year Ended December 31,		
	2022	2021	Change
	(in thousands)		
General and administrative	$ 42,849	$ 39,160	$ 3,689

General and administrative expenses increased by $3.7 million for 2022, compared to 2021 primarily driven by $2.4 million of restructuring expenses and a $1.0 million increase in professional expenses related to new collaboration agreements.

Interest Income and Other Expense, Net

	Year Ended December 31,		
	2022	2021	Change
	(in thousands)		
Interest income	$ 1,678	$ 255	$ 1,423
Other expense, net	340	(83)	423
Total interest income and other expense	$ 2,018	$ 172	$ 1,846

Interest Income

Interest income increased by $1.4 million during 2022 compared to 2021, primarily driven by higher interest rates in 2022.

Quarterly Discussion and Analysis

The following discussion should be read in conjunction with our accompanying restated unaudited interim condensed financial statements for the 2022 quarterly periods disclosed in financial statement Note 17, “Selected Quarterly Financial Data (Unaudited)", and our audited financial statements and notes thereto and our unaudited condensed financial statements included in our Amended Annual Report on Form 10-K/A, filed for the fiscal year ended December 31, 2021 with the SEC on March 27, 2023.

The following table summarizes our revenue by collaboration partner during the respective periods:

Comparison of the three months ended March 31, 2022 and March 31, 2021

	Three Months Ended March 31,		
	2022 (As Restated)	2021	Change
		(in thousands)	
AbbVie	$ 1,751	$ 1,486	$ 265
Amgen	2,237	2,546	(309)
Astellas	4,766	4,165	601
Bristol Myers Squibb	286	-	286
Total revenue	$ 9,040	$ 8,197	$ 843

The increase in revenue of $0.8 million for the three months ended March 31, 2022 compared to the corresponding period of 2021 was primarily due to a higher percentage of project completion for the existing targets as well as pre-clinical research activities initiated for newly selected targets, under the Astellas Agreement and BMS Agreement in the first quarter of 2022.

Comparison of the three and six months ended June 30, 2022 and June 30, 2021

	Three Months Ended June 30,			Six Months Ended June 30,		
	2022 (As Restated)	2021	Change	2022 (As Restated)	2021	Change
		(in thousands)			(in thousands)	
AbbVie	$ 6,775	$ 2,734	$ 4,041	$ 8,526	$ 4,220	$ 4,306
Amgen	357	1,715	(1,358)	2,594	4,261	(1,667)
Astellas	4,657	4,346	311	9,423	8,511	912
Bristol Myers Squibb	1,064	-	1,064	1,350	-	1,350
Total revenue	$ 12,853	$ 8,795	$ 4,058	$ 21,893	$ 16,992	$ 4,901

The increase in revenue of $4.1 million and $4.9 million for the three and six months ended June 30, 2022, respectively, compared to the corresponding periods of 2021 was primarily due to:

- An increase in revenue under the AbbVie Agreements driven by a higher percentage of project completion primarily for the CD71 project in current periods and a decrease in projected hours-to-completion for a target under the Discovery Agreement, as well as under the Astellas Agreement and BMS Agreement driven by pre-clinical research activities initiated in the current periods for the recently selected new targets; partially offset by
- A decrease in revenue from Amgen under the Amgen Agreement driven by lower percentage of completion of the CX-904 project in the current periods due to the increase in projected hours-to-completion within the same projected research period.

Comparison of the three and nine months ended September 30, 2022 and September 30, 2021

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022 (As Restated)	2021	Change	2022 (As Restated)	2021	Change
		(in thousands)			(in thousands)	
AbbVie	$ 2,972	$ 2,277	$ 695	$ 11,498	$ 6,497	$ 5,001
Amgen	337	2,352	(2,015)	2,931	6,613	(3,682)
Astellas	5,880	4,560	1,320	15,303	13,071	2,232
Bristol Myers Squibb	1,958	-	1,958	3,308	-	3,308
Total revenue	$ 11,147	$ 9,189	$ 1,958	$ 33,040	$ 26,181	$ 6,859

The increase in revenue of $2.0 million and $6.9 million for the three and nine months ended September 30, 2022, respectively, compared to the corresponding periods of 2021 was primarily due to:

- An increase in revenue under AbbVie's CD71 Agreements driven by a higher percentage of project completion in current periods and a decrease in projected hours-to-completion for a target under the Discovery Agreement,

- An increase in revenue under the Astellas Agreement driven by a higher percentage of project completion for the existing targets as well as pre-clinical research activities initiated in the current periods for the recently selected new targets under the Astellas Agreement and the BMS Agreement; partially offset by
- A decrease in revenue from Amgen under the Amgen Agreement driven by lower percentage of completion of the CX-904 project in the current periods due to an increase in projected hours-to-completion.

Liquidity and Capital Resources

Sources of Liquidity

As of December 31, 2022, we had cash, cash equivalents and short-term investments of $193.7 million and an accumulated deficit of $722.9 million, compared to cash, cash equivalents and investments of $305.2 million and an accumulated deficit of $623.6 million as of December 31, 2021. To date, we have financed our operations primarily through sales of our common stock in conjunction with the IPO, subsequent stock offerings and through our at-the-market offering, sales of our convertible preferred securities prior to our IPO and payments received under our collaboration agreements. In January and February 2021, in an underwritten public offering of our common stock, we raised an aggregate net proceeds of approximately $107.7 million. In November 2022, we entered into a Collaboration and License Agreement with Regeneron Pharmaceuticals, Inc. (the "Regeneron Agreement") to collaborate on preclinical research activities to discover and develop certain antibody compounds for the treatment of cancer using the Company's Probody therapeutic technology. Pursuant to the Regeneron Agreement, we collected an upfront fee of $30.0 million. In December 2022, we entered into a Collaboration and License Agreement with ModernaTX, Inc. (the "Moderna Agreement") to collaborate on discovery and preclinical research and development activities to create investigational messenger RNA (mRNA) based conditionally activated therapies using the Company's Probody therapeutic technology. Pursuant to the Moderna Agreement, we recorded a receivable for an upfront fee and prepaid research funding of $35.0 million, which has been collected in January 2023.

On July 13, 2022, we announced a restructuring plan to prioritize resources on our emerging pre-clinical and early clinical pipeline as well as our existing collaboration partnerships. The restructuring plan resulted in a reduction to our workforce by approximately 40%, and is substantially completed by the fourth quarter of 2022. We incurred aggregate restructuring charges of approximately $7.7 million, primarily related to one-time severance payments and other employee-related costs.

Based upon our current operating plan, we expect our existing capital resources will be sufficient to fund operations into 2025. However, if the anticipated operating results and future financing are not achieved in future periods, our planned expenditures may need to be reduced in order to extend the time period over which the then-available resources would be able to fund the operations. The amounts and timing of our actual expenditures depend on numerous factors, including the progress of our preclinical and clinical development efforts, the results of any clinical trials and other studies, our operating costs and expenditures and other factors described under the caption "Risk Factors" in this Annual Report on Form 10-K. The cost and timing of developing our product candidates is highly uncertain and subject to substantial risks and changes. As such, we may alter our expenditures as a result of contingencies such as the failure of one or all of our product candidates currently in clinical development, the acceleration of one or all of our product candidates in clinical development, the initiating of clinical trials for additional product candidates, the identification of more promising product candidates in our research efforts or unexpected operating costs and expenditures. We will need to raise additional funds in the future. There can be no assurance, however, that such efforts will be successful; or if they are successful, that the terms and conditions of such financing will be favorable to us.

Summary Statement of Cash Flows

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

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Net cash provided by (used in) operating activities	$ (110,788)	$ (119,031)
Net cash provided by (used in) by investing activities	98,260	22,489
Net cash provided by financing activities	648	110,213
Net increase (decrease) in cash, cash equivalents and restricted cash	$ (11,880)	$ 13,671

Cash Flows from Operating Activities

2022

During the year ended December 31, 2022, cash used in operating activities was $110.8 million, which consisted of a net loss of $99.3 million and a net decrease of $30.7 million relating to the change of our net operating assets and liabilities, offset by non-cash charges of $19.2 million. The non-cash charges primarily consisted of $13.1 million in stock-based compensation, $3.4 million in non-cash lease expense and $2.7 million in depreciation, amortization, and impairment charges.

The change in our net operating assets and liabilities was primarily due to:

- an increase of $35.2 million in accounts receivable primarily related to the upfront payment and prepaid research under the Moderna Agreement entered into in December 2022;
- a decrease of $9.8 million in accrued liabilities and accounts payable primarily due to timing of payments;
- a decrease of $2.3 million in cash flows from prepaid expenses and other current assets and other assets primarily due to increase in advance payments to our third-party manufacturing vendors and timing of payments;
- a net increase of $16.6 million in deferred revenue consisting of an increase of $69.6 million in deferred revenue related to new agreements with Regeneron and Moderna partially offset by a decrease of $53.0 million resulting from the continued recognition of deferred revenue from existing customers.

2021

During the year ended December 31, 2021, cash used in operating activities was $119.0 million, which consisted of a net loss of $115.9 million, adjusted by non-cash charges of $19.3 million and a net decrease of $22.4 million relating to the changes in our net operating assets and liabilities. The non-cash charges primarily consisted of $13.2 million in stock-based compensation, $3.1 million in non-cash lease expense, $2.7 million in depreciation and amortization and $0.3 million in net accretion of discounts on our investments.

The change of our net operating assets and liabilities was primarily due to:

- a net decrease of $33.9 million in deferred revenue resulting from the continued recognition of deferred revenue from existing customers;
- an increase of $7.4 million in accrued liabilities and accounts payable primarily due to timing of payments and an increase in research and clinical expenses
- an increase of $4.1 million in cash flows from prepaid expenses and other current assets and other assets primarily due to reduced advance payments to our third-party manufacturing vendors and timing of payments.

Cash Flows from Investing Activities

During year ended December 31, 2022, cash provided by investing activities was $98.3 million, which consisted of $100.0 million in proceeds received upon the maturity of short-term marketable securities, partially offset by $1.7 million of capital expenditures used to purchase property and equipment.

During the year ended December 31, 2021, cash provided by investing activities was $22.5 million, which consisted of $124.0 million in proceeds received upon the maturity of short-term marketable securities, partially offset by $99.9 million used in the purchase of long-term investments and $1.6 million of capital expenditures used to purchase property and equipment.

Cash Flows from Financing Activities

During the year ended December 31, 2022, cash provided by financing activities consisted of $0.6 million of proceeds from the exercise of stock options and employee stock purchases under the employee stock purchase plan (“ESPP”).

During the year ended December 31, 2021, cash provided by financing activities was $110.2 million, which consisted of $107.7 million of net proceeds from the follow-on public offering in January and February 2021 and $2.5 million of proceeds from the exercise of stock options and employee stock purchases under the employee stock purchase plan.

Contractual Obligations

The following table summarizes our contractual obligations that become due within the next twelve months (in thousands):

	Payments Due by 2023
Operating leases[1]	$ 5,420
Royalty obligations[2]	150
License maintenance fees[3]	750
Total contractual obligations	$ 6,320

(1) We lease our current facility under a long-term operating lease, which expires in 2026. The lease provides us with one option to extend the lease term for a period of five years at the then fair market rental value.

(2) We have royalty obligations under the terms of certain exclusive licensed patent rights. The royalty obligations are cancellable any time by giving notice to the licensor, with the termination being effective 60 days after giving notice. See Part II. Item 8. Financial Statements and Supplementary Data, Note 9 - “License Agreement" in the accompanying Notes to the financial statements for more information. Sublicense fees payable to UCSB for potential milestones that are probable to be earned by the Company in 2023 are not included.

(3) We have annual license maintenance fees under the terms of certain license agreement with UCSB. See Part II. Item 8. Financial Statements and Supplementary Data, Note 9 - “License Agreement” in the accompanying Notes to the financial statements for more information.

We enter into agreements in the normal course of business with CROs for clinical trials and with vendors for pre-clinical studies and other services and products for operating purposes, which are cancelable at any time by us, generally upon 30 to 60 days prior written notice. These payments are not included in the above table of contractual obligations. The above table also excludes unrecognized tax benefits of $9.3 million as of December 31, 2022 because these uncertain tax positions, if recognized, would be an adjustment to our deferred tax assets, which are subject to a valuation allowance.

Segment Information

We have one primary business activity and operate as one reportable segment.

Critical Accounting Policies and Estimates

Our management’s discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”). The preparation of these financial statements requires our management to make judgments and estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these judgments and estimates under different assumptions or conditions and any such differences may be material. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management’s judgments and estimates.

Revenue Recognition

We recognize revenue when our customer obtains control of the promised goods or services, in an amount that reflects the consideration which we have received or expect to receive in exchange for those goods or services.

Our revenues are primarily derived through our license, research, development and commercialization agreements. The terms of these types of agreements may include (i) licenses for our technology or programs, (ii) research and development services, and (iii) services or obligations in connection with participation in research or steering committees. Payments to us under these arrangements typically include one or more of the following: nonrefundable upfront and license fees, research funding, milestone and other contingent payments to us for the achievement of defined collaboration objectives and certain preclinical, clinical, regulatory and sales-based events, as well as royalties on sales of any commercialized products. We assess whether the promises in our arrangements with customers are considered as distinct performance obligations that should be accounted for separately. Judgment is required to determine whether the license to our intellectual property is distinct from the research and development services or participation on steering committees.

Our collaboration and license agreements may include contingent payments related to specified research, development and regulatory milestones. Such milestone payments are typically payable under the collaborations when the collaboration partner claims or selects a target, or initiates or advances a covered product candidate in preclinical or clinical development, upon submission for marketing approval of a covered product with regulatory authorities; or upon receipt of actual marketing approvals of a covered product or for additional indications. To date, we have concluded that these contingent payments should be fully constrained until the conditions are met. At each reporting date, we re-evaluate whether the milestones are considered probable of being achieved and estimate the amount to be included in the transaction price by 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 in such period of determination.

Our collaboration and license agreements may also include contingent payments related to sales-based milestones. Sales-based milestones are typically payable when annual sales of a covered product reach specified levels. Sales-based milestones are recognized at the later of when the associated performance obligation has been satisfied or when the sales occur. Unlike other contingency payments, such as regulatory milestones, sales-based milestones are not included in the transaction price based on estimates at the inception of the contract, but rather, are included when the sales or usage occur. As of December 31, 2022, no sales-based milestones have been recognized.

The transaction price in each arrangement is allocated to the identified performance obligations based on the relative standalone selling price (“SSP”) of each distinct performance obligation, which requires judgment. In instances where SSP is not directly observable, such as when a license or service is not sold separately, SSP is determined using information that may include market conditions and other observable inputs. Due to the early stage of our licensed technology, the license of such technology is typically combined with research and development services and steering committee participation as one performance obligation. In the event that we receive non-cash consideration such as consideration in the form of a research license and research support services from the counterparty, the transaction price of a non-monetary exchange that has commercial substance is estimated based on the fair value of the non-cash consideration received, which may be determined through a valuation analysis.

Most of our collaboration arrangements are related to delivering a combined performance obligation satisfied over time. Revenue is recognized over the estimated research period using an input measure based on our actual full-time employee ("FTE") hours incurred as a percentage of projected FTE hours for completing the performance obligation. We evaluate the measure of progress each reporting period and, if necessary, we adjust the measure of performance and related revenue recognition. There have been changes in estimates of research service periods and/or the related estimated FTE hours-to-completion of certain of our research development programs in 2022 and 2021. For example, changes in our estimated research service period resulted in recognition of higher total revenue of $0.5 million in 2022 and lower total revenue of $9.3 million in 2021, as compared to the estimates in place at the end of the prior period. Such adjustments have impacted and may continue to impact the amounts and timing of our revenue recognized.

Any consideration payable to our customers is treated as a reduction to the transaction price and revenue, unless the payment to the customer is in exchange for distinct good and services.

Research and Development Expenses

We record accrued liabilities for estimated costs of research, preclinical and clinical studies and contract manufacturing activities, which are a significant component of research and development expenses. A substantial portion of our ongoing research and development activities is conducted by third-party service providers, including CROs. Our contracts with CROs generally include pass-through costs, such as regulatory expenses, investigator fees, travel costs and other miscellaneous costs. The financial terms of these contracts are subject to negotiations, which vary from contract to contract and may result in payments that do not match the periods over which materials or services are provided to us under such contracts. We accrue the costs incurred under agreements with these third parties based on actual work completed in accordance with the respective agreements. In the event we make advance payments, they are recorded as prepaid expenses and recognized as the services are performed. We determine the estimated costs through discussions with internal personnel and external service providers as to the progress of stage of completion of the services and the agreed-upon fees to be paid for such services.

We make significant judgments and estimates in determining the accrual balance in each reporting period. As actual costs become known, we adjust our accruals. Although we do not expect our estimates to be materially different than the actual amounts incurred, such estimates for the status and timing of services performed relative to the actual status and timing of services performed may vary and could result in us reporting amounts that are too high or too low in any one period. Our accrual is dependent, in part, upon the receipt of timely and accurate reporting from CROs and other third-party vendors. Variations in the assumptions used to estimate accruals including, but not limited to, the number of patients enrolled, the rate of patient enrollment and the actual services performed, may vary from our estimates, resulting in adjustments to clinical trial expenses in future periods. Changes in these estimates that result in material changes to our accruals could materially affect our financial condition and results of operations.

Uncertain Tax Position

We file income taxes in the U.S. federal jurisdiction, the state of California and various other U.S. states. We are currently under examination by the state of California for the years 2017 and 2018. The examination contests our tax position on revenue apportionment for upfront and milestone payments resulting from our collaboration and licensing agreements. As of the date of this filing, the state of California has not proposed adjustments to the tax returns. Due to the ongoing nature of the examination and discussions with the state of California, we are unable to estimate a date by which this matter will be resolved or reasonably estimate the potential impact should the tax position be revised. Based on our current expectations and understanding of the reasonably possible outcomes, we do not anticipate that the resolution of this matter would result in a material impact on our financial position or results of operations.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily relate to interest rate risks. We had cash, cash equivalents and investments of $193.7 million and $305.2 million as of December 31, 2022 and 2021 respectively, which consists of bank deposits, money market funds and U.S. Treasury securities. Such interest-bearing instruments carry a degree of interest rate risk; however, historical fluctuations of interest income have not been significant.

We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate exposure. We have not historically been exposed to material risks due to changes in interest rates. Based on our investment positions as of December 31, 2022, a hypothetical 100 basis point change in interest rates would not have material effect in the fair value of the portfolio.

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

CYTOMX THERAPEUTICS, INC.
ANNUAL REPORT ON FORM 10-K
INDEX TO AUDITED FINANCIAL STATEMENTS

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Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying balance sheets of CytomX Therapeutics, Inc. (the Company) as of December 31, 2022 and 2021, the related statements of operations and comprehensive loss, stockholders' equity (deficit) and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the 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 the years then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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 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 account or disclosure to which it relates.

Accounting for revenue and collaboration agreements

Description of the Matter	The Company recorded revenue from collaboration agreements of $53.2 million for the year ended December 31, 2022. As described in Note 2, the terms of the Company's collaboration agreements may include licenses for the Company's technology or programs, research and development services, and services or obligations in connection with participation in research or steering committees. Amounts received under these arrangements typically include nonrefundable upfront payments and license fees, research funding, milestone and other contingent payments for the achievement of defined collaboration objectives and certain preclinical, clinical, regulatory and sales-based events, as well as royalties on sales of any commercialized products. Auditing the Company's accounting for revenues from collaboration arrangements was complex and required significant judgments primarily in identifying which elements represent revenue producing performance obligations, determining the measurement and allocation of arrangement consideration, and evaluating estimates of the total expected inputs under the input method for revenue recognized over time.
How We Addressed the Matter in Our Audit	To test the accounting treatment for revenue from collaboration arrangements, we evaluated, among other things, whether the identified performance obligations were properly determined, and the transaction price was properly measured and allocated to the identified performance obligations. To test the measurement of efforts toward satisfying the performance obligation, our audit procedures included, among others, testing a sample of cash receipts, reviewing management's analysis for accuracy and completeness by agreeing data to the underlying contract, inspecting research or steering committee minutes, evaluating the application of the input method for the recognition of revenue and testing the estimated total inputs and actual inputs incurred.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2017.
San Jose, California
March 27, 2023

CYTOMX THERAPEUTICS, INC.
BALANCE SHEETS
(in thousands, except share and per share data)

	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 193,650	$ 205,530
Short-term investments	—	99,696
Accounts receivable	35,986	790
Prepaid expenses and other current assets	7,466	4,285
Total current assets	237,102	310,301
Property and equipment, net	5,072	5,960
Intangible assets, net	875	1,021
Goodwill	949	949
Restricted cash	917	917
Operating lease right-of-use asset	15,949	19,362
Other assets	27	901
Total assets	$ 260,891	$ 339,411
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	$ 2,809	$ 2,818
Accrued liabilities	28,532	34,236
Deferred revenues, current portion	121,267	40,816
Total current liabilities	152,608	77,870
Deferred revenue, net of current portion	180,059	243,944
Operating lease liabilities - long term	13,975	18,056
Total liabilities	346,642	339,870
Commitments and contingencies (Note 10)		
Stockholders' equity (deficit)		
Convertible preferred stock, $0.00001 par value; 10,000,000 shares authorized and no shares issued and outstanding at December 31, 2022 and 2021	—	—
Common stock, $0.00001 par value; 150,000,000 shares authorized, and 66,228,046 and 65,392,758 shares issued and outstanding at December 31, 2022 and 2021, respectively	1	1
Additional paid-in capital	637,117	623,344
Accumulated other comprehensive income (loss)	10	(242)
Accumulated deficit	(722,879)	(623,562)
Total stockholders' equity (deficit)	(85,751)	(459)
Total liabilities and stockholders' equity (deficit)	$ 260,891	$ 339,411

See accompanying notes to financial statements

CYTOMX THERAPEUTICS, INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except share and per share data)

	Year Ended December 31,	
	2022	2021
Revenues	$ 53,163	$ 37,312
Operating expenses:		
Research and development	111,649	114,194
General and administrative	42,849	39,160
Total operating expenses	154,498	153,354
Loss from operations	(101,335)	(116,042)
Interest income	1,678	255
Other income (expense), net	340	(83)
Loss before income taxes	(99,317)	(115,870)
Benefit from income taxes	-	-
Net loss	$ (99,317)	$ (115,870)
Other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale investments, net of tax	$ 252	$ (195)
Total comprehensive loss	$ (99,065)	$ (116,065)
Net loss per share, basic and diluted	$ (1.51)	$ (1.81)
Shares used to compute net loss per share, basic and diluted	65,739,844	64,146,848

See accompanying notes to financial statements

CYTOMX THERAPEUTIC, INC.
Statements of Stockholders' Equity (Deficit)
(in thousands, except share and per share data)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income/(Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount				
Balance at December 31, 2020	48,251,819	$ 1	$ 499,964	$ (47)	$ (507,692)	$ (7,774)
Exercise of stock options	528,503	—	1,428	—	—	1,428
Issuance of common stock under the Employee Stock Purchase Plan	183,865	—	1,073	—	—	1,073
Issuance of common stock in follow-on offering, net of issuance cost	16,428,571	—	107,712	—	—	107,712
Stock-based compensation	—	—	13,167	—	—	13,167
Other comprehensive loss	—	—	—	(195)	—	(195)
Net loss	—	—	—	—	(115,870)	(115,870)
Balance at December 31, 2021	65,392,758	1	623,344	(242)	(623,562)	(459)
Exercise of stock options and release of RSUs	430,096	—	99	—	—	99
Issuance of common stock under the Employee Stock Purchase Plan	405,192	—	549	—	—	549
Stock-based compensation	—	—	13,125	—	—	13,125
Other comprehensive income	—	—	—	252	—	252
Net loss	—	—	—	—	(99,317)	(99,317)
Balance at December 31, 2022	66,228,046	$ 1	$ 637,117	$ 10	$ (722,879)	$ (85,751)

See accompanying notes to financial statements

CYTOMX THERAPEUTICS, INC.
STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2022	**2021**
Cash flows from operating activities:		
Net loss	$ (99,317)	$ (115,870)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Amortization of intangible assets	146	146
Depreciation and amortization	2,297	2,560
Impairment loss on machinery and equipment	254	—
Amortization of premium (accretion of discounts) on investments	(52)	272
Stock-based compensation expense	13,125	13,167
Non-cash lease expense	3,413	3,133
Changes in operating assets and liabilities		
Accounts receivable	(35,196)	8
Prepaid expenses and other current assets	(3,181)	2,811
Other assets	874	1,271
Accounts payable	68	(139)
Accrued liabilities, income tax payable and other long-term liabilities	(9,784)	7,558
Deferred revenue	16,565	(33,948)
Net cash used in operating activities	$ (110,788)	$ (119,031)
Cash flows from investing activities:		
Purchases of property and equipment	(1,740)	(1,609)
Purchases of short-term investments	—	(99,898)
Maturities of short-term investments	100,000	123,996
Net cash provided by investing activities	$ 98,260	$ 22,489
Cash flows from financing activities:		
Proceeds from issuance of common stock, net of issuance costs	—	107,712
Proceeds from employee stock purchase plan and exercise of stock options	648	2,501
Net cash provided by financing activities	$ 648	$ 110,213
Net increase (decrease) in cash, cash equivalents and restricted cash	(11,880)	13,671
Cash, cash equivalents and restricted cash, beginning of year	206,447	192,776
Cash, cash equivalents and restricted cash, end of year	$ 194,567	$ 206,447
Supplemental disclosures of noncash investing items:		
Purchases of property and equipment in accounts payable and accrued liabilities	$ 6	$ 83

See accompanying notes to financial statements

1. Description of the Business

CytomX Therapeutics, Inc. (the “Company”) is a clinical-stage, oncology-focused biopharmaceutical company dedicated to destroying cancer differently. The Company aims to build a commercial enterprise to maximize its impact on the treatment of cancer. The Company is advancing potential first-in-class and best-in-class antibody-based therapeutics created using its Probody® therapeutic technology platform that could meaningfully improve outcomes for cancer patients. Its proprietary and unique Probody technology platform is designed to enable “conditional activation” of antibody-based drugs in the tumor microenvironment while minimizing drug activity in healthy tissues and in circulation. The Company is located in South San Francisco, California and was incorporated in the state of Delaware in September 2010.

2. Basis of Presentation and Summary of Significant Accounting Policies

Restatement

The Company re-evaluated its application of ASC Topic 606, Revenue from Contracts with Customers (“ASC 606") for its prior collaboration and license agreements. The Company has historically recognized the revenue for certain arrangements ratably over the estimated research period. Upon reassessment, the Company has determined that certain revenue should be recognized over time using an input method as an appropriate measure of progress, rather than ratably over the estimated research period. In applying the input method, revenue is recognized based on actual full time employee ("FTE") hours incurred as a percentage of total estimated FTE hours for completing the combined performance obligation over the estimated service period. The restatement affects the accounting for the Company’s agreements with Bristol-Myers Squibb Company, Astellas Pharma Inc., and certain agreements with AbbVie Ireland Unlimited Company, and Amgen, Inc. The error resulted in an overstatement of revenue in the statements of operations for the years ended December 31, 2021, 2020 and 2019, and an understatement of deferred revenue in the balance sheets as of December 31, 2021 and December 31, 2020. These annual periods were restated in the Amendment No. 1 of the Annual Report on Form 10-K/A for the year ended December 31, 2021 filed with the Securities and Exchange Commission (the “SEC”) on March 27, 2023. In the 2021 Form 10-K/A, the Company also restated its previously issued (i) unaudited condensed balance sheets as of March 31, 2021, June 30, 2021 and September 30, 2021, (ii) unaudited condensed statements of operations and comprehensive loss for the three months ended March 31, 2021 and 2020, three and six months ended June 30, 2021 and 2020, and three and nine months ended September 30, 2021 and 2020, (iii) unaudited condensed statements of cash flows for the three months ended March 31, 2021 and 2020, six months ended June 30, 2021 and 2020 and nine months ended September 30, 2021 and 2020, and unaudited notes related thereto, in each of the Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2021, June 30, 2021 and September 30, 2021.

Included in Note 17 of these financial statements is the restatement of previously issued (i) unaudited condensed balance sheets as of March 31, 2022, June 30, 2022 and September 30, 2022, (ii) unaudited condensed statements of operations and comprehensive loss for the three months ended March 31, 2022, three and six months ended June 30, 2022, and three and nine months ended September 30, 2022, (iii) unaudited condensed statements of cash flows for the three months ended March 31, 2022, six months ended June 30, 2022 and nine months ended September 30, 2022, and unaudited notes related thereto, in each of the Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2022, June 30, 2022 and September 30, 2022.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Concentration of Credit Risk and Other Risks and Uncertainties

The Company is subject to a number of risks similar to other biopharmaceutical companies in the early stage, including, but not limited to, the need to obtain adequate additional funding, possible failure of preclinical testing or clinical trials, the need to obtain marketing approval for its product candidates, competitors developing new technological innovations, the need to successfully commercialize and gain market acceptance of the Company's products, and protection of proprietary technology. If the Company does not successfully obtain regulatory approval, commercialize or partner any of its product candidates, it will be unable to generate revenue from product sales or achieve profitability.

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents, short-term investments and accounts receivable. Substantially all the Company's cash is held by one financial institution. Such deposits may, at times, exceed federally insured limits. The Company invests its cash equivalents in highly rated money market funds and its short-term investments in U.S. Treasury securities.

Segments

Management has determined that it has one business activity and operates as one operating segment as it only reports financial information on an aggregate basis to its Chief Executive Officer and Principal Financial Officer, who are the Company's chief operating decision makers. All long-lived assets are maintained in the United States of America.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments purchased with original maturities of three months or less at the date of purchase to be cash equivalents. Restricted cash represents a standby letter of credit issued pursuant to an office lease.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheets that sum to the total of the amounts shown in the statements of cash flows:

	December 31	
	2022	2021
	(in thousands)	
Cash and cash equivalents	$ 193,650	$ 205,530
Restricted cash - non-current assets	917	917
Total	$ 194,567	$ 206,447

Investments

All investments have been classified as available-for-sale ("AFS") and are carried at fair value as determined based upon quoted market prices or pricing models for similar securities at period end. Investments that are required for use in current operations and that mature in less than 12 months are classified as short-term investments in the accompanying balance sheets. The amortized cost of securities is adjusted for amortization of premiums and accretion of discounts to maturity. Dividend and interest income are recognized when earned. Realized gains and losses are included in earnings and are derived using the specific identification method for determining the cost of securities sold.

The Company assesses impairment of its AFS debt securities investments at each reporting period. Unrealized gains resulting from the excess of the fair value over the amortized cost basis of an investment are reported as a component of accumulated other comprehensive income (loss), net of tax. Unrealized losses or impairments resulting from the fair value of the AFS debt security being below the amortized cost basis are evaluated, using the discounted cash flow model, for identification of credit losses and non-credit related losses. Any credit losses are charged to earnings against the allowance for credit losses of the security, limited to the difference between the fair value and the amortized cost basis of the security. Any difference between the fair value of the security and the amortized cost basis, less the allowance for credit losses, are reported in other comprehensive income (loss). Expected cash inflows due to improvements in credit are recognized through a reversal of the allowance for credit losses subject to the total allowance previously recognized.

In the event of impairment of any security, if management (i) has the intent to sell such security or (ii) will more-likely-than-not be required to sell such security before recovery of its amortized cost basis, such AFS debt security's amortized cost basis will be written down to its fair value through earnings along with any existing allowance for credit losses.

Property and Equipment, net

Property and equipment are recorded at cost net of accumulated depreciation and amortization. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. The useful lives of property and equipment are as follows:

Machinery and equipment	5 years
Computer equipment and software	3 years
Furniture and fixtures	3 years
Leasehold improvements	Shorter of remaining lease term or estimated life of the assets

Maintenance and repairs that do not extend the life or improve the asset are expensed when incurred.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price paid over the fair value of tangible and identifiable intangible assets acquired in business combinations. Goodwill and other intangible assets with indefinite lives are not amortized, but are assigned to reporting units and tested for impairment annually, or whenever there is an impairment indicator. Intangible assets are comprised of in-process research and development. The Company assesses impairment indicators annually as of December 31 or more frequently, if a change in circumstances or the occurrence of events suggests the remaining value may not be recoverable. Intangible assets that are not deemed to have an indefinite life are amortized over their estimated useful lives. There was no impairment of goodwill or intangible assets identified during the years ended December 31, 2022 and 2021.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable and prior to any goodwill impairment test. An impairment loss is recognized when the total of estimated undiscounted future cash flows expected to result from the use of the asset (or asset group) and its eventual disposition is less than its carrying amount. Impairment, if any, would be assessed using discounted cash flows or other appropriate measures of fair value. During the fourth quarter of 2022, the Company recorded an impairment loss of $0.3 million related to certain machinery and equipment. There was no impairment of long-lived assets during the years ended December 31, 2021.

Revenue Recognition

The Company’s revenues are primarily derived through its license, research, development and commercialization agreements. The terms of these types of agreements may include (i) licenses for the Company’s technology or programs, (ii) research and development services, and (iii) services or obligations in connection with participation in research or steering committees. Payments to the Company under these arrangements typically include one or more of the following: nonrefundable upfront and license fees, research funding, milestone and other contingent payments to the Company for the achievement of defined collaboration objectives and certain preclinical, clinical, regulatory and sales-based events, as well as royalties on sales of any commercialized products.

The Company assesses whether the promises in its arrangements with customers are distinct performance obligations that should be accounted for separately. Judgment is required to determine whether the license to the Company’s intellectual property is distinct from the research and development services or participation on steering committees.

The Company’s collaboration and license agreements may include contingent payments related to specified research, development and regulatory milestones. Such milestone payments are typically payable under the collaborations when the collaboration partner claims or selects a target, or initiates or advances a covered product candidate in preclinical or clinical development, upon submission for marketing approval of a covered product with regulatory authorities, or upon receipt of actual marketing approvals of a covered product or for additional indications. 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. At each reporting date, the Company re-evaluates whether the milestones are considered probable of being achieved and estimates the amount to be included in the transaction price by 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 in such period of determination.

The Company’s collaboration and license agreements may also include contingent payments related to sales-based milestones. Sales-based milestones are typically payable when annual sales of a covered product reach specified levels. Sales-based milestones are recognized at the later of when the associated performance obligation has been satisfied or when the sales occur. Unlike other

contingency payments, such as regulatory milestones, sales-based milestones are not included in the transaction price based on estimates at the inception of the contract; instead, they are included when the sales or usage occur.

The transaction price in each arrangement is allocated to the identified performance obligations based on the relative standalone selling price ("SSP") of each distinct performance obligation, which requires judgment. In instances where SSP is not directly observable, such as when a license or service is not sold separately, SSP is determined using information that may include market conditions and other observable inputs. Due to the early stage of the Company's licensed technology, the license of such technology is typically combined with research and development services and steering committee participation as one performance obligation. In the event that the Company receives non-cash consideration such as consideration in the form of a research license and research support services from the counterparty, the transaction price of a non-monetary exchange that has commercial substance is estimated based on the fair value of the non-cash consideration received, which may be determined through a valuation analysis.

In certain cases, the Company's performance creates an asset that does not have an alternative use to the customer and the Company has an enforceable right to payment at all times for performance completed to date. In these cases, 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.

Any consideration payable to the Company's customers is treated as a reduction to the transaction price and revenue, unless the payment to the customer is in exchange for distinct good and services.

Comprehensive Income (Loss)

Comprehensive income (loss) represents all changes in stockholders' equity (deficit) except those resulting from distributions to stockholders. The Company's non-credit related unrealized gains and losses on investments during the period represent the component of other comprehensive income (loss) that is excluded from the reported net loss.

Contract Balances

Customer payments are recorded as deferred revenue upon receipt or when due and may require deferral of revenue recognition to a future period until the Company satisfies its performance obligations under these arrangements. Amounts payable to the Company are recorded as accounts receivable when the Company's right to consideration is unconditional.

Research and Development Expenses

The Company records accrued liabilities for estimated costs of research and development activities conducted by third-party service providers, which include the conduct of preclinical and clinical studies, and contract manufacturing activities. The Company records the estimated costs of research and development activities based upon the estimated amount of services provided but not yet invoiced, and includes these costs in accrued liabilities in the balance sheets and within research and development expense in the statements of operations. These costs are a significant component of the Company's research and development expenses. The Company accrues for these costs based on factors such as estimates of the work completed and in accordance with agreements established with its third-party service providers under the service agreements. The Company makes significant judgments and estimates in determining the accrued liabilities balance in each reporting period. As actual costs become known, the Company adjusts its accrued liabilities. The Company has not experienced any material differences between accrued costs and actual costs incurred. However, the status and timing of actual services performed may vary from the Company's estimates, resulting in adjustments to expense in future periods. Changes in these estimates that result in material changes to the Company's accruals could materially affect the Company's results of operations.

Research and development expenses include costs directly attributable to the conduct of research and development programs, including the cost of salaries, payroll taxes, employee benefits, materials, supplies, depreciation on and maintenance of research equipment, the cost of services provided by outside contractors, and the allocated portions of facility costs, such as rent, utilities, insurance, repairs and maintenance, depreciation, and general support services. All costs associated with research and development are expensed as incurred.

Stock-based Compensation

The Company measures compensation expense for all stock-based payment awards, including employee stock options, restricted stock units ("RSUs"), and employee stock purchases related to Employee Stock Purchase Plan ("ESPP") based on estimated fair values of the award at the grant date, and recognizes compensation expense over the requisite service vesting period. Stock options forfeitures are accounted for in the period in which they occur.

To determine the fair value of a stock option award on the grant date, the Company uses the Black-Scholes option pricing model which consist of estimating variables such as: expected life, volatility, and risk-free interest rate. Expected life and volatility are estimated primarily from the Company's historical records, and the risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant commensurate with the expected life assumption. These estimates involve inherent uncertainties and the application of judgment.

The Company measures its restricted stock unit awards based on the market price of the Company’s common shares on the date of grant. Share-based compensation expense for performance-based awards is recognized when it becomes probable that the performance condition will be met. The Company reassesses the estimated probability at each reporting period, and if it is determined at a future date that a performance condition is probable of being achieved, the Company will recognize a cumulative catch-up adjustment and record the remaining expense ratably over the remaining requisite service period.

Income Taxes

The Company accounts for income taxes using an asset and liability approach. Deferred tax assets and liabilities reflect the net tax effects of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company records a valuation allowance to reduce its deferred tax assets to reflect the net amount that it believes as more likely than not to be realized. Realization of the deferred tax assets is dependent on the generation of future taxable income, the amount and timing of which are uncertain. The valuation allowance requires an assessment of both positive and negative evidence when determining whether it is more likely than not that deferred tax assets are recoverable. Based upon the weight of available evidence at December 31, 2022, the Company continues to maintain a full valuation allowance against all of its deferred tax assets after management considered all available evidence, both positive and negative, including but not limited to its historical operating results, income or loss in recent periods, cumulative income in recent years, forecasted earnings, future taxable income, and significant risk and uncertainty related to forecasts.

The Company recognizes the tax effects of an uncertain tax position only if it is more likely than not that it will be sustained based solely on its technical merits as of the reporting date and only in an amount more likely than not that it will be sustained upon review by the tax authorities. The Company evaluates uncertain tax positions on a quarterly basis and adjust the liability for changes in facts and circumstances, such as new regulations or interpretations by the taxing authorities, new information obtained during a tax examination, significant amendment to an existing tax law, or resolution of an examination. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact the income tax provision in the period in which such determination is made. The resolution of its uncertain income tax positions is dependent on uncontrollable factors such as law changes, new case law, and the willingness of the income tax authorities to settle, including the timing thereof and other factors. Interest and/or penalties related to income tax matters are recognized as a component of income tax expense.

Leases

The Company determines if an arrangement is or contains a lease at inception. Operating leases are recorded as operating lease right-of-use (“ROU”) assets and operating lease liabilities in the Company’s balance sheet. ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Company uses an implicit rate when readily available, or its incremental borrowing rate based on the information available at lease commencement date in determining the present value of lease payments. The operating lease ROU assets also include any lease prepayments made and reduced by lease incentives. The Company’s lease terms may include options to extend the lease when it is reasonably certain that such option will be exercised. Lease expenses are recognized on a straight-line basis over the lease term. The Company elected the short-term lease recognition exemption. The Company’s operating lease arrangement includes lease and non-lease components which are generally accounted for separately.

3. Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding for the period. Diluted net loss per share is calculated using the weighted-average number of common shares outstanding, plus potential dilutive common stock during the period. Diluted net loss per share is the same as basic net loss per share since the effect of the potentially dilutive securities is anti-dilutive.

The following weighted-average outstanding shares of potentially dilutive securities are excluded from the computation of diluted net loss per share for the periods presented, because including them would have been anti-dilutive:

	Year Ended December 31,	
	2022	2021
Options and ESPP to purchase common stock	14,292,729	11,904,885
RSUs	1,201,058	82,477
Total	15,493,787	11,987,362

4. Fair Value Measurements and Investments

In accordance with Accounting Standards Codification ("ASC") 820-10, Fair Value Measurements and Disclosures, the Company determines the fair value of financial and non-financial assets and liabilities using the fair value hierarchy, which establishes three levels of inputs that may be used to measure fair value, as follows:

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

The carrying amounts of the Company's financial instruments, including restricted cash, accounts receivable, accounts payable and accrued liabilities approximate fair value due to their relatively short maturities. The Company's financial instruments consist of Level I assets which consist primarily of highly liquid money market funds, some of which are included in restricted cash; and U.S. Treasury securities that are included in cash equivalent or short-term investments.

The following tables set forth the fair value of the Company's investments subject to fair value measurements on a recurring basis and the level of inputs used in such measurements:

		December 31, 2022			
	Valuation Hierarchy	Amortized Cost	Unrealized Gains	Unrealized Losses	Aggregate Fair Value
		(in thousands)			
Assets					
Money market funds	Level I	$ 64,706	$ —	$ —	$ 64,706
Restricted cash (money market funds)	Level I	917	—	—	917
U.S. Treasury securities	Level I	29,941	10	—	29,951
Total		$ 95,564	$ 10	$ —	$ 95,574

		December 31, 2021			
	Valuation Hierarchy	Amortized Cost	Unrealized Gains	Unrealized Losses	Aggregate Fair Value
		(in thousands)			
Assets					
Money market funds	Level I	$ 165,736	$ —	$ —	$ 165,736
Restricted cash (money market funds)	Level I	917	—	—	917
U.S. Treasury securities	Level I	99,938	—	(242)	99,696
Total		$ 266,591	$ —	$ (242)	$ 266,349

As of December 31,2022, the remaining contractual terms of the U.S. Treasury securities are less than a year.

5. Property and Equipment

Property and equipment, net consisted of the following:

	December 31	
	2022	2021
	(in thousands)	
Machinery and equipment	$ 14,002	$ 15,086
Computer equipment and software	1,942	1,608
Furniture and fixtures	1,054	1,054
Leasehold improvements	1,742	1,736
Construction in progress	705	308
	19,445	19,792
Less: accumulated depreciation and amortization	(14,373)	(13,832)
	$ 5,072	$ 5,960

Depreciation and amortization expense was $2.3 million and $2.6 million for the years ended December 31, 2022 and 2021, respectively. During the fourth quarter of 2022, as part of its on-going cost savings initiatives, the Company has recorded an impairment loss of $0.3 million related to certain machinery and equipment.

6. Intangible Asset

The intangible asset is being amortized over the estimated lives of the patents which average 12 years. The amortization expense for the years ended December 31, 2022 and 2021 was $0.1 million and $0.1 million, respectively.

	December 31,	
	2022	2021
	(in thousands)	
Probody platform intangible asset	$ 1,750	$ 1,750
Less accumulated amortization	(875)	(729)
	$ 875	$ 1,021

7. Accrued Liabilities

Accrued liabilities consisted of the following:

	December 31,	
	2022	2021
	(in thousands)	
Research and clinical expenses	$ 13,089	$ 18,861
Payroll and related expenses	8,060	9,576
Legal and professional expenses	1,413	1,468
Operating lease liabilities - short term	4,082	3,618
Restructuring expenses	1,627	—
Other accrued expenses	261	713
Total	$ 28,532	$ 34,236

8. Collaboration and License Agreements

The following table summarizes the revenue by collaboration partner:

	Year Ended December 31,	
	2022	2021
	(in thousands)	
AbbVie	$ 18,563	$ 11,546
Amgen	4,967	8,488
Astellas	20,491	17,278
Bristol Myers Squibb	9,142	-
Total revenue	$ 53,163	$ 37,312

AbbVie Ireland Unlimited Company

In April 2016, the Company and AbbVie entered into two agreements, a CD71 Co-Development and Licensing Agreement (the "CD71 Agreement") and a Discovery Collaboration and Licensing Agreement (as amended and restated in June 2019, the "Discovery Agreement" and together with the CD71 Agreement the "AbbVie Agreements"). Under the terms of the CD71 Agreement, the Company and AbbVie were co-developing a conditionally activated antibody-drug conjugate ("ADC") against CD71, with the Company being responsible for preclinical and early clinical development. AbbVie was to be responsible for later development and commercialization, with global late-stage development costs shared between the two companies. The Company was to assume 35% of the net profits or net losses related to later development and commercialization unless it opted-out. Under the Agreement, if the Company was to opt-out from participation of co-development of the CD71 conditionally activated ADC, which included CX-2029, AbbVie would have had the sole right and responsibility for the further development, manufacturing and commercialization of such CD71 conditionally activated ADC.

Under the CD71 Agreement, the Company received an upfront payment of $20.0 million in April 2016, and was eligible to initially receive up to $470.0 million in development, regulatory and commercial milestone payments, a 35% profit split on U.S. sales, and royalties on ex-U.S. sales at percentages in the high teens to low twenties if the Company participated in the co-development of the CD71 conditionally activated ADC subject to a reversion to a royalty on U.S. sales, and reduction in royalties on ex-U.S. sales, if the Company opted-out from the co-development of the CD71 conditionally activated ADC. The Company's share of later stage co-development costs for each CD71 conditionally activated ADC would have been capped, provided that AbbVie could have offset the Company's co-development cost above the capped amounts from future payments such as milestone payments and royalties. In July 2017, the Company received a milestone payment of $14.0 million (net of payment of an associated sublicense fee of $1.0 million to Seagen Inc., formerly Seattle Genetics, Inc. ("SGEN") under the Seattle Genetics Agreement) from AbbVie for achieving certain milestones required to be met to begin GLP toxicology studies under the CD71 Agreement. AbbVie had entered into a license agreement with SGEN to license certain intellectual property rights pursuant to which the Company was required to pay SGEN sublicense fees for certain milestone achievements and an annual maintenance fee. These sublicense fees were treated as reductions to the transaction price and combined with the performance obligation to which they relate.

In May 2018, the United States Food and Drug Administration ("FDA") cleared the IND application for CX-2029. As a result, the Company achieved the IND success criteria under the CD71 Agreement and received a $21.0 million milestone payment (net of the payment of an associated sublicense fee of $4.0 million to SGEN). In March 2020, the Company earned a $40.0 million milestone payment for satisfying the CD71 dose escalation success criteria under the CD71 Agreement. Inclusive of 2017, 2018 and 2020 milestone payments, as of December 31, 2022, the Company has received in aggregate $100.0 million in upfront and milestone payments under the CD71 Agreement. In March 2023, the Company announced that it will evaluate the potential next steps for CX-2029 following the decision from its collaboration partner, AbbVie, Inc., to not advance CX-2029 into additional clinical studies. As a result of AbbVie's decision, the 2016 CD71 License and Collaboration Agreement has been terminated and the Company has an exclusive option to re-acquire full rights to CX-2029.

Under the terms of the Discovery Agreement, AbbVie received exclusive worldwide rights to develop and commercialize conditionally activated ADCs against up to two targets, one of which was selected in March 2017. AbbVie had the option to select a second target in exchange for a $10.0 million payment. The Company concluded that, at the inception of the agreement, AbbVie's option to select the additional target was not a material right and did not represent a performance obligation of the agreement and would be accounted for as a separate arrangement upon exercise. The Company shall perform research services to discover the Probody therapeutics and create conditionally activated ADCs for the nominated collaboration targets. From that point, AbbVie shall have sole right and responsibility for development and commercialization of products comprising or containing such conditionally activated ADCs ("Discovery Licensed Products").

Under the Discovery Agreement, the Company received an upfront payment of $10.0 million for the first target in April 2016 and subsequently received an additional $10.0 million payment triggered by selection of the second target by AbbVie in June 2019. The second target was selected under the Discovery Agreement that allowed AbbVie to select a target for developing a conditionally activated ADC or a Probody. As of December 31, 2022, the research on the two discovery targets has concluded with no plans to advance the discovery targets into clinical studies or to pursue new programs. As a result, the Discovery Agreement has been terminated and all target rights will revert back to CytomX.

The Company determined that the AbbVie Agreements should be combined and evaluated as a single arrangement in determining revenue recognition, because both agreements were concurrently negotiated and executed. Therefore, the Company concluded that there are two distinct performance obligations:

(1) the CD71 Agreement performance obligation consisting of the CD71 Agreement research, development and commercialization license, related research services and participation in the joint research committee, and

(2) the Discovery Agreement performance obligation consisting of the Discovery Agreement research, development and commercialization license, related research services and participation in the joint research committee.

The total transaction price for the Discovery Agreement and CD71 Agreement, collectively, upon adoption of ASC 606 on January 1, 2018 of $39.8 million consists of $30.0 million in upfront payments, and a $14.0 million milestone payment received under the CD71 Agreement (net of the payment of an associated sublicense fee of $1.0 million to SGEN), less $4.2 million of estimated sublicense fees. The upfront payments under the AbbVie Agreements were allocated between the two performance obligations based on the estimated relative standalone selling prices. The $30.0 million of upfront payments was allocated $20.0 million to the CD71 Agreement, with the remaining $10.0 million allocated to the Discovery Agreement. The $14.0 million milestone payment received (net of the payment of an associated sublicense fee of $1.0 million to SGEN) and the estimated sublicense fees of $4.2 million were allocated to the CD71 Agreement performance obligation as they are directly related to the development of the CX-2029.

Therefore, of the $39.8 million total initial transaction price discussed above, the Company allocated $29.8 million to the CD71 Agreement performance obligation and $10.0 million to the Discovery Agreement performance obligation and recognized revenue using an input measure for each performance obligation. In applying the input method, revenue is recognized based on actual full time employee ("FTE") hours incurred as a percentage of total estimated FTE hours for completing the combined performance obligation over the estimated service period. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

The Company updated the transaction price for the CD71 Agreement performance obligation in May 2018, to include achievement of the $21.0 million milestone (net of the payment of an associated sublicense fee of $4.0 million to SGEN) and a revenue adjustment of $9.9 million was recognized in the second quarter of 2018 reflecting the percentage completed to-date on the project related to this milestone. The transaction price was updated again in March 2020 upon achievement of the $40.0 million milestone related to satisfaction of the CD71 dose escalation success criteria and $26.6 million was recognized as revenue related to this milestone reflecting the percentage completed to-date on the project as of March 2020.

As of December 31, 2022, the research service period for the CD71 Agreement performance obligation is projected to end in September 2023. As of December 31, 2022, the Company had completed its performance obligation for the first target related to the Discovery Agreement.

In June 2019, the Company received a $10.0 million payment for the second target selected by AbbVie under the Discovery Agreement. The $10.0 million payment was recognized as a separate contract using the input method based on FTE hours incurred as a percentage of total estimated FTE hours for completing the related obligation over the estimated research service period of five years. In December 2022, the Company completed the performance obligation for this second target earlier than the original research term projected to end in 2024 and recorded a cumulative change in estimate of $4.4 million.

The Company determined that the remaining potential milestone payments of AbbVie agreements, if recognized, are probable of significant revenue reversal as their achievement is highly dependent on factors outside the Company’s control. Therefore, these payments continue to be fully constrained and are not included in the transaction price as of December 31, 2022.

As of December 31, 2022 and 2021, deferred revenue related to the CD71 Agreement performance obligation was $4.0 million and $16.1 million, respectively, and deferred revenue related to the Discovery Agreement performance obligation was $0.0 million and $6.5 million, respectively.

Amgen, Inc.

On September 29, 2017, the Company and Amgen, Inc. ("Amgen") entered into a Collaboration and License Agreement (the "Amgen Agreement"). Pursuant to the Amgen Agreement, the Company received an upfront payment of $40.0 million in October 2017. Concurrent with the Amgen Agreement, the Company and Amgen entered into a Share Purchase Agreement pursuant to which Amgen purchased 1,156,069 shares of the Company's common stock at a price of $17.30 per share for total proceeds of $20.0 million.

In October 2021, CytomX and Amgen executed an amendment to the Amgen Agreement primarily to (1) extend the target selection date for Amgen to select its additional targets for research and development, and (2) reduce the total number of milestone events and increase the total amount of milestone payments for EGFR Products.

Under the terms of the Amgen Agreement, as amended, the Company and Amgen will co-develop a conditionally activated T-cell engaging bispecific therapeutic targeting epidermal growth factor receptor (the "EGFR Products"). The Company is responsible for early-stage development of EGFR Products and Amgen will be responsible for late-stage development and commercialization of EGFR Products. Following early-stage development, the Company will have the right to elect to participate financially in the global co-development of EGFR Products with Amgen, during which the Company would bear certain of the worldwide development costs for EGFR Products and Amgen would bear the rest of such costs (the "EGFR Co-Development Option"). If the Company exercises its EGFR Co-Development Option, the Company will share in somewhat less than 50% of the profit and losses from sales of such EGFR Products in the U.S., subject to certain caps, offsets, and deferrals. If the Company chooses not to exercise its EGFR Co-Development Option, the Company will not bear any costs of later stage development. The Company is also eligible to receive up to $460.0 million in development, regulatory, and commercial milestone payments for EGFR Products, and royalties in the low-double-digit to mid-teen percentage of worldwide commercial sales, provided that if the Company exercises its EGFR Co-Development option, it shall receive a profit and loss split of sales in the United States and royalties in the low-double-digit to mid-teen percentage of commercial sales outside of the United States. In January 2022, the IND for the EGFR product (CX-904) was allowed to proceed by the U.S. Food and Drug Administration ("FDA").

Amgen also has the right to select a total of up to three targets, including the two additional targets discussed below. The Company and Amgen collaborate in the research and development of conditionally activated T-cell engaging bispecifics products directed against such targets. Amgen has selected one such target (the "Amgen Other Product"). If Amgen exercises its option within a specified period of time, it can select two such additional targets (the "Amgen Option Products" and, together with the Amgen Other Product, the "Amgen Products"). Except with respect to preclinical activities to be conducted by CytomX, Amgen will be responsible, at its expense, for the development, manufacture, and commercialization of all Amgen Products. If Amgen exercises all of its options and advances all three of the Amgen Products, CytomX was initially eligible to receive up to $950.0 million in upfront, development, regulatory, and commercial milestones and tiered high single-digit to low-teen percentage royalties. The Company concluded that, at the inception of the agreement, Amgen's option to select the two additional targets is not a material right and does not represent a performance obligation of the agreement.

At the initiation of the collaboration, CytomX had the option to select from programs specified in the Amgen Agreement, an existing preclinical stage T-cell engaging bispecific product from the Amgen preclinical pipeline. In March 2018, CytomX selected the program. CytomX is responsible, at its expense, for converting this program to a conditionally activated T-cell engaging bispecific product, and thereafter, will be responsible for development, manufacturing, and commercialization of the product ("CytomX Product"). Amgen is eligible to receive up to $203.0 million in development, regulatory, and commercial milestone payments for the CytomX Product, and tiered mid-single digit to low double-digit percentage royalties.

The Company considered the criteria for combining contracts in ASC 606 and determined that the Amgen Agreement and the Purchase Agreement should be combined into one contract. The Company accounted for the Amgen Agreement based on the fair values of the assets and services exchanged.

For each of the EGFR Products and the Amgen Other Products, the Company determined that the respective promised goods and services identified, which are the research, development and commercialization license; the related research and development services and the participation in the joint steering committee and joint research committee, are not distinct. Therefore the identified promised goods and services were combined into one single performance obligation for each of the EGFR Product and the Amgen Other Products.

Furthermore, the Amgen Other Products are accounted for as a separate performance obligation from the EGFR Products as the nature of the services being performed is not the same and the value that Amgen can derive from one program is not dependent on the success of the other. The Company evaluates the measure of progress each reporting period using the input method and, if necessary, adjusts the measure of performance and related revenue recognition.

Concurrent with the execution of the Amgen Agreement, the Company entered into a sublicense agreement whereby the Company granted Amgen a sublicense of its rights to one patent family that it co-owns with UCSB, that is exclusively licensed to the Company under the UCSB Agreement covering Probody antibodies and other pro-proteins in the fields of therapeutics, in vivo diagnostics and prophylactics. This sublicense was incremental to the patents, patent applications and know-how covering conditionally activated T-cell engaging bispecific molecules that were developed and owned by the Company and licensed to Amgen. Under the UCSB Agreement, as amended, the Company is obligated to make a sublicense payment to UCSB equal to up to 7.5% of certain upfront and milestone payments owed to or received by the Company.

The total transaction price of $51.2 million, consisting of the $40.0 million upfront payment, an estimated fair value of $10.7 million for the CytomX Product and $0.5 million of premium on the sale of the Company's common stock, was allocated between the two performance obligations based on the relative standalone selling price of each performance obligation. To determine the standalone selling price, the Company used the discounted cash flow method by calculating risk-adjusted net present values of estimated cash flows. The Company determined that the remaining potential milestone payments were fully constrained due to the uncertainty in achieving them as of December 31, 2022.

Of the $51.2 million total transaction price, the Company allocated $46.4 million to the EGFR Products performance obligation and $4.8 million to the Amgen Other Product performance obligations. The transaction price of each performance obligation was recognized using an input measure. In applying the input method of revenue recognition, the Company uses actual FTE hours incurred relative to estimated total FTE hours expected to be incurred for each combined performance obligation over the research service period. At the end of the second quarter of 2019, the Company determined that it would undertake additional testing and assessment of the molecules being evaluated under the EGFR project. As a result, the estimated FTE hours-to-completion and research service period related to the EGFR project were increased to eight years. In the second quarter of 2020, the Company completed the clinical candidate characterization phase and moved into the IND-enabling phase earlier than planned. As a result, the estimated FTE hours-to-completion and research service period related to the EGFR project were decreased from eight to approximately seven years. In the third quarter of 2022, the FDA initiated Project Optimus which is aimed to reform the dose optimization and dose selection paradigm. As a result, the estimated FTE hours-to-completion and research service period were increased by approximately an additional year.

The $4.8 million transaction price allocated to the Amgen Other Product performance obligation is recognized using estimated FTE hours-to-completion over the estimated research service period of six years.

As of December 31, 2022 and 2021 deferred revenue related to the EGFR Products performance obligation was $18.0 million and $21.8 million, respectively. As of December 31, 2022 and 2021, deferred revenue related to the Amgen Other Products performance obligation was $0.6 million and $1.8 million, respectively.

Astellas Pharma Inc.

The Company and Astellas Pharma, Inc. ("Astellas") entered into a Collaboration and License Agreement (the "Astellas Agreement") on March 23, 2020, the effective date, to collaborate on preclinical research activities to discover and develop certain antibody compounds for the treatment of cancer using the Company's Probody therapeutic technology.

Under the terms of the Astellas Agreement, the Company granted Astellas an exclusive, worldwide right to develop and commercialize Probody therapeutics for up to four collaboration targets-including one initial target and three additional targets ("Additional Targets"). In addition, Astellas has the right to expand the number of Additional Targets from three up to five (the "Expansion Option") before the third anniversary of the effective date. Furthermore, for a specified number of targets, at a pre-specified time prior to the initiation of the first pivotal study of a product against such target, the Company may elect to participate in certain development costs and share in the profits generated in the United States with respect to such product ("Cost Share Option"). The Cost Share Option, if exercised, will also provide the option for the Company to co-commercialize such product in the United States. The Company does not consider the Cost Share Option as a performance obligation at the inception of the agreement as the participation is at the Company's discretion.

Pursuant to the Astellas Agreement, the consideration from Astellas is comprised of an upfront fee of $80.0 million and contingent payments for development, regulatory and sales milestones of up to an aggregate of approximately $1.6 billion. If Astellas exercises

its Expansion Option for Additional Targets, the Company would be eligible to receive additional upfront and milestone payments aggregating to approximately $0.9 billion. The Company is also entitled to tiered royalties from high-single digit to mid-teen percentage royalties from potential future sales. Astellas is responsible for all preclinical research costs incurred by either party as set forth in the preclinical research plan and the Company will receive research and development service fees based on a prescribed FTE rate.

The Company determined that the license and expertise related to the development of product candidates should be combined with the research and development services and participation in the joint research committee as one combined performance obligation for each collaboration target. The Company concluded, that at the inception of the agreement, Astellas' Expansion Option for Additional Targets were not material rights and therefore not considered performance obligations. As such, each option would have been accounted for as a separate arrangement upon exercise.

The initial transaction price of $103.2 million consists of the upfront fee of $80.0 million and estimated research and development fees of $23.2 million. The transaction price was allocated between the four performance obligations based on the relative standalone selling price of each performance obligation, which was deemed to be equal at the inception of the agreement. The Company determined that all potential milestone payments are constrained as of December 31, 2022 due to the significant uncertainty of achievement.

The transaction price, as allocated to the combined performance obligation for each target, is recognized using an input measure. In applying the input method of revenue recognition, the Company uses actual FTE hours incurred relative to estimated total FTE hours expected to be incurred over the estimated research service period of each target.

As of December 31, 2022 and 2021, deferred revenue relating to the Astellas Agreement was $44.5 million and $60.3 million, respectively. The amount due from Astellas under the Astellas Agreement was $1.0 million and $0.8 million as of December 31, 2022 and 2021, respectively.

Bristol Myers Squibb Company

On May 23, 2014, the Company and Bristol Myers Squibb Company ("Bristol Myers Squibb") entered into a Collaboration and License Agreement (the "BMS Agreement") to discover and develop compounds for use in human therapeutics aimed at multiple immuno-oncology targets using the Company's Probody therapeutic technology. The effective date of the BMS Agreement was July 7, 2014.

Under the terms of the BMS Agreement, the Company granted Bristol Myers Squibb exclusive worldwide rights to develop and commercialize Probody therapeutics for up to four oncology targets. Bristol Myers Squibb had additional rights to substitute up to two collaboration targets within three years of the effective date of the BMS Agreement. These rights expired in May 2017. Each collaboration target had a two-year research term and the two additional targets had to be nominated by Bristol Myers Squibb within five years of the effective date of the BMS Agreement. The research term for each collaboration target could be extended in one year increments up to three times.

Pursuant to the BMS Agreement, the financial consideration from Bristol Myers Squibb was comprised of an upfront payment of $50.0 million and estimated research and development service fees, and the Company was initially entitled to receive contingent payments of up to $25.0 million for additional targets and contingent payments for development, regulatory and sales milestones. In addition, the Company was entitled to royalty payments in the mid-single digits to low double-digit percentages from potential future sales.

On March 17, 2017, the Company and Bristol Myers Squibb entered into Amendment Number 1 to Extend Collaboration and License Agreement ("Amendment 1"). Amendment 1 granted Bristol Myers Squibb exclusive worldwide rights to develop and commercialize Probody therapeutics for up to eight additional targets. The effective date of Amendment 1 was April 25, 2017 ("Amendment Effective Date"). Under the terms of Amendment 1, the Company continued to have obligations to Bristol Myers Squibb to discover and conduct preclinical development of Probody therapeutics against any targets they chose to select during the research period under the terms of Amendment 1.

Pursuant to Amendment 1, the financial consideration from Bristol Myers Squibb was comprised of an upfront payment of $200.0 million, estimated research and development service fees, and contingent payments for development, regulatory and sales milestones for the eight targets. The Company was also entitled to tiered mid-single to low double-digit percentage royalties from potential future sales. Amendment 1 did not change the term of Bristol Myers Squibb's royalty obligation under the BMS Agreement. Bristol Myers Squibb's royalty obligation continues on a licensed-product by licensed-product basis until the later of (i) the expiration of the last

claim of the licensed patents covering the licensed products in the country, (ii) the twelfth anniversary of the first commercial sale of a licensed product in a country, or (iii) the expiration of any applicable regulatory, pediatric, orphan drug or data exclusivity with respect to such product.

The Company elected the practical expedient related to contract modifications upon adoption of ASC 606 and combined the original agreement and Amendment 1. The Company determined that the identified promised goods and services which include the exclusive research, development and commercialization license, the related research services and expertise for the development of the product candidates should be combined with the participation in the joint research committee as one combined performance obligation for each collaboration target. The Company also concluded that, at the inception of the agreement, Bristol Myers Squibb's options for the third and fourth targets were material rights and performance obligations. As such, the material rights were accounted for as part of the initial transaction price.

The Company received an upfront payment of $50.0 million from Bristol Myers Squibb in July 2014. In January and December 2016, Bristol Myers Squibb exercised the option to select the third and fourth targets, and paid the Company $10.0 million and $15.0 million, respectively, pursuant to the terms of the BMS Agreement. In December 2016, Bristol Myers Squibb selected a clinical candidate pursuant to the BMS Agreement, which triggered a $2.0 million pre-clinical milestone payment to the Company. In November 2017, the Company recognized a $10.0 million milestone payment from Bristol Myers Squibb upon approval of the investigational new drug application for the CTLA-4-directed Probody therapeutic.

The initial transaction price for the BMS Agreement and Amendment 1, collectively, was $304.7 million consisting of the upfront fees of $250.0 million, target selection fees for the third and fourth targets of $25.0 million, estimated research and development service fees of $17.7 million and milestone payments received up to January 1, 2018, of $12.0 million. The Company determined that the remaining potential milestone payments were probable of significant revenue reversal as their achievement was highly dependent on factors outside the Company's control. Therefore, these payments were fully constrained and were not included in the transaction price upon the adoption of ASC 606 on January 1, 2018. The initial transaction price for the combined obligation for each collaboration target is recognized using an input measure. In applying the input method of revenue recognition, the Company uses actual FTE hours incurred relative to estimated total FTE hours expected to be incurred for each combined performance obligation over the estimated research service period of each collaboration target.

During the first quarter of 2019, Bristol Myers Squibb terminated pre-clinical activities on three of the first four collaboration targets selected under the original 2014 BMS Agreement. The Company determined that upon the termination of pre-clinical activities on the three collaboration targets, it has no further obligations related to such targets. The Company accounted for the termination of the three targets as a modification and the related remaining unrecognized transaction price was reallocated to the remaining performance obligations. The Company continues to be obligated to perform research work under Amendment 1 executed in March 2017.

In February 2020, Bristol Myers Squibb dosed the first patient in the Part 2 cohort expansion portion of its ongoing BMS-986249 clinical study for the CTLA-4 program, which triggered a $10.0 million milestone payment to the Company pursuant to the terms of the BMS Agreement. The $10.0 million milestone payment was recognized as revenue in the first quarter of 2020 as the Company had completed its performance obligation related to this collaboration target.

In February 2021, the Company and Bristol Myers Squibb entered into Amendment Number 2 to amend the Collaboration and License Agreement ("Amendment 2"), as amended by Amendment 1. Subsequent to Amendment 2, in addition to Bristol Myers Squibb's ongoing development of the CTLA-4 program, Bristol Myers Squibb also had the exclusive worldwide rights to develop and commercialize Probody therapeutics for up to five oncology targets. Under the terms of Amendment 2, the period for target selection was extended and the Company will continue to collaborate with Bristol Myers Squibb to discover and conduct preclinical development of Probody therapeutics against targets selected by Bristol Myers Squibb over the estimated research period, which is projected to end in April 2025. Pursuant to Amendment 2, the Company was eligible to receive contingent payments for development, regulatory and sales milestones. It is also entitled to tiered mid-single to low double-digit percentage of royalties from potential future sales. The Company accounted for Amendment 2 as a modification and reallocated the remaining unrecognized transaction price to the remaining performance obligations.

In October 2022, the Company and Bristol Myers Squibb entered into Amendment Number 3 to amend the Collaboration and License Agreement ("Amendment 3"), as amended by Amendment 1 and Amendment 2, to clarify the rights and restrictions of certain new proprietary antibodies that the parties exchanged. There were no substantive changes to each party's performance obligations. As of December 31, 2022, the Company is eligible for up to approximately $2.1 billion in contingent payments for development, regulatory and sales milestones based on the ongoing collaboration projects, including the CTLA-4 program, with BMS.

The Company reevaluated the remaining potential milestone payments and determined that significant revenue reversal was probable as the achievement of such milestones was highly dependent on factors outside the Company's control. As a result, these payments continued to be fully constrained and were not included in the transaction price on December 31, 2022. As of December 31, 2022, the Company has received in aggregate $297.0 million in upfront and milestone payments under the agreement.

As of December 31, 2022 and 2021, deferred revenue relating to the BMS Agreement was $169.2 million and $178.3 million, respectively.

ModernaTX, Inc.

The Company and ModernaTX, Inc. ("Moderna") entered into a Collaboration and License Agreement (the "Moderna Agreement") on December 30, 2022, the effective date, to collaborate on discovery and preclinical research and development activities to create investigational messenger RNA (mRNA) based conditionally activated therapies using the Company's Probody therapeutic technology. Moderna is solely responsible for the development (preclinical and clinical), manufacture, and commercialization of any products under the Moderna Agreement.

Under the terms of the Moderna Agreement, the Company granted Moderna an exclusive, worldwide right to develop and commercialize Probody therapeutics for three collaboration programs. In exchange, the Company received an upfront payment of $35.0 million in January 2023, including $5.0 million of prepaid research funding. The Company will continue to receive research funding according to the preclinical research work plans based on a prescribed FTE rate and is eligible to receive up to approximately $1.2 billion in future development, regulatory, and commercial milestone payments. The Company is also eligible to receive tiered royalties from high-single digit to low-teen percentage rates of annual global net sales of any products that are commercialized under the Moderna Agreement. The Moderna Agreement also provides Moderna with an option to participate in a future equity financing by CytomX at market price, subject to certain terms, conditions and regulatory requirements.

The Company determined that each collaboration program was a distinct performance obligation consisting of the exclusive research, development and commercialization license, research services, and participation in the joint steering committee. The initial transaction price is $51.7 million, consisting of the upfront fee of $30.0 million and estimated research funding of $21.7 million from Moderna. The initial transaction price excludes milestone payments as the achievement of such milestones is dependent on factors outside of the Company's control and recognition would be probable of significant revenue reversal. As such, the milestones are fully constrained at the inception of the contract. The Company will re-evaluate the transaction price at each reporting date or as uncertain events are resolved or other changes in circumstances occur.

The transaction price at the contract inception was allocated among the performance obligations using the SSP of each performance obligation, which was determined to be equal due to the early stage of the collaboration programs. The transaction price allocated to

the collaboration programs is recognized using an input method. In applying the input measure of revenue recognition, the Company uses actual FTE hours incurred relative to estimated total FTE hours expected to be incurred for the respective collaboration program over an estimated service period of four years.

As of December 31, 2022, the Company recorded a receivable and corresponding deferred revenue of $35.0 million relating to the upfront payment and prepaid research funding under the Moderna Agreement, which was received in January 2023. No revenue was recognized for the year ended December 31, 2022.

Regeneron Pharmaceuticals, Inc.

The Company and Regeneron Pharmaceuticals Inc. (“Regeneron”) entered into a Collaboration and License Agreement (the “Regeneron Agreement”) on November 16, 2022, to collaborate on creation of conditionally-activated investigational bispecific cancer therapies utilizing the Company’s Probody® therapeutic platform and Regeneron’s Veloci-Bi® bispecific antibody development platform. The Company and Regeneron will collaborate on preclinical research and discovery activities for initially agreed upon collaboration programs (“Collaboration Program”) with an option to expand additional Collaboration Programs (“Additional Collaboration Program Option”).

Under the Collaboration and License Agreement, the Company granted Regeneron an exclusive, worldwide, royalty-bearing license under certain Company intellectual property to develop, manufacture, commercialize and otherwise exploit licensed products (“Licensed Products”) for all human and non-human diagnostic, prophylactic and therapeutic uses in oncology. Regeneron is responsible for funding the cost of preclinical research and discovery activities of both parties for all Licensed Products and for funding the cost of development, manufacture and commercialization of all Licensed Products worldwide.

Pursuant to the Regeneron Agreement, the consideration from Regeneron is comprised of an upfront fee of $30.0 million, contingent payments for development and regulatory milestones and commercial milestone payments of up to an aggregate of approximately $0.8 billion. If Regeneron exercises its Additional Collaboration Program Option, the Company would be eligible to receive additional upfront and milestone payments aggregating up to approximately $1.2 billion. The Company is also entitled to tiered royalties from high-single digit to low-teen percentage royalties from potential future sales. In addition, the Company will receive research and development service fees based on a prescribed FTE rate.

The Company determined that each collaboration program was a distinct performance obligation consisting of an exclusive research, development and commercialization license, research and development services and participation in the joint research committee. The Company concluded that at the inception of the agreement, Regeneron’s Additional Collaboration Program Option did not include material rights and therefore was not a performance obligation. As such, each option will be accounted for as a separate arrangement upon exercise. The initial transaction price is $39.2 million consisting of the upfront fee of $30.0 million and estimated research and development service fees of $9.2 million. The initial transaction price excludes milestone payments as the achievement of such milestones is dependent on factors outside of the Company’s control and recognition would be probable of significant revenue reversal. As such, the milestones are fully constrained at the inception of the contract. The Company will re-evaluate the transaction price at each reporting date or as uncertain events are resolved or other changes in circumstances occur.

The transaction price was allocated among the performance obligations using the SSP of each performance obligation, which was determined to be equal at the inception of the agreement. The transaction price allocated to each performance obligation is recognized using an input measure. In applying the input measure of revenue recognition, the Company uses actual FTE hours incurred relative to estimated total FTE hours expected to be incurred for the combined performance obligation over the estimated research service period of four years, which is projected to end in November 2026.

As of December 31, 2022, the Company received the upfront payment of $30.0 million under the Regeneron Agreement and recorded this amount as deferred revenue. No revenue was recognized for the year ended December 31, 2022.

Contract Liabilities

The following table presents changes in the Company's total contract liabilities for the years ended in December 31, 2022 and 2021 (in thousands):

	Balance at 12/31/2020	Additions	Revenue Recognized	Balance at 12/31/2021
		(in thousands)		
Contract liabilities:				
Deferred revenue	$ 318,707	$ 3,834	$ (37,781)	$ 284,760

	Balance at 12/31/2021	Additions	Revenue Recognized	Balance at 12/31/2022
		(in thousands)		
Contract liabilities:				
Deferred revenue	$ 284,760	$ 69,555	$ (52,989)	$ 301,326

The Company expects that the $301.3 million of deferred revenue related to the following contracts as of December 31, 2022 will be recognized as revenue based on actual FTE effort and program progress as set forth below. However, the timing of revenue recognition could differ from the estimates depending on facts and circumstances impacting the various contracts, including progress of research and development, resources assigned to the contracts by the Company or its collaboration partners or other factors outside of the Company's control.

- The $4.0 million of deferred revenue related to the CD71 Agreement with AbbVie is expected to be recognized until 2023.
- The $18.0 million of deferred revenue related to the Amgen EGFR Products is expected to be recognized until 2026.
- The $0.6 million of deferred revenue related to the Amgen Other Products is expected to be recognized until 2023.
- The $44.5 million of deferred revenue related to the Astellas Agreement is expected to be recognized until 2026.
- The $169.2 million of deferred revenue related to the BMS Agreement is expected to be recognized until 2025.
- The $35.0 million of deferred revenue related to the Moderna Agreement is expected to be recognized until 2028.
- The $30.0 million of deferred revenue related to the Regeneron Agreement is expected to be recognized until 2026.

9. License Agreement

UCSB

The Company has an exclusive, worldwide license agreement with UCSB (the "UCSB Agreement"), relating to the use of certain patents and technology relating to its core technology, including its therapeutic antibodies, and to certain patent rights the Company co-owns with UCSB covering Probody antibodies and other pro-proteins.

Pursuant to the UCSB Agreement, the Company is obligated to (i) make royalty payments to UCSB on net sales of its products covered under the agreement, subject to annual minimum amounts, (ii) make milestone payments to UCSB upon the occurrence of certain events, (iii) make a milestone payment to UCSB upon occurrence of an IPO or change of control, and (iv) reimburse UCSB for prosecution and maintenance of the licensed patents. If the Company sublicenses its rights under the UCSB Agreement, it is obligated to pay UCSB a percentage of the total sublicense revenue received, which total amount would be first reduced by the aggregate amount of certain research and development related expenses incurred by the Company and other permitted deductions. As part of the UCSB Agreement, the Company has annual minimum royalty obligations of $0.2 million under the terms of certain exclusive licensed patent rights. The royalty obligations are cancellable any time by giving notice to the licensor, with the termination being effective 60 days after giving notice.

In April 2019, the Company entered into Amendment No.3 to the UCSB Agreement to adjust and clarify certain sublicense terms ("Amendment No.3"). In connection with the amendment, the Company issued to UCSB 150,000 shares of CytomX common stock with a fair value of $10.68 per share. Under the terms of Amendment No.3, the Company and UCSB agreed to modify the determination of sublicense revenues payable by the Company to UCSB on certain existing collaboration agreements and on collaboration agreements executed subsequent to Amendment No.3. In exchange, the Company agreed to make an upfront payment of $1.0 million as well as additional annual license maintenance fees of $0.8 million through 2031. In the event that the Company terminates the agreement due to material concern of the safety or efficacy of the related technology, 50% of all remaining maintenance fees will become due immediately. Otherwise, all remaining maintenance fees will become due immediately upon early termination of the agreement unless there is a material breach by UCSB.

In 2022, the Company incurred $0.1 million of sublicense fees triggered by the IND for the EGFR product and the dosing of the first patient of the EGFR program under the Amgen Agreement.

During the years ended December 31, 2022 and 2021, the Company incurred sublicense expenses of $1.0 million and $1.0 million, respectively, under the provisions of the UCSB Agreement.

ImmunoGen

In December 2019, the Company entered into a License Agreement (the "ImmunoGen 2019 License") with ImmunoGen, Inc. to obtain an exclusive license with respect to epithelial cell adhesion molecule ("EPCAM"). Under the ImmunoGen 2019 License, ImmunoGen agreed to transfer its know-how, patents, intellectual property rights, and technology transfer materials and information related to its EpCAM program. The license gives the Company the sole ability to develop, manufacture, use and commercialize any licensed product that incorporates, is comprised of, or otherwise derived from a Probody that targets EpCAM in any human therapeutic field on a worldwide basis. In exchange, the Company agreed to make non-refundable and non-creditable payments including an upfront license payment of $7.5 million and certain clinical development, approval and commercialization milestone payments, if achieved and royalties on product sales.

10. Commitments and Contingencies

Legal Proceedings

On March 4, 2020, Vytacera Bio, LLC filed a patent infringement lawsuit against the Company in the U.S. District Court for the District of Delaware. The lawsuit alleges that the Company's use, offers to sell, and/or sales of the Probody® technology platform for basic research applications constitutes infringement. The complaint seeks unspecified monetary damages. In September 2022, the Company filed a motion to dismiss the case and the Court granted the parties' stipulation to stay all pending case deadlines until that motion is finally resolved. The Company believes that the lawsuit is without merit and intends to vigorously defend itself. The Company does not believe a loss is probable and has not recorded any amount as a contingent liability for claims associated with this lawsuit as of December 31, 2022.

Indemnifications

In the ordinary course of business, the Company enters into agreements that may include indemnification provisions. Pursuant to such agreements, the Company may indemnify, hold harmless and defend an indemnified party for losses suffered or incurred by the indemnified party. Some of the provisions will limit losses to those arising from third party actions. In some cases, the indemnification will continue after the termination of the agreement. The maximum potential amount of future payments the Company could be required to make under these provisions is not determinable. The Company has never incurred material costs to defend lawsuits or settle claims related to these indemnification provisions. The Company has also entered into indemnification agreements with its directors and officers that may require the Company to indemnify its directors and officers against liabilities that may arise by reason of their status or service as directors or officers to the fullest extent permitted by Delaware corporate law. The Company currently has directors' and officers' insurance.

11. Leases

Operating Lease

In December 2015, the Company entered into a lease (the "2016 Lease") of office and laboratory space located in South San Francisco, California for the Company's corporate headquarters. The 2016 Lease has an initial term of ten years through 2026 and the Company has an option to extend the initial term for an additional five years at the then fair rental value as determined pursuant to the 2016 Lease.

In addition, the Company obtained a standby letter of credit (the "Letter of Credit") in an amount of approximately $0.9 million, which may be drawn by the Landlord to be applied for certain purposes upon the Company's breach of any provisions under the 2016 Lease. The Company recorded the $0.9 million of cash securing the Letter of Credit as non-current restricted cash on its balance sheet as of December 31, 2022 and 2021. Rent expense during the years ended December 31, 2022 and 2021 was $5.1 million and $5.1 million, respectively.

Supplemental information related to leases are as follows:

	Year Ended	
	December 31, 2022	December 31, 2021
	(in thousands)	
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 5,273	$ 5,129

	December 31, 2022	December 31, 2021
	(in thousands)	
Supplemental balance sheet information related to leases:		
Operating lease right-of-use assets	$ 15,949	$ 19,362
Current operating lease liabilities	4,082	3,618
Non-current operating lease liabilities	13,975	18,056
Total operating lease liabilities	$ 18,057	$ 21,674
Weighted-average remaining lease term (in years)		
Operating lease	3.75	4.75
Weighted-average discount rate		
Operating lease	8.25%	8.25%

	December 31, 2022
	(in thousands)
Maturity of operating lease liabilities	
2023	5,420
2024	5,572
2025	5,729
2026	4,388
Total lease payments	21,109
Less imputed interest	(3,052)
Present value of lease liabilities	$ 18,057

12. Common Stock

In January 2021, the Company completed an underwritten public offering of 14,285,714 shares of common stock at a price of $7.00 per share. The aggregate net proceeds received by the Company from the offering were approximately $93.6 million, after deducting underwriting discounts and commissions and offering expenses of $6.4 million. The Company also granted the underwriters the option for 30 days to purchase up to 2,142,857 additional shares of common stock at the public offering price, less the underwriting discounts and commissions. In February 2021, the underwriters exercised the option in full which resulted in additional net proceeds of $14.1 million to the Company, after deducting the underwriting discounts and commissions of $0.9 million.

13. Stock-based Compensation

The 2010 Plan and 2011 Plan

In 2010, the Company adopted its 2010 Stock Incentive Plan (the "2010 Plan") which provided for the granting of stock options to employees, directors and consultants of the Company. Options granted under the 2010 Plan were either incentive stock options ("ISOs") or nonqualified stock options ("NSOs").

In February 2012, the Company adopted its 2011 Stock Incentive Plan (the "2011 Plan"). The 2011 Plan is divided into two separate equity programs, an option and stock appreciation rights grant program and a stock award program. In conjunction with adopting the 2011 Plan, the Company discontinued the 2010 Plan and released the shares reserved and still available under that plan.

In connection with the consummation of the IPO in October 2015, the board of directors adopted the Company's 2015 Equity Incentive Plan (the "2015 Plan" and collectively with the 2010 Plan and 2011 Plan, the "Plans"). In conjunction with adopting the 2015 Plan, the Company discontinued the 2011 Plan with respect to new equity awards.

The 2015 Plan

The 2015 Plan authorized the board of directors to grant incentive stock options, non-statutory stock options and RSUs to employees, directors, non-employee directors and consultants of the Company. Stock options under the 2015 Plan may be granted for periods of up to ten years. All stock options issued to date have had a 10-year life. Under the terms of the 2015 Plan, stock options may be granted at an exercise price not less than the estimated fair value of the Company's common stock on the date of grant, as determined by the Company's board of directors. For employees holding more than 10% of the voting rights of all classes of stock, the exercise price of ISOs and NSOs may not be less than 110% of the estimated fair value of the shares on the date of grant, as determined by the board of directors. To date, stock options granted under the 2015 Plan generally vest over four years and vest at a rate of 25% upon the first anniversary of the issuance date and 1/48th per month thereafter.

The initial number of shares of common stock available for future issuance under the 2015 Plan was 2,444,735. Beginning on January 1, 2016 and continuing until the expiration of the 2015 Plan, the total number of shares of common stock available for issuance under the 2015 Plan will automatically increase annually on January 1 by 4% of the total number of issued and outstanding shares of common stock as of January 1 of the same year. As of December 31, 2022 and 2021, 1,932,345 shares and 2,276,341 shares of common stock, respectively, were available for future issuance under the 2015 Plan.

The 2019 Plan

In September 2019, the Board of Directors adopted the 2019 Employment Inducement Incentive Plan (the "2019 Plan") which provides for the grant of stock options and other equity awards to any employee who has not previously been an employee or director of the Company or who is commencing employment with the Company following a bona fide period of nonemployment by the Company. Awards granted under the 2019 Plan are intended to constitute "employment inducement awards" under Nasdaq Listing Rule 5635(c)(4). Options granted under the 2019 Plan are nonqualified stock options ("NSOs") which may be exercisable for periods of up to ten years and the options shall be granted at an exercise price of not less than 100% of the fair market value of the Company's common stock on the date of grant.

The initial number of shares of common stock available for future issuance under the 2019 Plan was 1,815,000. During 2021, the total number of shares of common stock available for issuance under the 2019 Plan has increased by 1,000,000 shares. As of December 31, 2022 and 2021, 1,120,740 shares and 486,234 shares, respectively, of common stock were available for future issuance under the 2019 Plan.

The following table summarizes the Company's stock option activities:

		Options Outstanding		
	Number of Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
Balances at December 31, 2021	12,192,216	$ 9.42		
Options granted	4,991,018	2.93		
Options exercised	(102,221)	0.98		
Options cancelled	(3,791,175)	7.25		
Balances at December 31, 2022	13,289,838	7.67	6.2	$ 29.3
Options Exercisable—December 31, 2022	7,429,335	$ 10.22	5.0	$ 10.3

The aggregate intrinsic values of options outstanding, exercisable, vested and expected to vest were calculated as the difference between the exercise price of the options and the quoted market price of the underlying common stock as of December 31, 2022.

The aggregate intrinsic value of stock options exercised in the years ended December 31, 2022 and 2021 was $0.1 million and $2.2 million, respectively.

The options granted in the years ended December 31, 2022 and 2021 had weighted-average per share grant-date fair values of $1.77 and $3.97, respectively. As of December 31, 2022, the unrecognized compensation expense with respect to options granted was $14.25 million and is expected to be recognized over 2.5 years.

Time-based RSUs ("TRSU")

The following table summarizes the Company's TRSU activities:

	Number of Shares	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)	Weighted Average Grant Date Fair Value Per Share
Balance at December 31, 2021	433,250			$ 5.34
RSUs awarded	1,314,210			2.74
RSUs vested	(134,125)			5.34
RSUs cancelled	(400,451)			4.45
Balance at December 31, 2022	1,212,884	1.2	$ 1,941	$ 2.81

The Company recorded $1.2 million and $0.2 million of stock-based compensation expense related to the TRSUs for the year ended December 31, 2022 and 2021, respectively. As of December 31, 2022, the unrecognized compensation expense with respect to the

TRSUs was $2.8 million which is expected to be recognized over 1.85 years. The Company began granting TRSUs in the fourth quarter of 2021 and the TSRUs generally vest ratably over two to four years.

Performance-based RSUs ("PSU")

In October 2021, the Company granted 435,000 PSUs to executive employees with an aggregated grant date fair value of $2.3 million. Vesting for 50% of the PSUs granted will occur within one year of the grant date upon achievement of certain specific milestones ("2021-Tranche 1") and the remaining 50% will vest within two years of the grant date upon achievement of additional company objectives ("2021-Tranche 2"). The Company determined that it is not probable that the performance conditions will be satisfied for each of these Tranches and hence no compensation cost was recorded for these awards for the year ended December 31, 2021.

In July 2022, the Company determined that the performance condition for 2021-Tranche 1 was met and recorded $1.0 million of stock-based compensation expense for the year ended December 31, 2022. As the achievement of the milestones for Tranche 2 was not considered probable, no compensation cost was recorded for 2021-Tranche 2 of these awards for the year ended December 31, 2022.

In August 2022, the Company granted 250,000 PSUs to executive employees with an aggregated grant date fair value of approximately $0.4 million. Vesting for 50% of the PSUs granted will occur upon attaining certain specific milestones by December 2023 (“2022-Tranche 1”), and the remaining 50% will vest upon attaining certain specific milestones by December 2024 (“2022-Tranche 2”). As of December 31, 2022, the Company determined that it is probable that the performance conditions for 2022-Tranche 1 will be satisfied and hence recorded $55,000 compensation cost for those awards for the year ended December 31, 2022. As of December 31, 2022, the Company determined that it is not probable that the performance conditions for 2022-Tranche 2 will be satisfied and hence recorded no compensation cost for those awards for the year ended December 31, 2022.

The following table summarizes the Company's PSU activities:

	Number of Shares	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)	Weighted Average Grant Date Fair Value Per Share
Balance at December 31, 2021	435,000			$ 5.34
PSUs awarded	250,000			1.59
PSUs vested	(193,750)			5.34
PSUs cancelled	(107,500)			5.12
Balance at December 31, 2022	383,750	1.3	$ 614	$ 2.96

As of December 31, 2022, the unrecognized compensation expense with respect to PSUs granted was $0.1 million and is expected to be recognized over 1.25 years.

Employee Stock Purchase Plan

Concurrent with the completion of the IPO in October 2015, the Company’s Employee Stock Purchase Plan (“ESPP”) became effective. The ESPP allows eligible employees to purchase shares of the Company’s common stock at a discount through payroll deductions of up to 15% of their eligible compensation, subject to any plan limitations. The ESPP generally provides for six-month offering periods, and at the end of each offering period, employees are able to purchase shares at 85% of the lower of the fair market value of the Company’s common stock on the first trading day of the offering period or on the last trading day of the offering period. The Company issued 405,192 shares and 183,865 shares of common stock under the ESPP in 2022 and 2021, respectively.

Shares available for future purchase under the ESPP were 1,346,626 shares and 1,751,818 shares at December 31, 2022 and 2021, respectively. The compensation expense related to the ESPP was $0.6 million, $0.4 million for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, there was $0.2 million of unrecognized compensation cost related to the ESPP, which the Company expects to recognize over 5 months.

Stock Based Compensation

Total stock-based compensation recorded related to stock options, TRSUs, PSUs and the ESPP was as follows (in thousands):

	Year Ended December 31,	
	2022	2021
Research and development	$ 5,544	$ 5,797
General and administrative	7,581	7,370
Total stock-based compensation expense	$ 13,125	$ 13,167

The Company estimated the fair value of employee stock options and ESPP using the Black-Scholes valuation model based on the date of grant with the following assumptions:

	Options		ESPP	
	Year Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Expected volatility	74.6% - 83.3%	69.6% - 74.8%	93.3% - 96.1%	46.9% - 69.6%
Risk-free interest rate	1.6% - 4.3%	0.5% - 1.3%	1.6% - 4.7%	0.04% - 0.10%
Dividend yield	— %	— %	— %	— %
Expected term (in years)	4.3 - 4.6	4.5 - 4.8	0.5	0.5

Expected term. The expected term of stock options represents the period that the stock options are expected to remain outstanding and is based on vesting terms, exercise term and contractual lives of the options. The expected term of the ESPP shares is equal to the six-month look-back period.

Expected volatility. The expected stock price volatility for the Company's stock options is based on the historical stock price volatility which is commensurate with the estimated expected term of the stock awards. Volatility for ESPP shares is equal to the Company's historical volatility over a six-month offering period.

Risk-free interest rate. The risk-free interest rate is based on the U.S. Treasury yield with a maturity equal to the expected term of the stock options in effect at the time of grant.

Dividend yield. The expected dividend is assumed to be zero as the Company has never paid dividends and has no current plan to pay any dividends on its common stock.

14. Income Taxes

The Company derives its income only from the United States. The Company did not recognize any tax benefits or provisions in 2022 and 2021.

A reconciliation of the Company's effective tax rate to the statutory U.S. federal rate is as follows:

	Years Ended December 31,	
	2022	2021
U.S. federal taxes at statutory rate	21.0 %	21.0 %
State tax, net of federal benefit	1.7 %	1.5 %
Stock compensation	(2.1)%	(3.1)%
Tax credits	2.4 %	2.0 %
Change in valuation allowance	(22.8)%	(21.4)%
162(m) limitation	(0.2)%	0.0 %
Total	0.0	0.0

The types of temporary differences that give rise to significant portions of the Company's deferred income tax assets and liabilities are set out below (in thousands):

	Year Ended December 31,	
	2022	2021
Net operating loss carryforwards	$ 58,193	$ 49,070
Research and development credits	24,700	20,809
Lease liability	3,802	4,555
Intangible assets	3,708	3,804
Deferred revenue	49,919	60,285
Accrued liabilities	1,504	1,933
Stock-based compensation	8,066	7,480
Sec 174 capitalized research and development costs	19,709	—
Other	31	29
Total gross deferred income tax assets	169,632	147,965
Less: valuation allowance	(166,037)	(143,355)
Deferred tax assets, net of valuation allowance	3,595	4,610
Fixed assets	(43)	(253)
Right-of-use assets	(3,358)	(4,069)
Prepaid expenses	(194)	(288)
Deferred tax liabilities	(3,595)	(4,610)
Net deferred income tax liabilities	$ —	$ —

The Company has established a valuation allowance against all of its net deferred tax assets. Management considered all available evidence, both positive and negative, including but not limited to our historical operating results, income or loss in recent periods, cumulative losses in recent years, forecasted earnings, future taxable income, and significant risk and uncertainty related to forecasts, and concluded the deferred tax assets are not more likely than not to be realized. The net change in the total valuation allowance for the years ended December 31, 2022 and 2021 was an increase of $22.7 million and $24.8 million, respectively.

The Company had net operating loss carryforwards for federal and state income tax purposes of approximately $268.8 million and $25.7 million, respectively, as of December 31, 2022, available to reduce future taxable income. Of the federal net operating loss carryforwards, $65.6 million will begin to expire in 2034, if not utilized and $203.2 million will carryforward indefinitely. The state net operating loss carryforwards will begin to expire in 2032, if not utilized.

The Company also has federal and state research and development tax credits carryforwards of $23.0 million and $13.0 million, respectively, as of December 31, 2022 available to reduce future income taxes. The federal research and development tax credits will begin to expire in 2031 if not utilized. The state research and development tax credits have no expiration date.

Internal Revenue Code section 382 ("IRC Section 382") places a limitation (the "Section 382 Limitation") on the amount of taxable income that can be offset by net operating loss ("NOL") carryforwards after a change in control (generally greater than 50% change in ownership) of a loss corporation. California has similar rules. The Company has performed an IRC Section 382 analysis and determined there was an ownership change in 2017 that resulted in 382 limitations. When an ownership change occurs, IRC Section 382 limits the use of NOLs and credits in subsequent periods based on the annual 382 limitations. The annual 382 limitations may limit the full use of available tax attributes in one year but the identified ownership changes may not result in expiration of tax attributes for use prior to expiration of their respective carryforward periods. Accordingly, none of the tax attributes have been reduced but limited the full use in 2018. The Company has determined that, while an ownership change has occurred, the applicable limits would not impair the value or anticipated use of the Company's federal and state net operating losses. Although realization is not assured, management believes it is more likely than not that any limitation under IRC Section 382 will not impair the realizability of the deferred income tax assets related to federal and state net operating loss carryforwards. The Company updated its Section 382 analysis through the year ended December 31, 2022 and concluded no ownership changes occurred in current year which would result in a reduction of its net operating loss or in its research and development credits expiring unused. If additional ownership change occurs, the utilization of net operating loss and credit carryforwards could be significantly reduced.

A reconciliation of the beginning and ending unrecognized tax benefit amount is as follows (in thousands):

	Year Ended December 31,	
	2022	2021
Balance at the beginning of the year	$ 7,780	$ 6,454
Additions based on tax positions related to current year	1,391	1,326
Adjustment based on tax positions related to prior years	98	-
Balance at end of the year	$ 9,269	$ 7,780

Of the unrecognized tax benefits as of December 31, 2022 and 2021, none would affect the Company's effective tax rate if recognized due to the Company's full valuation allowance position. Interest and penalties have not been accrued for any periods presented.

The Company files income tax returns in the U.S. federal and state jurisdictions. The Company is currently under examination by the state of California for the years 2017 and 2018. The examination contests the Company's tax position on revenue apportionment for upfront and milestone payments resulting from the Company's collaboration and licensing agreements. As of the date of this filing, the state of California has not proposed adjustments to the tax returns. Due to the ongoing nature of the examination and discussions with the state of California, the Company is unable to estimate a date by which this matter will be resolved or reasonably estimate the potential impact should the tax position be revised. Based on the Company's current expectations and understanding of the reasonably possible outcomes, the Company does not anticipate that the resolution of this matter would result in a material impact on its financial position or results of operations.

15. Defined Contribution Plan

The Company sponsors a defined contribution plan under Section 401(k) of the Internal Revenue Code covering substantially all full-time U.S. employees. Employee contributions are voluntary and are determined on an individual basis subject to the maximum allowable under federal tax regulations. During the years ended December 31, 2022 and 2021, the Company made contributions to the plan of $0.9 million, $0.9 million, respectively.

16. Restructuring

On July 13, 2022, the Company announced a restructuring plan to prioritize its resources on its emerging pre-clinical and early clinical pipeline as well as its existing collaboration partnerships. The restructuring plan resulted in a reduction to its workforce of approximately 40%. Restructuring costs of $2.4 million and $5.3 million were recorded in general and administrative expense and research and development expense, respectively, for the year ended December 31, 2022.

The following is a summary of accrued restructuring costs as of December 31, 2022 (in thousands):

	Severance and Benefits Costs	Contract Termination Cost	Stock Based Compensation	Total
Total restructuring cost recorded	$ 7,617	$ 178	$ 175	$ 7,970
Cash payment	(5,812)	-	-	(5,812)
Change in estimates	(293)	(14)	-	(307)
Non-cash charges	-	-	(175)	(175)
Balance at December 31, 2022	$ 1,512	$ 164	$ -	$ 1,676

The total costs incurred in connection with the restructuring net of the changes in estimates related to certain voluntary departures of employees and reinstatement of employment, are approximately $7.7 million. The restructuring is substantially complete as of December 31, 2022 and the Company expects the remaining accrued restructuring costs will be paid in early 2023.

17. Selected Quarterly Financial Data (Unaudited)

The following tables present selected quarterly financial data for each of the periods presented (in thousands, except share and per share data):

	March 31, 2022		
	As Reported	Restatement Adjustment	As Restated
Condensed Balance Sheets			
Deferred revenue, current portion	$ 70,013	$ (15,364)	$ 54,649
Total current liabilities	102,766	(15,364)	87,402
Deferred revenue, net of current portion	108,788	113,297	222,085
Total liabilities	228,631	97,933	326,564
Accumulated deficit	(557,609)	(97,933)	(655,542)
Total stockholders' equity (deficit)	68,194	(97,933)	(29,739)
Total liabilities and stockholders' equity (deficit)	296,825	-	296,825

	Three Months Ended March 31, 2022		
	As Reported	Restatement Adjustment	As Restated
Revenue			
AbbVie	$ 2,427	$ (676)	$ 1,751
Amgen	2,288	(51)	2,237
Astellas	5,016	(250)	4,766
BMS	7,405	(7,119)	286
Total revenue	$ 17,136	$ (8,096)	$ 9,040

	Three Months Ended March 31, 2022		
	As Reported	Restatement Adjustment	As Restated
Condensed Statements of Operations			
Revenue	$ 17,136	$ (8,096)	$ 9,040
Operating expenses:			
Research and development	30,559	-	30,559
General and administrative	10,543	-	10,543
Total operating expenses	41,102	-	41,102
Loss from operations	(23,966)	(8,096)	(32,062)
Interest income	68	-	68
Other income (expense)	13	-	13
Loss before income taxes	(23,885)	(8,096)	(31,981)
Loss/(Benefit) from income taxes	-	-	-
Net loss	(23,885)	(8,096)	(31,981)
Other comprehensive income (loss):			
Unrealized gain / (loss) on investments, net of tax	(677)	-	(677)
Comprehensive income (loss)	$ (24,562)	$ (8,096)	$ (32,658)
Net loss per share, basic and diluted	$ (0.37)		$ (0.49)
Shares used to compute net loss per share, basic and diluted	65,393,691		65,393,691

	Three Months Ended March 31, 2022		
	As Reported	Restatement Adjustment	As Restated
Condensed Statements of Cash Flow			
Net loss	$ (23,885)	$ (8,096)	$ (31,981)
Changes in operating assets and liabilities:			
Deferred revenue	(16,121)	8,096	(8,025)
Net cash used in operating activities	(41,313)	-	(41,313)

	June 30, 2022		
	As Reported	Restatement Adjustment	As Restated
Condensed Balance Sheets			
Deferred revenue, current portion	$ 65,787	$ (4,799)	$ 60,988
Total current liabilities	99,439	(4,799)	94,640
Deferred revenue, net of current portion	95,863	108,044	203,907
Total liabilities	211,378	103,245	314,623
Accumulated deficit	(581,793)	(103,245)	(685,038)
Total stockholders' equity (deficit)	48,708	(103,245)	(54,537)
Total liabilities and stockholders' equity (deficit)	260,086	-	260,086

	Three Months Ended June 30, 2022		
	As Reported	Restatement Adjustment	As Restated
Revenue			
AbbVie	$ 5,377	$ 1,398	$ 6,775
Amgen	369	(12)	357
Astellas	5,014	(357)	4,657
BMS	7,405	(6,341)	1,064
Total revenue	$ 18,165	$ (5,312)	$ 12,853

	Three Months Ended June 30, 2022		
	As Reported	Restatement Adjustment	As Restated
Condensed Statements of Operations			
Revenue	$ 18,165	$ (5,312)	$ 12,853
Operating expenses:			
Research and development	31,159	-	31,159
General and administrative	11,748	-	11,748
Total operating expenses	42,907	-	42,907
Loss from operations	(24,742)	(5,312)	(30,054)
Interest income	262	-	262
Other income (expense)	296	-	296
Loss before income taxes	(24,184)	(5,312)	(29,496)
Loss/(Benefit) from income taxes	-	-	-
Net loss	(24,184)	(5,312)	(29,496)
Other comprehensive income (loss):			
Unrealized gain / (loss) on investments, net of tax	(243)	-	(243)
Comprehensive income (loss)	$ (24,427)	$ (5,312)	$ (29,739)
Net loss per share, basic and diluted	$ (0.37)		$ (0.45)
Shares used to compute net loss per share, basic and diluted	65,542,762		65,542,762

	Six Months Ended June 30, 2022		
	As Reported	Restatement Adjustment	As Restated
Revenue			
AbbVie	$ 7,804	$ 722	$ 8,526
Amgen	2,657	(63)	2,594
Astellas	10,030	(607)	9,423
BMS	14,810	(13,460)	1,350
Total revenue	$ 35,301	$ (13,408)	$ 21,893

	Six Months Ended June 30, 2022		
	As Reported	Restatement Adjustment	As Restated
Condensed Statements of Operations			
Revenue	$ 35,301	$ (13,408)	$ 21,893
Operating expenses:			
Research and development	61,718	-	61,718
General and administrative	22,291	-	22,291
Total operating expenses	84,009	-	84,009
Loss from operations	(48,708)	(13,408)	(62,116)
Interest income	330	-	330
Other income (expense)	309	-	309
Loss before income taxes	(48,069)	(13,408)	(61,477)
Loss/(Benefit) from income taxes	-	-	-
Net loss	(48,069)	(13,408)	(61,477)
Other comprehensive income (loss):			
Unrealized gain / (loss) on investments, net of tax	(920)	-	(920)
Comprehensive income (loss)	$ (48,989)	$ (13,408)	$ (62,397)
Net loss per share, basic and diluted	$ (0.73)		$ (0.94)
Shares used to compute net loss per share, basic and diluted	65,468,638		65,468,638

	Six Months Ended June 30, 2022		
	As Reported	Restatement Adjustment	As Restated
Condensed Statements of Cash Flow			
Net loss	$ (48,069)	$ (13,408)	$ (61,477)
Changes in operating assets and liabilities:			
Deferred revenue	(33,272)	13,408	(19,864)
Net cash used in operating activities	(75,550)	-	(75,550)

	September 30, 2022		
	As Reported	Restatement Adjustment	As Restated
Condensed Balance Sheets			
Deferred revenue, current portion	$ 61,325	$ 25,801	$ 87,126
Total current liabilities	97,841	25,801	123,642
Deferred revenue, net of current portion	85,122	83,212	168,334
Total liabilities	198,018	109,013	307,031
Accumulated deficit	(605,089)	(109,013)	(714,102)
Total stockholders' equity (deficit)	28,474	(109,013)	(80,539)
Total liabilities and stockholders' equity (deficit)	226,492	-	226,492

	Three Months Ended September 30, 2022		
	As Reported	Restatement Adjustment	As Restated
Revenue			
AbbVie	$ 3,449	$ (477)	$ 2,972
Amgen	349	(12)	337
Astellas	5,712	168	5,880
BMS	7,405	(5,447)	1,958
Total revenue	$ 16,915	$ (5,768)	$ 11,147

	Three Months Ended September 30, 2022		
	As Reported	Restatement Adjustment	As Restated
Condensed Statements of Operations			
Revenue	$ 16,915	$ (5,768)	$ 11,147
Operating expenses:			
Research and development	30,367	-	30,367
General and administrative	10,490	-	10,490
Total operating expenses	40,857	-	40,857
Loss from operations	(23,942)	(5,768)	(29,710)
Interest income	616	-	616
Other income (expense)	30	-	30
Loss before income taxes	(23,296)	(5,768)	(29,064)
Loss/(Benefit) from income taxes	-	-	-
Net loss	(23,296)	(5,768)	(29,064)
Other comprehensive income (loss):			
Unrealized gain / (loss) on investments, net of tax	367	-	367
Comprehensive income (loss)	$ (22,929)	$ (5,768)	$ (28,697)
Net loss per share, basic and diluted	$ (0.35)		$ (0.44)
Shares used to compute net loss per share, basic and diluted	65,912,334		65,912,334

	Nine Months Ended September 30, 2022		
	As Reported	Restatement Adjustment	As Restated
Revenue			
AbbVie	$ 11,253	$ 245	$ 11,498
Amgen	3,006	(75)	2,931
Astellas	15,742	(439)	15,303
BMS	22,215	(18,907)	3,308
Total revenue	$ 52,216	$ (19,176)	$ 33,040

	Nine Months Ended September 30, 2022		
	As Reported	Restatement Adjustment	As Restated
Condensed Statements of Operations			
Revenue	$ 52,216	$ (19,176)	$ 33,040
Operating expenses:			
Research and development	92,085	-	92,085
General and administrative	32,781	-	32,781
Total operating expenses	124,866	-	124,866
Loss from operations	(72,650)	(19,176)	(91,826)
Interest income	946	-	946
Other income (expense)	339	-	339
Loss before income taxes	(71,365)	(19,176)	(90,541)
Loss/(Benefit) from income taxes	-	-	-
Net loss	(71,365)	(19,176)	(90,541)
Other comprehensive income (loss):			
Unrealized gain / (loss) on investments, net of tax	(553)	-	(553)
Comprehensive income (loss)	$ (71,918)	$ (19,176)	$ (91,094)
Net loss per share, basic and diluted	$ (1.09)		$ (1.38)
Shares used to compute net loss per share, basic and diluted	65,618,162		65,618,162

	Nine Months Ended September 30, 2022		
	As Reported	Restatement Adjustment	As Restated
Condensed Statements of Cash Flow			
Net loss	$ (71,365)	$ (19,176)	$ (90,541)
Changes in operating assets and liabilities:			
Deferred revenue	(48,475)	19,176	(29,299)
Net cash used in operating activities	(109,394)	-	(109,394)

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures.

The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1934, as amended (the "Exchange Act") refers to controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its Principal Executive and Principal Financial Officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, 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 Principal Executive Officer and 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 on that evaluation, and as a result of the material weakness described below, the Company's Principal Executive Officer and Principal Financial Officer concluded that, as of December 31, 2022, our disclosure controls and procedures were not effective at a reasonable assurance level.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) 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.

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements prepared for external purposes in accordance with generally accepted accounting principles. 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.

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in Internal Control – Integrated Framework, and as a result of the material weakness described above, the Company's Principal Executive Officer and Principal Financial Officer concluded that, as of December 31, 2022, our internal control over financial reporting was not effective.

Material Weaknesses

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual and interim financial statements will not be detected or prevented on a timely basis.

In connection with preparing our financial statements for the year ending December 31, 2022 and evaluating new collaboration and license agreements initiated in the fourth quarter of 2022, we re-evaluated our previous application of ASC 606 for our collaboration

and license agreements and identified an error. Upon reassessment, we have determined that certain revenue should be recognized over time using an input method as an appropriate measure of progress, rather than ratably over the estimated research period. The Company's internal control to perform a technical accounting analysis for collaboration and license agreements failed to operate as designed. As a result, we concluded that the Company's internal control over financial reporting was not effective as of the end of each of the periods covered by the restatement. In connection with the restatement, the Company has identified a material weakness in internal control over financial reporting related to its application of ASC 606 for license and collaboration agreements.

Remediation Measures

We have identified and begun to implement procedures, as further described below, designed to remediate the foregoing material weakness. We will not consider the material weakness remediated until our controls are operational for a sufficient period of time and tested, enabling management to conclude that the controls are operating effectively.

To remediate this material weakness, we are in the process of improving the operation of our controls related to the application of ASC 606 to our collaboration and license agreements and the related controls to measure the progress in satisfying the performance obligations.

Changes in Internal Control Over Financial Reporting

Except as discussed above, there was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during our fiscal quarter 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***

On March 21, 2023, AbbVie Ireland Unlimited Company ("AbbVie") sent a notice of termination (the "Termination") of its involvement in the development of CX-2029, pursuant to the Co-Development and License Agreement between CytomX Therapeutics, Inc. ("we", "our" and "us") and AbbVie. We and AbbVie have also concluded our research activities under the Discovery Collaboration and License Agreement. AbbVie's Termination provides us with the right to elect a license to CX-2029 (the "Grantback Option"). We may elect to exercise the Grantback Option within 120 days of receipt of the Termination notice.

Item 9C. ***Disclosure Regarding Foreign Jurisdictions That Prevent Inspections***

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item will be set forth in the Company's proxy statement to be filed with the Securities and Exchange Commission within 120 days after the Company's fiscal year end and is incorporated herein by reference.

We have adopted a code of business conduct and ethics that applies to all employees, including our Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer or Controller, or persons performing similar functions. The code of business conduct and ethics is available on our website at www.cytomx.com. Amendments to, and waivers from, the code of business conduct and ethics that apply to any director, executive officer or persons performing similar functions will be disclosed at the website address provided above and, to the extent required by applicable regulations, on a Current Report on Form 8-K filed with the SEC.

Item 11. Executive Compensation

The information required by this Item will be set forth in the Company's proxy statement to be filed with the Securities and Exchange Commission within 120 days after the Company's fiscal year end 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 will be set forth in the Company's proxy statement to be filed with the Securities and Exchange Commission within 120 days after the Company's fiscal year end and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this Item will be set forth in the Company's proxy statement to be filed with the Securities and Exchange Commission within 120 days after the Company's fiscal year end and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this Item will be set forth in the Company's proxy statement to be filed with the Securities and Exchange Commission within 120 days after the Company's fiscal year end and is incorporated herein by reference.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(1) *Financial Statements:*

The financial statements required by Item 15(a) are filed as part of this Annual Report on Form 10-K under Item 8 "Financial Statements and Supplementary Data."

(2) *Financial Statement Schedules*

The financial statement schedules required by Item 15(a) are omitted because they are not applicable, not required or the required information is included in the financial statements or notes thereto as filed in Item 8 of this Annual Report on Form 10-K.

(3) *Exhibits.*

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
1.1	Open Market Sale Agreement, dated as of February 27, 2020, by and between CytomX Therapeutics, Inc. and Jefferies LLC.	10-K	2/27/2020	1.1	
3.1(a)	Amended and Restated Certificate of Incorporation.	8-K	10/19/2015	3.1	
3.1(b)	Certificate of Amendment to Amended and Restated Certificate of Incorporation of CytomX Therapeutics, Inc.	8-K	6/23/2020	3.1	
3.2	Amended and Restated Bylaws.	8-K	10/19/2015	3.2	
4.1	Reference is made to exhibits 3.1 through 3.2.				
4.2	Specimen Common Stock Certificate.	S-1/A	9/28/2015	4.1	
4.3	Registration Rights Agreement dated as of September 29, 2017 by and between CytomX Therapeutics, Inc. and Amgen, Inc.	10-Q	11/7/2017	4.4	
4.4	Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.	10-Q	8/6/2020	4.4	
10.1(a)#	2010 Stock Incentive Plan adopted on September 21, 2010 ("2010 Plan").	S-1	8/28/2015	10.3	
10.1(b)#	Form of Stock Option Agreement under the 2010 Plan.	S-1	8/28/2015	10.4	
10.2(a)#	2011 Stock Incentive Plan, adopted on February 7, 2012, as amended ("2011 Plan").	S-1	8/28/2015	10.1	
10.2(b)#	Form of Restricted Stock Award Agreement and Option Exercise Agreement under the 2011 Plan.	S-1	8/28/2015	10.2	
10.3(a)#	2015 Equity Incentive Plan ("2015 Plan").	S-1/A	10/6/2015	10.5	
10.3(b)#	Form of 2015 Plan Option Agreement under the 2015 Plan.	10-Q	11/23/2015	10.4	
10.3(c)#	Form of 2015 Plan Early Exercise Option Agreement	10-Q	11/23/2015	10.5	
10.3(d)#	Form of 2015 Plan Restricted Share Unit Award Grant Notice and Agreement	10-K	3/21/2022	10.3(d)	

10.4(a)#	2019 Employment Inducement Incentive Plan adopted on September 18, 2019 ("2019 Plan").	10-Q	11/7/2019	10.1
10.4(b)#	Form of Stock Option Agreement under the 2019 Plan.	10-Q	11/7/2019	10.2
10.5#	2015 CytomX Therapeutics, Inc. Employee Stock Purchase Plan.	S-1/A	9/28/2015	10.6
10.6#	Form of Indemnification Agreement by and between CytomX Therapeutics, Inc. and each of its directors and each of its executive officers.	S-1	8/28/2015	10.16
10.7#	Employment Offer Letter Agreement between CytomX Therapeutics, Inc. and Sean A. McCarthy, D. Phil, dated as of December 15, 2010.	S-1	8/28/2015	10.7
10.8#	Employment Offer Letter Agreement between CytomX Therapeutics, Inc. and Amy C. Peterson, M.D. dated as of September 23, 2019.	10-Q	11/7/2019	10.5
10.9	Employment Offer Letter Agreement between CytomX Therapeutics, Inc. and Carlos Campoy dated as of March 9, 2020.	10-Q	5/7/2020	10.3
10.10#	Amended and Restated Severance and Change of Control Agreement dated February 27, 2019, by and between CytomX Therapeutics, Inc. and Sean McCarthy. D. Phil.	10-Q	5/9/2019	10.1
10.11#	Amended and Restated Severance and Change of Control Agreement effective as of October 14, 2019, by and between CytomX Therapeutics, Inc. and Amy C. Peterson, M.D.	10-Q	11/7/2019	10.6
10.12#	Amended and Restated Severance and Change of Control Agreement dated March 25, 2019, by and between CytomX Therapeutics, Inc. and Lloyd Rowland.	10-Q	5/9/2019	10.2
10.13††	Severance and Change of Control Agreement effective as of February 3, 2020, by and between CytomX Therapeutics, Inc. and Alison Hannah, M.D.	10-K	2/27/2020	10.32
10.14#	Severance and Change of Control Agreement dated March 23, 2020, by and between CytomX Therapeutics, Inc. and Carlos Campoy.	10-Q	5/7/2020	10.1
10.15	Lease dated as of December 10, 2015, by and between CytomX Therapeutics, Inc. and HCP Oyster Point III LLC.	8-K	12/16/2015	10.1
10.16(a)	Exclusive License Agreement dated as of August 19, 2010, by and between The Regents of the University of California and CytomX Therapeutics, Inc., as amended by Amendment No. 1 to Exclusive Agreement effective as of May 30, 2013 and Amendment No. 2 to Exclusive Agreement effective as of November 8, 2013.	S-1/A	9/18/2015	10.21
10.16(b)††	Amendment No.3 to Exclusive License Agreement effective as of April 2, 2019, by and between CytomX Therapeutics, Inc. and The Regents of the University of California.	10-Q	5/9/2019	10.6
10.17†	Research Collaboration, Option and License Agreement dated as of May 30, 2013, by and between CytomX Therapeutics, Inc. and Pfizer, Inc.	10-Q	11/5/2020	10.1
10.18(a)†	Collaboration and License Agreement dated as of May 23, 2014, by and between CytomX Therapeutics, Inc. and Bristol Myers Squibb Company.	10-Q	11/5/2020	10.2

10.18(b)†	Amendment to Extend Collaboration and License Agreement, dated March 17, 2017, by and between the Company and Bristol Myers Squibb.	10-Q	5/5/2017	10.1
10.18(c)†	Amendment No 2 to Collaboration and License Agreement, as amended, dated March 17, 2017, by and between the Company and Bristol Myers Squibb, effective as of February 22, 2021.	10-Q	5/6/2021	10.2
10.18(d)†	Amendment No 3 to Collaboration and License Agreement, dated May 23, 2014, by and between the Company and Bristol Myers Squibb Company, effective as of October 11, 2022.	10-Q	11/8/2022	10.6
10.19(a)†	Co-Development and License Agreement, dated April 21, 2016, by and between CytomX Therapeutics, Inc. and AbbVie Ireland Unlimited Company.	10-Q	8/3/2016	10.1
10.19(b)†	First Amendment to the CD71 Co-Development and License Agreement by and between CytomX Therapeutics, Inc. and AbbVie Ireland Unlimited Company, dated as of October 5, 2016.	10-Q	11/6/2018	10.1
10.19(c)†	Second Amendment to the CD71 Co-Development and License Agreement by and between CytomX Therapeutics, Inc. and AbbVie Ireland Unlimited Company, effective as of March 31, 2017.	10-Q	11/6/2018	10.2
10.19(d)†	Third Amendment to the CD71 Co-Development and License Agreement by and between CytomX Therapeutics, Inc. and AbbVie Ireland Unlimited Company, effective as of January 3, 2018.	10-Q	11/6/2018	10.3
10.19(e)†	Amended and Restated Discovery Collaboration and License Agreement, dated as of June 28, 2019, by and between CytomX Therapeutics, Inc., and AbbVie Ireland Unlimited Company.	10-Q	8/7/2019	10.1
10.20(a)††	Collaboration and License Agreement by and between CytomX Therapeutics, Inc. and Amgen, Inc. dated as of September 29, 2017.	10-Q	11/7/2017	10.1
10.20(b)†	Amendment No. 1 to the Collaboration and License Agreement, dated as of September 29, 2020, by and between CytomX Therapeutics, Inc. and Amgen, Inc.	10-Q	11/5/2020	10.3
10.20(c)††	Amendment No. 2 to the Collaboration and License Agreement, dated as of October 27, 2021, by and between CytomX Therapeutics, Inc. and Amgen, Inc.	10-K	3/1/2022	10.20(c)
10.21††	Collaboration and License Agreement dated as of March 23, 2020, by and between CytomX Therapeutics, Inc. and Astellas Pharma Inc.	10-Q	5/7/2020	10.4
10.22(a)†	Research Collaboration Agreement dated as of January 8, 2014, by and between ImmunoGen, Inc. and CytomX Therapeutics, Inc., as amended by the First Amendment to Research Collaboration Agreement effective as of April 3, 2015.	S-1/A	10/2/2015	10.17
10.22(b)†	Second Amendment to the Research Collaboration Agreement by and between CytomX Therapeutics, Inc. and ImmunoGen Inc., dated as of February 12, 2016.	10-Q	11/6/2018	10.5
10.22(c)†	Third Amendment to the Research Collaboration Agreement by and between CytomX Therapeutics, Inc. and ImmunoGen Inc., dated as of March 3, 2017.	10-Q	11/6/2018	10.6
10.23†	License Agreement by and between CytomX Therapeutics, Inc. and ImmunoGen Inc., dated as of February 12, 2016.	10-Q	11/6/2018	10.4

10.24††	Collaboration and License Agreement dated as of November 16, 2022 by and between CytomX Therapeutics, Inc. and Regeneron Pharmaceuticals, Inc.				X
10.25††	Collaboration and License Agreement dated as of December 30, 2022 by and between CytomX Therapeutics, Inc. and ModernaTX, Inc.				X
10.26#††	Consulting Agreement effective as of December 14, 2020, by and between CytomX Therapeutics, Inc and Dr. W. Michael Kavanaugh.	10-K	2/24/2021	10.24	
10.27#	Retirement Agreement by and between CytomX Therapeutics, Inc and Dr. W. Michael Kavanaugh, dated as of December 1, 2020.	10-K	2/24/2021	10.25	
10.28#	Consulting Agreement, effective as of April 1, 2021, by and between CytomX Therapeutics, Inc. and Dr. Charles Fuchs.	10-Q	5/6/2021	10.3	
10.29	Consulting Agreement effective as of October 1, 2022, by and between CytomX Therapeutics, Inc. and Carlos Campoy.	10-Q	11/8/2022	10.1	
10.30	Consulting Agreement effective as of September 13, 2022, by and between CytomX Therapeutics, Inc. and Amy C. Peterson, M.D.	10-Q	11/8/2022	10.2	
10.31#	Separation Agreement effective as of September 30, 2022, by and between CytomX Therapeutics, Inc. and Carlos Campoy.	10-Q	11/8/2022	10.3	
10.32#	Separation Agreement effective as of September 12, 2022, by and between CytomX Therapeutics, Inc. and Amy C. Peterson, M.D.	10-Q	11/8/2022	10.4	
10.33#	Separation Agreement effective as of September 30, 2022, by and between CytomX Therapeutics, Inc. and Alison Hannah, M.D.	10-Q	11/8/2022	10.5	
23.1	Consent of Independent Registered Public Accounting Firm.				X
24.1	Power of Attorney (included on signature page)				X
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1**	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X

104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	X

† Confidential treatment has been granted for certain information contained in this exhibit. Such information has been omitted and filed separately with the Securities and Exchange Commission.

†† Certain confidential portions of this exhibit have been omitted from this exhibit.

# Indicates management contract or compensatory plan.

** The certifications attached as Exhibit 32.1 that accompany this Annual Report on Form 10-K are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of CytomX Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

Item 16. Form 10-K Summary

Registrants may voluntarily include a summary of information required by Form 10-K under Item 16. We have elected not to include such summary.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CytomX Therapeutics, Inc.

Date: March 27, 2023

By: /s/ Sean A. McCarthy
Name: **Sean A. McCarthy, D.Phil.**
Title: **Chief Executive Officer and Chairman**
(Principal Executive Officer)

By: /s/ Christopher W. Ogden
Name: **Christopher W. Ogden**
Title: **Senior Vice President, Finance and Accounting**
(Principal Financial Officer and Principal Accounting Officer)

POWER OF ATTORNEY

Each person whose individual signature appears below hereby authorizes and appoints Sean A. McCarthy, D. Phil. and Lloyd Rowland and each of them, with full power of substitution and resubstitution, 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 attorney-in-fact and agents full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorney-in-fact and agents 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, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Sean A. McCarthy Sean A. McCarthy, D.Phil.	Chief Executive Officer and Director *(Principal Executive Officer)*	March 27, 2023
/s/ Matthew P. Young Matthew P. Young	Director	March 27, 2023
/s/ Alan Ashworth Alan Ashworth, Ph.D. FRS	Director	March 27, 2023
/s/ Elaine V. Jones Elaine V. Jones, Ph.D.	Director	March 27, 2023
/s/ James R. Meyers James R. Meyers	Director	March 27, 2023
/s/ Mani Mohindru Mani Mohindru, Ph.D.	Director	March 27, 2023
/s/ Halley E. Gilbert Halley E. Gilbert	Director	March 27, 2023

Exhibit 10.24

COLLABORATION

AND

LICENSE AGREEMENT

by and between

CYTOMX THERAPEUTICS, INC.

and

REGENERON PHARMACEUTICALS, INC.

Dated as of November 16, 2022

COLLABORATION AND LICENSE AGREEMENT

This Collaboration and License Agreement ("**Agreement**") is entered into as of November 16, 2022 (the "**Effective Date**") by and between CytomX Therapeutics, Inc., organized and existing under the laws of Delaware with its principal place of business at 151 Oyster Point Blvd., Suite 400, South San Francisco, California 94080, U.S.A. ("**CytomX**") and Regeneron Pharmaceuticals, Inc., a corporation organized and existing under the laws of the State of New York with its principal place of business at 777 Old Saw Mill River Road, Tarrytown NY 10591 ("**Regeneron**"). CytomX and Regeneron are each hereafter referred to individually as a "**Party**" and together as the "**Parties**."

WHEREAS, Regeneron has research, development, manufacturing and commercialization expertise for the development and commercialization of pharmaceutical and biologic products;

WHEREAS, CytomX has technology and expertise relating to the discovery and development of recombinant antibodies directed to certain targets and recombinant cytokines using its conditionally activated antibody platform technology and research, development and manufacturing capabilities; and

WHEREAS, CytomX and Regeneron desire to collaborate in the performance of research and preclinical programs for the discovery and development of certain antibody products that are directed against specified targets, and that may include recombinant cytokines, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

Article 1.**DEFINITIONS**

All references to particular Exhibits, Articles or Sections mean the Exhibits to, and Articles and Sections of, this Agreement, unless otherwise specified. For the purposes of this Agreement and the Exhibits and Appendices hereto, the following words and phrases have the following meanings:

Section 1.1 "**Accounting Standards**" means with respect to either Party, GAAP or IFRS, in each case, as generally and consistently applied throughout such Party's organization. Each Party shall promptly notify the other Party in the event that it changes the Accounting Standards pursuant to which its records are maintained. As used in this definition, "**GAAP**" means generally accepted accounting principles as applicable in the United States and "**IFRS**" means the International Financial Reporting Standards of the International Accounting Standards Board.

Section 1.2 "**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person, for as long as such control exists. For purposes of this Section, "control" and, with correlative meanings, the terms "controlled by" and "under common control with," means (a) the direct or indirect ownership of more than fifty percent (50%) of the voting or economic interest of a Person (or, with respect to

a limited partnership or other similar entity, its general partner or controlling entity), or (b) the power, whether pursuant to contract, ownership of securities or otherwise, to direct the management and policies of a Person. For clarity, once a Person ceases to be an Affiliate of a Party, then, without any further action, such Person shall cease to have any rights, including license and sublicense rights, under this Agreement by reason of being an Affiliate of such Party.

Section 1.3 "**Antibody**" means any mono-specific or multi-specific antibody, or therapeutic protein that contains components of an antibody, or any derivative, variant, construct or fragment thereof, including fusions comprising any such antibody, derivative or fragment, and any composition or formulation that incorporates or includes any such antibody. Antibody also means with respect to any of the foregoing molecules, the nucleic acids (including DNA, RNA, and complementary and reverse complementary nucleic acids corresponding thereto, whether coding or noncoding and whether intact or a fragment) that contain, express, secrete, or code for such molecule or any fragment thereof.

Section 1.4 "**Available**" means, [***].

Section 1.5 "**Background IP**" means Background Know-How and Background Patent Rights.

Section 1.6 "**Background Know-How**" means [***].

Section 1.7 "**Background Patent Rights**" means [***].

Section 1.8 "**Bayh-Dole Act**" means the Patent and Trademark Law Amendments Act of 1980, as amended, codified at 35 U.S.C. §§ 200-212, as amended, as well as any regulations promulgated pursuant thereto, including in 37 C.F.R. Part 401.

Section 1.9 "**Biosimilar Application**" means an application or submission filed with a Regulatory Authority for Marketing Approval of a Biosimilar Product.

Section 1.10 "**Biosimilar Product**" means, with respect to any Product, on a country-by-country basis in the Territory, a biologic product (a) for which the licensing, approval, or marketing authorization relies in whole or in part on a prior approval, licensing or marketing authorization granted for such Product; (b) that is "biosimilar" to such Product, as the term "biosimilar" is defined in 42 U.S.C. § 262(i)(2); and (c) that has been licensed by the FDA or other Regulatory Authority outside of the United States by reference to such Product, as set forth at 42 U.S.C. § 262(k)(4) or other analogous applicable Law outside of the United States. A Product licensed, marketed, sold, manufactured, or produced by or on behalf of Regeneron or its Affiliates (or any Sublicensees or distributors in their capacity as Sublicensee or distributor for Regeneron or any of its Affiliates) will not constitute a Biosimilar Product.

Section 1.11 "**BLA**" means (a) a Biologics License Application as defined in the United States Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 et seq., as amended from time to time, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions, and modifications thereto), or (b) any corresponding foreign application in the Territory, including, with respect to the European Union, a marketing authorization application ("**MAA**") filed with the EMA or with the applicable Regulatory Authority of a country in Europe with respect to the mutual recognition or any other national approval procedure.

Section 1.12"**Business Day**" means a day other than Saturday, Sunday or any day on which commercial banks located in New York, New York, United States are permitted, authorized, or obligated by Law to close.

Section 1.13[***]. _

Section 1.14"**Calendar Quarter**" means each successive period of the three (3) calendar months ending March 31, June 30, September 30 and December 31; *provided, however*, that: (a) the first Calendar Quarter of the Term shall extend from the Effective Date to the day immediately prior to the first to occur of January 1, April 1, July 1 or October 1 after the Effective Date; and (b) the last Calendar Quarter shall extend from the beginning of the Calendar Quarter in which this Agreement expires or terminates until the effective date of such expiration or termination.

Section 1.15"**Calendar Year**" means each successive period of the twelve (12) calendar months ending December 31; *provided*, *however*, that: (a) the first Calendar Year of the Term shall extend from the Effective Date to December 31 of the year in which the Effective Date occurs; and (b) the last Calendar Year shall extend from the beginning of the Calendar Year in which this Agreement expires or terminates until the effective date of such expiration or termination.

Section 1.16[***].

Section 1.17"**Change of Control**" means (a) the closing of the sale, transfer or other disposition of all or substantially all of a Party's assets (including intellectual property), (b) the consummation of the merger or consolidation of a Party with or into another entity (except a merger or consolidation in which the holders of capital stock of such Party immediately prior to such merger or consolidation continue to hold more than fifty percent (50%) of the voting power of the capital stock of such Party or the surviving or acquiring entity), (c) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of such Party's securities), of a Party's securities if, after such closing, such person or group of affiliated persons would hold fifty percent (50%) or more of the outstanding voting stock of such Party (or the surviving or acquiring entity), or (d) a liquidation, dissolution or winding up of a Party, except where such liquidation, dissolution or winding up of such Party is related to or preceded by a transfer or other disposition of assets contemplated by (a) above to an Affiliate of such Party as part of an internal restructuring, and in any event that would not have the effect of diminishing the other Party's rights under this Agreement.

Section 1.18"**Collaboration IP**" means Collaboration Know-How and Collaboration Patents and any and all intellectual property rights therein.

Section 1.19"**Collaboration Know-How**" means [***].

Section 1.20"**Collaboration Patents**" means [***].

Section 1.21"**Collaboration Program**" means [***].

Section 1.22"**Collaboration Term**" means, [***].

Section 1.23"**Commercialize**" means [***].

Section 1.24"**Commercially Reasonable Efforts**" means, with respect to a Party (directly or through Affiliates or Sublicensees) performing activities under this Agreement, such reasonable, diligent, and good faith efforts and [***] in connection with the research, development, manufacture or commercialization of biopharmaceutical products of [***], taking into account [***], it being understood that Commercially Reasonable Efforts may [***], will be considered in determining whether a Party exercised Commercially Reasonable Efforts. Commercially Reasonable Efforts requires, with respect to an obligation under this Agreement, that a Party reasonably and in good faith: [***], all taking into account the factors referred to above.

Section 1.25"**Competing Product**" means [***].

Section 1.26"**Confidential Disclosure Agreements**" means [***].

Section 1.27"**Conditionally Activated Antibody**" means [***].

Section 1.28"**Control**" or "**Controlled**" means, with respect to any Know-How, Patent Right, or other intellectual property right, the possession (whether by ownership, license, covenant not to sue or otherwise) by a Party or its Affiliate of the ability to grant to the other Party a license, sublicense, access or other right as provided herein to or under such Know-How, Patent Right, or other intellectual property right, without violating the terms of any agreement or other arrangement of such Party with any Third Party in existence as of the time such Party or its Affiliates would first be required hereunder to grant the other Party such license or access. For clarity, nothing in this Section 1.28 obligates a Party to obtain rights under the intellectual property rights of any Third Party in order to be able to grant the other Party a license or access as provided herein.

Section 1.29"**Cover**" means with respect to any given Product in a given country and [***]. Cognates of the word "Cover" have correlative meanings.

Section 1.30"**Critical Matter**" means [***].

Section 1.31"**Cytokine**" means a small immunomodulatory protein that plays a role in cell–cell communication, cell growth and regulation of immune function.

Section 1.32"**CytomX IP**" means [***].

Section 1.33"**CytomX Know-How**" means [***].

Section 1.34"**CytomX Patent Challenge**" means any action, suit, proceeding or claim by Regeneron or its Sublicensees or Affiliates challenging the validity, patentability, scope, priority, construction, inventorship, enforceability or CytomX's or its Affiliate's or licensor's ownership of any CytomX Patent owned in whole or in part by CytomX, as applicable, in any forum, in each case, with respect to a Product under this Agreement, but excludes any assertion by Regeneron or its Sublicensees or Affiliates relating to validity, patentability, scope, priority, construction, non-infringement, inventorship, ownership or enforceability as a defense in any legal proceeding or administrative proceeding brought by CytomX or its Affiliates or licensors asserting infringement against Regeneron or its Sublicensees or Affiliates with respect to the relevant Product under this

Agreement. For clarity, any such action brought by a Sublicensee of Regeneron or its Affiliate will only be a CytomX Patent Challenge if such entity is challenging a CytomX Patent or a Collaboration Patent owned in whole or in part by CytomX in connection with such entity's role as a Sublicensee of Regeneron or its Affiliate under the licenses granted to Regeneron under this Agreement.

Section 1.35"**CytomX Patents**" means [***].

Section 1.36"**CytomX Platform Improvements IP**" means [***].

Section 1.37"**CytomX Platform Know-How**" means [***].

Section 1.38"**CytomX Platform Patents**" means [***].

Section 1.39"**CytomX Platform Technology**" means [***].

Section 1.40"**Develop**" or "**Development**" means [***].

Section 1.41"**Directed Against**" means, as used in connection with a [***], that the product or agent at issue is designed to specifically interact or bind with such [***], as applicable.

Section 1.42"**Effector Moiety**" means [***].

Section 1.43"**EMA**" means the European Medicines Agency or any successor entity thereto.

Section 1.44"**EU**" or "**European Union**" means those countries, nations, states or other territories under the jurisdiction of the EMA, as such jurisdiction may change from time to time, but in any event including the United Kingdom for purposes of Section 7.3.

Section 1.45"**Executive Officers**" means with respect to a Party, such Party's Chief Executive Officer, or any other person that such officer designates from time to time.

Section 1.46"**Exploit**" means to make, have made, import, use, sell or offer for sale, including to Develop or develop (as applicable), Commercialize or commercialize (as applicable), register, modify, enhance, improve, Manufacture or manufacture (as applicable), have Manufactured or manufactured (as applicable), hold or keep (whether for disposal or otherwise), formulate have used, export, transport, distribute, promote, advertise, market or have sold or otherwise dispose of a compound, product or process. Cognates of the word "Exploit," including but not limited to "Exploitation," shall have correlative meanings.

Section 1.47"**FDA**" means the United States Food and Drug Administration or any successor entity thereto.

Section 1.48"**First Commercial Sale**" means, with respect to any Licensed Product in any country, the first sale for end use or consumption of such Licensed Product in such country after Marketing Approval for such Licensed Product has been granted in such country. [***].

Section 1.49"**Format**" means [***].

Section 1.50"**FTE**" means a full time equivalent employee (i.e., one fully-committed or multiple partially-committed employees aggregating to one full-time employee) employed or contracted by a Party or its Affiliates and assigned to perform specified work, with such commitment of time and effort to constitute one employee performing such work on a full-time basis, which for purposes hereof shall be [***] hours per year. For further clarity, FTEs shall not include personnel performing the functions of information technology, human resources, finance, legal, or other general administrative activities, or contractors.

Section 1.51"**FTE Rate**" means (i) for the period commencing on the Effective Date and ending on [***] per FTE per year, and (ii) for each Calendar Year thereafter, the FTE Rate shall be adjusted as of January 1, [***] and annually thereafter by the average of the percentage increases or decreases, if any, in the U.S. CPI for the twelve (12) months ending June 30 of the Calendar Year prior to the Calendar Year for which the adjustment is being made (where Consumer Price Index or CPI means the Consumer Price Index - Urban Wage Earners and Clerical Workers, US City Average, All Items, 1982-84=100, published by the United States Department of Labor, Bureau of Labor Statistics (or its successor equivalent index). For clarity, the FTE Rate is [***].

Section 1.52"**Gatekeeper**" means an independent Third Party mutually agreeable to the Parties responsible for determining the Availability of proposed Tumor Targets or Effector Moieties in Collaboration Programs for activities under the collaboration.

Section 1.53"**GLP Toxicology Study**" means any toxicology study that meets the requirements set forth in 21 C.F.R. Part 58 pertaining to good laboratory practice for use or intended for use in an IND and is required to be included in the filing of an IND, but excluding toxicology studies performed in the course of evaluating compounds prior to selection of a Licensed Product.

Section 1.54"**Governmental Authority**" means any governmental authority of any nature of any multi-national, national, state, county, city or other political subdivision, including any governmental division, subdivision, department, agency, court, tribunal, agency, bureau, branch, office, authority or other instrumentality.

Section 1.55"**IND**" means, (a) with respect to the United States, an investigational new drug application as defined in applicable regulations promulgated by the FDA and filed with the FDA for human clinical testing or (b) with respect to any other country in the Territory, any equivalent thereof.

Section 1.56"**Indication**" means, for the Licensed Field, each tumor type for a disease, disorder, or medical condition that a Product is intended to treat, prevent, cure, or ameliorate, or that is the subject of a clinical trial, the data and results of which clinical trial (if successful) are intended to be used to support a Regulatory Filing and approval for labeling within the indications section of the label relevant to usage in such disease, disorder or medical condition as distinguished from another disease, disorder or medical condition. For clarity, neither a different line of therapy nor treatment of pediatric patient populations will be considered a new Indication.

Section 1.57"**Initial Collaboration Program**" means one of two programs of activities initially to be conducted by the Parties under this Agreement pursuant to one or more Work Plans to develop (i) a Product that is a Conditionally Activated Antibody that includes [***], or (ii) a Product that is a Conditionally Activated Antibody [***].

Section 1.58"**Initiation**" means (a) with respect to a clinical trial, the first dosing in the first patient in such clinical trial or study or (b) with respect to a GLP Toxicology Study, the first dosing of an animal subject in such GLP Toxicology Study. Cognates of the word "Initiation" have correlative meanings.

Section 1.59"**Inventions**" means all Know-How that are inventions, whether or not patentable, that are discovered, conceived, generated, reduced to practice or otherwise made by or on behalf of either Party or its respective Affiliates or both Parties or their respective Affiliates, whether solely or jointly with any Third Party subcontractor, in the course of activities performed under this Agreement.

Section 1.60"**Know-How**" means all technical, scientific and other know-how and information, inventions (whether patentable or not), improvements, development, discoveries, trade secrets, knowledge, technology, means, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, apparatuses, specifications, data, results, compositions of matter, cells, cell lines, assays, animal models and other physical, biological or chemical material (including vectors, clones, plasmids, targeting moieties, nucleic acid sequences, proteins, peptides, expression products, reagents, biomarkers and research tools), and other materials, including pharmacological, toxicological, pharmaceutical, physical and analytical, pre-clinical, clinical, safety, manufacturing and quality control data and information, study designs and protocols, assays and biological methodology, in each case (whether or not confidential, proprietary, patented or patentable) in written, electronic, physical or any other form now known or hereafter developed.

Section 1.61"**Law**" means, individually and collectively, any and all national, federal, state, local, and foreign laws, statutes, ordinances, principles of common law, rules, directives, standards, administrative circulars, judgments, orders, writs, injunctions, decrees, arbitration awards, agency requirements, licenses, permits, and regulations of any kind whatsoever of any Governmental Authority within the applicable jurisdiction.

Section 1.62"**Licensed Field**" means all human and non-human diagnostic, prophylactic and therapeutic uses in oncology.

Section 1.63"**Licensed Product**" means [***].

Section 1.64"**Major Market**" means [***].

Section 1.65"**Marketing Approval**" means all approvals, licenses, registrations or authorizations of the Regulatory Authority in a country, necessary for the customary commercial sale of a Licensed Product in such country, including with respect to pricing and reimbursement.

Section 1.66"**Manufacturing**" or "**Manufacture**" means any activities directed to producing, obtaining, manufacturing, processing, filling, finishing, packaging and labeling, device manufacture and assembly (if applicable), quality assurance testing and release, shipping and storage of the Product, placebo or a comparator agent, as the case may be, or the development of processes for the foregoing, including test method development and stability testing, device or delivery system development, assay development, formulation, quality assurance/quality control development, technology transfer, process development and scale-up, cell-line development, data collection and management and project management with respect to such activities.

Section 1.67"**Net Sales**" means [***].

Section 1.68"**Patent Rights**" means (a) all national, regional and international patents and patent applications, including, provisional patent applications; (b) all patent applications filed either from or claiming priority to such patents, patent applications or provisional applications or from an application claiming priority from either of these, including, divisionals, continuations, continuations-in-part, provisionals, converted provisionals and continued prosecution applications; (c) any and all patents that have issued or in the future issue from the foregoing patent applications ((a) and (b)), including, utility models, petty patents, innovation patents and design patents and certificates of invention; (d) any and all extensions, term adjustments or restorations by existing or future extension or restoration mechanisms, including, revalidations, reissues, re-examinations and extensions (including any supplementary protection certificates and the like) of the foregoing patents or patent applications ((a), (b) and (c)); and (e) any similar rights, including, so-called pipeline protection or any importation, revalidation, confirmation or introduction patent or registration patent or patent of additions to any of such foregoing patent applications and patents.

Section 1.69"**Peptide Mask**" means [***].

Section 1.70"**Person**" means any corporation, limited or general partnership, limited liability company, joint venture, trust, unincorporated association, governmental body, authority, bureau or agency, any other entity or body, or an individual.

Section 1.71"**Phase 1 Clinical Trial**" means a human clinical trial of a Licensed Product, the principal purpose of which is a preliminary determination of safety, tolerability, pharmacological activity or pharmacokinetics in healthy individuals or patients, and that satisfies the requirements of 21 C.F.R. § 312.21(a) or its non-U.S. equivalents.

Section 1.72"**Phase 2 Clinical Trial**" means a human clinical trial of a Licensed Product (whether a standalone trial or a stage of a "Phase 2/3" clinical trial described in a protocol as the "Phase 2 portion") the principal purpose of which is (a) (1) to evaluate the clinical efficacy, safety, pharmacodynamics or biological activity of such Licensed Product in the target patient population as its primary endpoint or (2) determine anti-cancer activity in the applicable tumor type as its primary endpoint (as described in a protocol), in each case of clause (1) and (2), and is prospectively designed to generate sufficient data that may permit commencement of a Registrational Trial, and (b) that satisfies the requirements of 21 C.F.R. § 312.21(b) or its non-U.S. equivalents. For clarity, a dose expansion phase of a Phase 1 Clinical Trial shall be considered a Phase 2 Clinical Trial.

Section 1.73"**Preclinical Research**" means, with respect to a particular Collaboration Program, any discovery, preclinical CMC and other research and development activities relating to any Product or any such Collaboration Program as set forth in a Work Plan, and any advisory or consulting services provided in connection therewith, including the filing of an IND for such Product.

Section 1.74"**Preclinical Research Budget**" means, with respect to a Collaboration Program, the budget established by the JRC in accordance with Section 2.2.3 for activities to be conducted under a Work Plan by CytomX for such Collaboration Program and Products thereunder. The Preclinical Research Budget shall be included as part of the Work Plan for the applicable Collaboration Program and approved by Regeneron prior to the commencement of activities for such Collaboration Program.

Section 1.75"**Preclinical Research Costs**" means, with respect to a Collaboration Program, [***] (a) Preclinical Research FTE Costs and (b) Preclinical Research Out-of-Pocket Expenses, where both (a) and (b) are specifically identifiable and directly allocable to, the Preclinical Research of such Collaboration Program and are calculated consistent with Accounting Standards.

Section 1.76"**Preclinical Research Data**" means all data, results, reports, or Know-How generated in the performance of Preclinical Research by or on behalf of either Party under a Work Plan. For clarity, any data, results, or Know-How generated in the performance of Preclinical Research by or on behalf of CytomX under a Work Plan that is solely related to the CytomX Platform Technology shall be deemed CytomX Know-How and not Preclinical Research Data.

Section 1.77"**Preclinical Research FTE Costs**" means, with respect to a Collaboration Program and consistent with the approved Preclinical Research Budget for such Collaboration Program, the product of (a) the actual number of FTE hours worked in the Preclinical Research of such Collaboration Program in a manner consistent with the applicable Work Plan, [***] and evidenced through contemporaneous written records, and (b) the FTE Rate.

Section 1.78"**Preclinical Research Out-of-Pocket Expenses**" means, with respect to a Collaboration Program, the reasonable direct expenses paid or payable to Third Parties (including contractors) that are directly incurred by CytomX and its Affiliates for, and that are specifically identifiable and directly allocable to, the Preclinical Research activities under such Collaboration Program, including consultant fees, and that are consistent with the approved Preclinical Research Budget for such Collaboration Program.

Section 1.79"**Preclinical Research Term**" means, on a Collaboration Program-by-Collaboration Program basis, subject to the early termination of this Agreement, the period from the Effective Date until completion of the activities set forth in the Work Plan for such Collaboration Program.

Section 1.80"**Product**" means a Conditionally Activated Antibody that includes [***]. One Product is distinct from another Product if [***]. For clarity, [***].

Section 1.81"**Product Selection Period**" means, for each Collaboration Program, the period commencing upon selection of such Collaboration Program and ending upon the first to occur of (i) selection of a Licensed Product under the relevant Collaboration Program pursuant to a Work Plan, or (ii) [***] after the date such Collaboration Program is selected.

Section 1.82"**Program Selection Period**" means a period of [***] commencing upon the Effective Date of the Agreement.

Section 1.83[***].

Section 1.84"**Public Official or Entity**" means (a) any officer, employee (including physicians, hospital administrators, or other healthcare professionals), agent, representative, department, agency, de facto official, representative, corporate entity, instrumentality or subdivision of any government, military or international organization, including any ministry or department of health or any state-owned or affiliated company or hospital, or (b) any candidate for political office, any political party or any official of a political party.

Section 1.85"**Regeneron Background Technology**" means [***].

Section 1.86"**Regeneron Background Improvements IP**" means [***].

Section 1.87"**Regeneron Background Technology Know-How**" means [***].

Section 1.88"**Regeneron Background Technology Patents**" means [***].

Section 1.89"**Regeneron IP**" means [***].

Section 1.90"**Regeneron Know-How**" means [***].

Section 1.91"**Regeneron Patent Challenge**" means any action, suit, proceeding or claim by CytomX or its Sublicensees or Affiliates challenging the validity, patentability, scope, priority, construction, inventorship, enforceability or Regeneron's or its Affiliate's or licensor's ownership of any Regeneron Patent or any Collaboration Patent owned in whole or in part by Regeneron, as applicable, in any forum, in each case, with respect to a Product under this Agreement, but excludes any assertion by CytomX or its Sublicensees or Affiliates relating to validity, patentability, scope, priority, construction, non-infringement, inventorship, ownership or enforceability as a defense in any legal proceeding, administrative proceeding or arbitration brought by Regeneron or its Affiliates or licensors asserting infringement against CytomX or its Sublicensees or Affiliates with respect to the relevant Product under this Agreement. For clarity, any such action brought by a Sublicensee of CytomX or its Affiliate will only be a Regeneron Patent Challenge if such entity is challenging a Regeneron Patent or a Collaboration Patent owned in whole or in part by Regeneron in connection with such entity's role as a Sublicensee of CytomX or its Affiliate under the licenses granted to CytomX under this Agreement.

Section 1.92"**Regeneron Patents**" means [***].

Section 1.93"**Regeneron scFv Mask**" means [***].

Section 1.94"**Registrational Trial**" means a human clinical trial of a Licensed Product with a defined dose or set of doses of such Licensed Product designed to establish the efficacy and safety of such Licensed Product and where the results of such clinical trial (if successful) are designed to lead directly to submission of a BLA for the applicable Licensed Product.

Section 1.95"**Regulatory Authority**" means any Governmental Authority or other authority responsible for granting Marketing Approvals for Licensed Products, including the FDA, EMA, and any corresponding national or regional regulatory authorities.

Section 1.96"**Regulatory Exclusivity**" means, with respect to a Licensed Product, any exclusive marketing rights or data exclusivity rights conferred by the applicable Regulatory Authority with respect to such Licensed Product, other than a Patent Right.

Section 1.97"**Regulatory Filing**" means any filing with any Governmental Authority with respect to the research, development, manufacture, distribution, pricing, reimbursement, marketing or sale of a Licensed Product.

Section 1.98"**Sublicensee(s)**" means a Third Party, other than a Third Party subcontractor, that has been granted a sublicense or other rights under the rights granted to a Party pursuant to Section 4.1 in accordance with Section 4.2, but shall exclude any wholesaler of a Licensed Product that does not market or promote the Licensed Product.

Section 1.99"**Substrate**" means [***].

Section 1.100"**Territory**" means all of the countries in the world, including their respective territories and possessions.

Section 1.101"**Third Party**" means a Person other than (a) Regeneron or any of its Affiliates and (b) CytomX or any of its Affiliates.

Section 1.102"Third Party Platform Loss" means any Losses in connection with any Third Party Claim to the extent arising out of or resulting from any actual or alleged infringement of Patent Rights of a Third Party [***].

Section 1.103"**Tools**" means any Patent Rights, Know-How, or other intellectual property rights licensed under the UCSB Agreement as set forth in both Exhibit D and Exhibit H, or any improvements thereto that are otherwise Controlled by CytomX.

Section 1.104"**Tumor Target**" means (a) an antigen expressed on or in a tumor cell that is identified by a GenBank accession number or similar information, or by its amino acid or nucleic acid sequence if an accession number is not available, (b) any naturally occurring mutant or allelic variant of a molecule disclosed in clause (a), including transcriptional and posttranscriptional isoforms (e.g., alternative splice variants), and post-translational modification variants (e.g., protein processing, maturation and glycosylation variants); and (c) truncated forms (including fragments) thereof that have a biological function substantially identical to that of any molecule disclosed in clause (a).

Section 1.105"**UCSB Agreement**" means the Exclusive License Agreement, dated August 19, 2010 and bearing UC Agreement No. 2011-03-0081, between The Regents of the University of California acting through its Santa Barbara campus ("**The Regents**") and CytomX, as amended by that certain Amendment No. 1 to Exclusive Agreement, dated May 30, 2013, that certain Amendment No. 2 to Exclusive Agreement, dated November 8, 2013, and that certain Amendment No. 3 to Exclusive License Agreement, dated April 2, 2019, as may be amended from time to time after the Effective Date to the extent in accordance with this Agreement.

Section 1.106"**United States**" or "**U.S.**" means the United States of America and its territories and possessions.

Section 1.107"**Valid Claim**" means a claim in an issued and unexpired Patent Right, or an application for a Patent Right, within the [***] (i) that has not lapsed or been abandoned, canceled, disclaimed, revoked, held unenforceable, unpatentable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and that has not been admitted to be invalid or unenforceable through re-examination, re-issue, disclaimer or otherwise, or lost in an interference proceeding, or (ii) where the exclusivity associated with such claim has not been eliminated by any Regulatory Authority or any Governmental Authority; *provided, however*, that if a claim of a pending patent application shall not have issued within [***] after the earliest filing date from which such claim takes priority, such claim shall not constitute a Valid Claim for the purposes of this Agreement unless and until a Patent Right issues with such claim (from and after which time the same would be deemed a Valid Claim).

Section 1.108"**Work Plan**" means a written plan setting forth the obligations and activities of each Party, including, but not limited to, the identification, nomination, and selection of one or more Licensed Products for IND-enabling studies. The initial Work Plan is set forth in Exhibit A. Each update to the Work Plan for Preclinical Research activities shall include (i) a description of the Preclinical Research activities, expected timelines, preclinical, as well as the Format for such Products, and (ii) a reasonably detailed description of the schedule of work activity and the identification of the Party responsible therefor (including subcontractors and Sublicensees), and the applicable Preclinical Research Budget.

Each of the following definitions is set forth in the Section of this Agreement indicated below:

Definition	Section
Abandoned Joint Patent Right	8.2.3
Additional Collaboration Program	3.1.1
Additional Collaboration Program Notice	3.1.2
Additional Collaboration Program Option	3.1.1
Agreement	Preamble
Alliance Manager	2.2.2
Anti-Bribery and Anti-Corruption Laws	9.3(c)(i)(A)
Anti-Corruption Policies	9.3(c)(i)(A)
Audited Party	7.8.4
Auditing Party	7.8.4
Combination Product	Section 1.68
Confidential Information	12.1.1
CytomX	Preamble
CytomX Acquiree	Section 14.9
CytomX Acquisition	Section 14.9
CytomX Indemnified Parties	10.1.2
Disclosing Party	12.1.1
Effective Date	Preamble
Enforcing Party	8.7.4
Existing Patents	9.2(a)
Force Majeure	Section 14.12
Indemnitee	10.2.1
Indemnitor	10.2.1
Indirect Taxes	7.10.1
Joint Inventions Patents	8.1.5
Joint IP	8.1.5
Joint Research Committee or JRC	2.2.1
Losses	10.1.1
MAA	Section 1.11
Materials	Section 3.4
Milestone Events	7.3.1
Milestone Payments	7.3.1
Non-Publishing Party	12.3.4
Party and Parties	Preamble
Product Trademarks	8.9.1
Publishing Party	12.3.4
Receiving Party	12.1.1
Regeneron	Preamble
Regeneron Indemnified Parties	10.1.1
Relevant Product	Section 2.6
Royalty Term	7.4.2
Sale Transaction	Section 14.8

Term	13.1
Third Party Acquirer	Section 14.8
Third Party Claim	10.1.1
Third Party Patent Rights	8.4.2
Third Party Patent Rights Notice	8.4.2

Article 2. **RESEARCH COLLABORATION**

Section 2.1 Collaboration Overview. Regeneron and CytomX are entering into this research collaboration to identify up to [***] Licensed Products during the Collaboration Term. The Parties have agreed that [***] Collaboration Programs are the Initial Collaboration Programs.

Section 2.2 Management.

2.2.1 Overview. Within [***] days after the Effective Date, the Parties shall establish a cross-functional, joint research committee (the "**Joint Research Committee**" or the "**JRC**"), which shall manage the collaboration between the Parties.

2.2.2 Alliance Managers. Each of Regeneron and CytomX shall appoint one representative who possesses a general understanding of development, regulatory, manufacturing and commercialization matters to act as its respective alliance manager(s) for this relationship (an "**Alliance Manager**"). Each Party may replace its respective Alliance Manager at any time upon written notice to the other in accordance with this Agreement. Any Alliance Manager may designate a substitute to temporarily perform the functions of that Alliance Manager. Each Alliance Manager will also be responsible for:

(a) providing a primary single point of communication for any matters related to the collaboration or this Agreement;

(b) ensuring awareness of the governance procedures and rules set forth herein and monitoring compliance therewith; and

(c) identifying and raising disputes to the JRC for discussion in a timely manner.

The Alliance Managers shall have the right to attend all JRC meetings. In accordance with Section 2.2.3(c), each Alliance Manager may bring any matter to the attention of the JRC that such Alliance Manager reasonably believes requires the attention of the JRC. Within [***] days after the Effective Date, each Party shall appoint and notify the other Party in writing of the identity of such Party's representative to act as its Alliance Manager under this Agreement.

2.2.3 Joint Research Committee.

(a) **Composition**. The JRC shall be comprised of [***] named representatives of each Party (or such other number as the Parties may agree in writing) in addition to each Party's Alliance Manager who are members ex-officio. The JRC will be led by a chairperson [***]. Within [***] days after the Effective Date, each Party shall designate by written notice to the other Party its initial representatives on the JRC (including its Alliance Manager). Each Party may replace one or more of its representatives, in its sole discretion, effective upon written notice to the other Party of such change.

(b) **Function and Powers of the JRC**. The JRC shall, consistent with the terms and conditions set forth in this Agreement, and subject to Section 2.2.5:

(i) coordinate the Parties' activities under this Agreement;

(ii) [***], recommend a Product from a Collaboration Program as a Licensed Product for Development;

(iii) define each Collaboration Program, and approve (A) each Work Plan for each Collaboration Program and any amendments thereto in accordance with Section 3.2, and review progress against the goals in such plans and budgets;

(iv) oversee the implementation of each Work Plan for each Collaboration Program and Product and review and serve as a forum for discussion of the results of the activities being carried out thereunder;

(v) serve as an information-sharing forum for Preclinical Research Data for each Product;

(vi) review and discuss proposals on any material changes to any Work Plan; and

(vii) perform any and all tasks and responsibilities that are expressly attributed to the JRC under this Agreement.

(c) **Meetings**.

(i) The JRC shall meet at least [***] per [***] or more or less often as otherwise agreed by the Parties. The chairperson of the JRC shall be responsible for calling meetings on reasonable prior notice. Each Party shall use reasonable efforts to make all proposals for agenda items and to provide all appropriate information with respect to such proposed items reasonably in advance (at least [***] Business Days if reasonably practicable) of the applicable meeting. Each Alliance Manager may require topics to be included for the agenda for JRC meetings (to the extent within the scope of the JRC) by forwarding such topics and relevant information to the JRC chairperson. The Alliance Managers shall prepare and circulate the minutes of each meeting for review and approval of the JRC. The JRC shall agree on the minutes of each meeting as promptly as practicable following such meeting.

(ii) Representatives of the Parties on the JRC may attend meetings by telephone, videoconference or in person. At least [***] JRC meeting per year shall be held in person, unless the Parties otherwise mutually agree.

(iii) As appropriate (subject to the discretion of the chairperson of the JRC, with approval not to be unreasonably withheld, conditioned or delayed), and *provided* that not less than [***] Business Days' prior written notice has been given to the other Party, Third Parties may attend JRC meetings as observers; *provided, however,* that a Party shall not bring a Third Party to a meeting without the other Party's prior written consent; and *provided further, however*, that each such Third Party (x) shall not vote or otherwise participate in the decision-making process of the JRC, and (y) shall be bound by obligations of confidentiality and non-disclosure, and obligations to assign inventions, consistent with those set forth in Article 8 and Article 12.

(iv) Each Party may also call for special meetings of the JRC with reasonable prior written notice to the other Party (it being agreed that at least [***] Business Days shall constitute reasonable notice) to resolve particular matters requested by such Party and within the decision-making authority of the JRC. Each Party shall be responsible for all of its own expenses incurred in connection with participating in all meetings.

2.2.4 Cooperation. Each Party shall provide the JRC such information as required under this Agreement or as otherwise reasonably requested by the other Party and reasonably available to such Party to enable the other Party to perform its obligations under this Agreement, in each case relating to the progress against the goals or performance of activities under each Work Plan.

2.2.5 Decisions. The JRC shall [***]. The JRC shall operate [***]. The representatives of each Party shall have [***]. The JRC shall review and discuss the matters before it in good faith such that the perspectives of each Party's representatives on the JRC are given due consideration. If the JRC [***] or a dispute arises that cannot be resolved within the JRC, [***]; *provided* that [***]. For avoidance of doubt, [***].

2.2.6 Exceptions. [***].

2.2.7 Authority. The JRC shall have only the powers assigned expressly to it in this Section 2.2 and elsewhere in this Agreement, and shall not have any power to amend, modify or waive compliance with this Agreement. In furtherance thereof, each Party shall retain the rights, powers and discretion granted to it under this Agreement and no such rights, powers or discretion shall be delegated or vested in the JRC unless such delegation or vesting of rights is expressly provided for in this Agreement or the Parties expressly so agree in writing. For the avoidance of doubt, JRC rights to discuss, comment, review or monitor (and other similar activities) shall not require any Party or designee thereof to act or be bound in any respect by such discussion, comment, review, or monitoring.

2.2.8 Discontinuation of JRC. The JRC shall continue to exist until [***].

Section 2.3 Subcontracting. Each Party may engage its Affiliates, or Third Party subcontractors (including contract research organizations and contract manufacturing organizations) to perform its obligations under this Agreement; *provided* that JRC approval shall be required for any subcontractor that CytomX may seek to use from time to time unless such subcontractor is set forth on Exhibit E (but only for the services specifically indicated for such listed subcontractor). Any subcontractor to be engaged by a Party to perform such Party's obligations set forth in this Agreement will meet the qualifications typically required by such Party for the performance of work similar in scope and complexity to the subcontracted activity. The activities of any such subcontractors will be considered activities of such subcontracting Party under this Agreement. The subcontracting Party will be responsible for ensuring compliance by any such subcontractors with the terms of this Agreement, as if such subcontractors are such Party hereunder. Each subcontract shall be in writing and shall contain obligations, on the part of the applicable subcontractor, consistent with this Agreement, including Article 8 and Article 12, with respect to confidentiality and non-use and the assignment of, or the grant of equivalent rights under, all Patent Rights, Know-How including Inventions, and other intellectual property rights

that such subcontractor may develop or acquire by reason of work performed under this Agreement. Each subcontracting Party will conduct, and will cause its Affiliates and other subcontractors, if any, to conduct, the relevant activities in accordance with such subcontracting Party's commitments hereunder.

Section 2.4 Information Sharing. Each Party shall provide the other Party with copies of all Preclinical Research Data and any material and relevant toxicology and safety data generated during IND enabling toxicology studies relating to any and all Collaboration Programs or Products at the frequency set forth in the applicable Work Plan or as may otherwise be requested by the JRC, to the extent necessary for the other Party to provide any support expressly requested by such Party under this Agreement or as otherwise reasonably required for a Party to perform its obligations or exercise its rights under this Agreement. All Preclinical Research Data generated under this Agreement shall be deemed Regeneron's Confidential Information; *provided* that CytomX (or its Affiliates) may use such Preclinical Research Data for the purpose of performing its obligations or exercising its rights under this Agreement. Without limiting the foregoing, CytomX has the right (but not the obligation) to share with a Third Party the Preclinical Research Data to which it was granted a license by Regeneron under Section 4.1.3, subject to the terms and conditions of Article 12 and in furtherance of CytomX's (a) internal research purposes or (b) external partnering purposes, [***]. Notwithstanding anything to the contrary in the foregoing, the CytomX Platform Technology, CytomX Platform Improvements IP, CytomX Know-How and Tools shall be Confidential Information of CytomX, and CytomX shall be deemed the disclosing Party thereof for purposes of Article 12.

Section 2.5 Exclusivity.

2.5.1 From the Effective Date until expiration of the applicable Royalty Term, [***].

2.5.2 In addition, [***].

Section 2.6 If a Party undergoes a Change of Control involving an entity that is conducting research, development or commercialization activities for a product that would otherwise be prohibited pursuant to Section 2.5 if such activities were performed by a Party (the "**Relevant Product**"), this Agreement shall continue in full force and effect, and neither Party shall be obligated to divest such Relevant Product or its interests in Products under the Collaboration Program relevant to such Relevant Product, *provided* that the affected Party's activities under this Agreement are segregated from the activities of the counterparty to such Change of Control with respect to such Relevant Product, and *further provided* that after any such Change of Control, the affected Party shall adopt reasonable procedures by the Parties to prevent disclosure or use of Confidential Information of the other Party to the affected Party's Affiliates or personnel who are conducting activities with respect to such Relevant Product, and any other actions reasonably necessary to protect the Parties' respective interests under this Agreement with respect to the relevant Collaboration Program.

Article 3.**PRECLINICAL RESEARCH ACTIVITIES**

Section 3.1 Selection of Products.

3.1.1 The Parties have agreed upon the Initial Collaboration Programs as of the Effective Date. At any time during the Program Selection Period, Regeneron shall have the option to nominate up to [***] additional Collaboration Programs, each focused on identifying Products which may include a combination of particular [***] for inclusion under this Agreement (such Collaboration Program, an "**Additional Collaboration Program**," and such option, an "**Additional Collaboration Program Option**").

3.1.2 Regeneron shall submit each proposed Tumor Target and Effector Moiety combination for a potential Additional Collaboration Program to the Gatekeeper. The Gatekeeper will determine the Availability of such Tumor Target and Effector Moiety combination in accordance with the following procedure. CytomX and the Gatekeeper shall maintain an up-to-date list of Tumor Targets and Effector Moieties that are not Available, until the Program Selection Period expires. Prior to nominating a Tumor Target and Effector Moiety combination, Regeneron's Alliance Manager shall notify CytomX's Alliance Manager via email of Regeneron's intent to submit a Tumor Target and Effector Moiety combination to the Gatekeeper. CytomX shall have up to [***] Business Days after such notification by Regeneron's Alliance Manager to confirm that the Gatekeeper's list of Tumor Targets and Effector Moieties that are not Available is current (and shall inform Regeneron's Alliance Manager promptly upon such confirmation). Regeneron shall notify the Gatekeeper in writing via email on a confidential basis of its intention to determine whether one or more Tumor Targets and Effector Moieties are Available, at which point the Gatekeeper shall provide written notice to Regeneron via email as to whether such proposed Tumor Target(s) and Effector Moiety(ies) is Available or not Available, but the identity of such proposed Tumor Target and Effector Moiety shall not be disclosed to CytomX. If such proposed Tumor Target and Effector Moiety are both Available, and Regeneron wishes to select such proposed Tumor Target and Effector Moiety combination for an Additional Collaboration Program, it shall notify CytomX in writing of its selection within [***] Business Days (the "**Additional Collaboration Program Notice**"). Upon CytomX's receipt of an Additional Collaboration Program Notice from Regeneron, such Additional Collaboration Program shall be deemed a Collaboration Program under this Agreement, and the Product Selection Period for such Additional Collaboration Program will commence. If any such proposed Tumor Target and Effector Moiety combination is determined by the Gatekeeper not to be Available, then Regeneron shall have the option to continue to nominate (or request CytomX nominate) another proposed Tumor Target and Effector Moiety combination until the expiration or termination of the Program Selection Period or exhaustion of Regeneron's rights under this Section 3.1. If [***] is designated as a Tumor Target with any Effector Moiety, the Parties agree that [***].

3.1.3 Before the expiration of [***], Regeneron may select one or more Products from such Collaboration Program to become Licensed Products and to Initiate GLP Toxicology Studies for such Product(s).

Section 3.2 Work Plans. The Parties shall finalize a Work Plan for each Additional Collaboration Program in accordance with Section 2.2.3(b), as set forth in this Section 3.2. Each Work Plan shall identify at least one potential Product for each Collaboration Program and

describe the Preclinical Research to be conducted by each Party and the Preclinical Research Data to be generated as may be required to [***] with respect to each such Product. For clarity, nothing herein shall limit the number of potential Products per Collaboration Program that may be subject to Preclinical Research in a Work Plan. Unless otherwise agreed by the Parties, within [***] of CytomX's receipt of the Additional Collaboration Program Notice from Regeneron, CytomX shall provide to Regeneron a draft Work Plan and a proposed Preclinical Research Budget. Regeneron shall have [***] to review and comment on the draft Work Plan and to review and approve the proposed Preclinical Research Budget prior to CytomX's submission of such Work Plan to the JRC for review and approval. For clarity, if Regeneron does not approve the proposed Preclinical Research Budget within the [***] review period, CytomX shall not submit such proposed Preclinical Research Budget to the JRC for review. The JRC shall review each Work Plan (including, for clarity, the corresponding Preclinical Research Budget) on a regular basis, and in no event less frequently than [***] each Calendar Year. In preparing and approving each Work Plan or update thereto, the Parties and the JRC shall take into account (a) any experience gained from the initial or any subsequent Work Plan (with successful past Work Plans being repurposed to the extent reasonable to do so in light of the then-existing circumstances), and (b) any CytomX resource constraints or timeline constraints (subject to the use of Commercially Reasonable Efforts to resolve such constraints as promptly as practicable) that may result from multiple Additional Collaboration Programs being added pursuant to Section 3.1 within [***] period of one another (it being understood and agreed that CytomX's constraints shall be measured in light of CytomX's using Commercially Reasonable Efforts to complete such Work Plan).

Section 3.3 Preclinical Research for Collaboration Programs. During the applicable Preclinical Research Term, CytomX shall use Commercially Reasonable Efforts to conduct the Preclinical Research activities for the Products in each Collaboration Program in accordance with the applicable Work Plan. CytomX's obligations to conduct Preclinical Research activities shall cease, in any event, upon disbandment of the JRC.

Section 3.4 Material Transfer. To facilitate the Preclinical Research or any Development activities hereunder, either Party may (and following identification of a Licensed Product, CytomX shall, with respect to any materials produced or held on behalf of CytomX pursuant to the Work Plan related to such Licensed Product) provide to the other Party certain materials (including biological materials or chemical compounds, or cell lines to produce Products), Controlled by such Party for use by the other Party in furtherance of the other Party's Preclinical Research obligations or any Development activities under this Agreement (such materials provided hereunder are referred to, collectively, as "**Materials**"). The Materials shall in any case include, at Regeneron's request, the items set forth on Exhibit F. Except as otherwise expressly provided under this Agreement, all such Materials delivered to the other Party shall remain the sole property of the supplying Party, and the receiving Party shall ensure that such Materials shall be used only in furtherance of the exercise of rights or performance of obligations under this Agreement and in accordance with this Agreement, shall be used solely under the Control of the other Party and shall not be used or delivered to or for the benefit of any Third Party, except for permitted subcontractors as set forth in 2.2.8 or to Sublicensees, without the prior written consent of the supplying Party, and shall not be used in research or testing involving human subjects, in each case unless otherwise specifically contemplated hereunder), and will be used in compliance with all applicable Laws. Delivery of the Materials shall be FCA (at the location

specified by the supplying Party) Incoterms 2020, with the costs of shipping and insurance to be borne by the shipping Party. The provision of Materials to the receiving Party hereunder does not grant such Party any rights other than those specifically granted in this Agreement. Except as expressly set forth herein, THE MATERIALS ARE PROVIDED WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE OR ANY WARRANTY THAT THE USE OF THE MATERIALS WILL NOT INFRINGE OR VIOLATE ANY PATENT OR OTHER PROPRIETARY RIGHTS OF ANY THIRD PARTY, EXCEPT AS SET FORTH IN ARTICLE 9.

Article 4.**LICENSE GRANT**

Section 4.1 License Grants.

4.1.1 Preclinical Research Licenses. On a Collaboration Program-by-Collaboration Program basis, during the applicable Preclinical Research Term, subject to the terms and conditions of this Agreement, Regeneron hereby grants and shall grant to CytomX a non-exclusive, worldwide, royalty-free license under the Regeneron IP solely as necessary for CytomX to conduct the Preclinical Research set forth in each Work Plan under this Agreement during the Program Selection Period and the Product Selection Period. On a Collaboration Program-by-Collaboration Program basis, during the applicable Preclinical Research Term, subject to the terms and conditions of this Agreement, CytomX hereby grants and shall grant Regeneron a non-exclusive, royalty-free license under the CytomX IP that is necessary or reasonably useful for Regeneron to conduct the Preclinical Research and any other Regeneron obligations set forth in each Work Plan under this Agreement during the Term. For clarity, CytomX does not grant to Regeneron any rights under the Tools but CytomX will perform any research requiring the practice of such Tools itself under this Agreement.

4.1.2 License Grants to Regeneron. Subject to the terms and conditions of this Agreement, CytomX hereby grants and shall grant to Regeneron an exclusive (even as to CytomX and its Affiliates, except as expressly set forth in this Agreement and subject to CytomX and its Affiliates retaining the non-exclusive rights reasonably necessary or useful to perform CytomX's obligations under this Agreement and any Work Plan) royalty-bearing, sublicensable (but only in accordance with Section 4.2), license under the CytomX IP to Exploit Licensed Products in the Licensed Field in the Territory during the Term. Notwithstanding the foregoing, the CytomX Know-How shall be sublicensable only in connection with the rights of Regeneron with respect to Products and not with respect to any other products or services. Notwithstanding anything to the contrary in Section 4.1.1 or elsewhere in this Agreement, [***].

4.1.3 Data License Grant to CytomX. Subject to the terms and conditions of this Agreement, Regeneron hereby grants CytomX a non-exclusive, royalty-free license, under Regeneron's interest in the Preclinical Research Data (but excluding any data solely related to Regeneron Background Technology), as set forth in Section 2.4.

4.1.4 [***] Activities. Outside of the activities conducted pursuant to this Agreement, Regeneron shall not (a) make or use any [***] shared with Regeneron pursuant to this Agreement except as part of a Product, and (b) under any circumstances optimize or modify any [***] provided to Regeneron under this Agreement.

Section 4.2 Sublicenses.

4.2.1 Preclinical Research Activities. Each Party shall have the right to grant one or more sublicenses under the licenses granted to such Party under Section 4.1, in full or in part, by means of written agreement to Affiliates or Third Parties (with the right to sublicense through multiple tiers), without the prior written consent of the other Party, for the performance of such Party's Preclinical Research activities. As a condition precedent to and requirement of any such sublicense: (a) such Party will continue to be responsible for full performance of such Party's obligations under this Agreement and will be responsible for all actions of such Sublicensee as if such Sublicensee were such Party hereunder; (b) such Party's grant of any sublicense will not relieve such Party or its Affiliates from any of its obligations under this Agreement; and (c) such Party will provide the other Party with a copy of such sublicense promptly, but within [***], after the grant of such sublicense, *provided* that such Party may redact such copy at its discretion to remove financial terms and any other information that is not relevant to this Agreement (*provided* that financial terms may be provided on a confidential basis to a third party auditor only for purposes of confirming amounts payable hereunder pursuant to any audit in accordance with this Agreement).

4.2.2 Development, Manufacturing and Commercialization. Regeneron shall have the right to grant one or more sublicenses under the licenses granted to Regeneron under Section 4.1, in full or in part, by means of written agreement to Affiliates or Third Parties (with the right to sublicense through multiple tiers), without the prior written consent of CytomX, for the performance of Regeneron's Development, Manufacturing and Commercialization activities related to Licensed Products or for the performance of any other activities related to the Exploitation of a Licensed Product. As a condition precedent to and requirement of any such sublicense: (a) Regeneron shall furnish a redacted copy of such sublicense agreement to CytomX; (b) any such permitted sublicense shall be consistent with and subject to the terms and conditions of this Agreement (including for the avoidance of doubt, that if sales by such Sublicensee are included in Net Sales hereunder, such Sublicensee shall permit audit rights with respect to its reporting of Net Sales that are consistent with those given by Regeneron hereunder with respect to its sales included in Net Sales); (c) Regeneron will continue to be responsible for full performance of its obligations under this Agreement and will be responsible for all actions of such Sublicensee as if such Sublicensee were Regeneron hereunder; and (d) Regeneron's grant of any sublicense will not relieve Regeneron or its Affiliates from any of its obligations under this Agreement.

Section 4.3 No Other Rights. No right or license under any Patent Rights, Know-How, or other intellectual property rights of a Party is granted or shall be granted by implication to the other Party, and each Party covenants not to practice or use any Patent Rights, Know-How, or other intellectual property rights of the other Party except pursuant to the licenses expressly granted in this Agreement or any other written agreement between the Parties.

Section 4.4 Retained Rights. Notwithstanding anything to the contrary in this Agreement, CytomX shall retain the right to [***].

Article 5.**REGULATORY MATTERS**

Section 5.1 Regeneron Responsibilities. Regeneron will be solely responsible for (and as between the Parties, Regeneron shall have the sole right with respect to) the preparation, submission and maintenance of all Regulatory Filings and obtaining all Marketing Approvals with respect to Licensed Products. CytomX will cooperate with Regeneron, at Regeneron's reasonable request and at Regeneron's sole cost and expense, with respect to any regulatory matters related to Licensed Products for which Regeneron is responsible hereunder. Regeneron will own all right, title and interest in and to any and all Regulatory Filings and Marketing Approvals directed to Licensed Products and all such Regulatory Filings and Marketing Approvals will be held in the name of Regeneron or its designee. CytomX will execute all documents and take all actions as are reasonably requested by Regeneron, at Regeneron's expense, to vest such title in Regeneron or such designee, as applicable.

Section 5.2 Safety Data. Regeneron shall not unreasonably withhold consent to any request by CytomX that Regeneron provide CytomX with [***].

Article 6.**DEVELOPMENT, MANUFACTURE, AND COMMERCIALIZATION MATTERS**

Section 6.1 General. Regeneron shall have the sole right to Develop (including, for the avoidance of doubt, file an IND), Manufacture, and Commercialize [***] Licensed Products from each Collaboration Program at its cost and expense. [***]. CytomX shall cooperate with Regeneron and shall provide Regeneron, at Regeneron's cost and expense, with reasonable continued support as needed for the submission of the applicable INDs for the Collaboration Programs or Licensed Products and Manufacturing activities at the agreed-upon FTE Rate. [***], Regeneron shall provide CytomX with a written summary of any material Development (including a summary of material safety data as required to comply with applicable Law, or by a Regulatory Authority) and Commercialization activities (including the filing for and receipt of Regulatory Approval or anticipated achievement of regulatory or sales milestones for a Licensed Product in any Major Market) resulting from Regeneron's, its Affiliates' or Sublicensees' Development and Commercialization of any Licensed Products under this Agreement, at least [***]. All such reports and any such information shall be [***].

Section 6.2 Diligence. For each Licensed Product, Regeneron shall use Commercially Reasonable Efforts to Develop, seek Marketing Approval of, and, upon obtaining such Marketing Approval, Commercialize such Licensed Product in each of the Major Market countries. Regeneron may satisfy its diligence obligations directly and/or through one or more Affiliates and/or a reputable Sublicensee.

Article 7.**FEES, ROYALTIES, & PAYMENTS**

Section 7.1 Upfront Payment. Within [***] days after delivery of an invoice on or after the Effective Date, Regeneron shall pay to CytomX a [***] for a total of Thirty Million Dollars ($30,000,000).

Section 7.2 Additional Collaboration Program Option. If Regeneron exercises the Additional Collaboration Program Option pursuant to Section 3.1.1, and Regeneron provides an

Additional Collaboration Program Notice pursuant to Section 3.1.2 with respect to the relevant Additional Collaboration Program, then after CytomX receives such Additional Collaboration Program Notice for such Additional Collaboration Program and within [***] days of Regeneron's receipt of an invoice from CytomX, Regeneron shall pay CytomX a [***].

Section 7.3 Milestone Payments.

7.3.1 Regeneron shall pay to CytomX one-time milestone payments ("**Milestone Payments**") following the first achievement by or on behalf of Regeneron of the corresponding milestone events as set forth in the following tables ("**Milestone Events**"): (i) for each Milestone Event set forth in the table titled "Development and Regulatory Milestone Events," on a Licensed Product-by-Licensed Product basis, with respect to any Licensed Product, and (ii) for each Milestone Event set forth in the table titled "Commercial Milestone Events," on a Collaboration Program-by-Collaboration Program basis, with respect to Licensed Products within such Collaboration Program. Regeneron shall report to CytomX its achievement of each Milestone Event no later than [***] days after the end of the Calendar Quarter of such achievement of such Milestone Event; *provided* that Regeneron shall use good faith efforts to inform CytomX of any Development and Regulatory Milestone Event within [***] Business Days following achievement of such Milestone Event. Regeneron shall pay to CytomX the Milestone Payment for any achieved Milestone Event within [***] days after receipt of an invoice from CytomX.

Development and Regulatory Milestone Events

[***]	[***]	
	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

Commercial Milestone Events

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

7.3.2 If a Milestone Event is achieved prior to the achievement of the preceding Milestone Event for the same Licensed Product set forth in the relevant chart (i.e., if a lower-listed Milestone Event is achieved before or at the same time as a Milestone Event that is listed higher up in the relevant chart), then upon achievement of the relevant Milestone Event, all preceding Milestone Events for such Licensed Product set forth in the relevant chart shall become due and payable if not previously paid for that or another Licensed Product or Collaboration Program, as applicable under Section 7.3.1.

Section 7.4 Royalties.

7.4.1 Royalties. Subject to the provisions of this Section 7.4, Regeneron shall pay to CytomX, on a Licensed Product-by-Licensed Product and country-by-country basis, royalties on annual Net Sales of Licensed Products during the applicable Royalty Term, calculated as set forth in Section 7.4.3. Royalties will be payable on a Calendar Quarter-by-Calendar Quarter basis and any such payments shall be made within [***] days after Regeneron's receipt of an invoice from CytomX for such Calendar Quarter's Net Sales based on the Regeneron sales report provided as set forth in Section 7.8.1 below.

7.4.2 Royalty Term. Regeneron's obligation to pay royalties with respect to a Licensed Product in a particular country shall commence upon the First Commercial Sale of such Licensed Product in such country and shall expire on a country-by-country and Licensed Product-by-Licensed Product basis on the latest of [***] (the "**Royalty Term**").

7.4.3 Royalty Rates. The royalty rates payable under Section 7.4.1 shall be calculated as follows with respect to each Licensed Product:

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

7.4.4 Royalty Reduction.

(a) On a country-by-country and Licensed Product-by-Licensed Product basis, in the event that (a) the Exploitation of a Licensed Product is not Covered by a Valid Claim of a CytomX Patent or Collaboration Patent in such country and (b) Regulatory Exclusivity has expired for such Licensed Product in such country, then the royalty rates set forth in Section 7.4.3 with respect to Net Sales for such Licensed Product in such country for such Calendar Quarter shall be reduced by [***] for the remainder of the Royalty Term.

(b) On a country-by-country and Licensed Product-by-Licensed Product basis, if Regeneron, its Affiliate or Sublicensee is required to obtain a license under a Patent Right owned by a Third Party that claims the CytomX Platform Technology to avoid infringing such Patent Right by the Exploitation of a Product, then [***]. If Regeneron, its Affiliate or Sublicensee is required to pay any Losses, costs or expenses in connection with a Third Party Platform Loss or is required to obtain a license under a Patent Right owned by a Third Party as a result of a Third Party Platform Loss, then [***].

(c) On a country-by-country and Licensed Product-by-Licensed Product basis, if Regeneron, its Affiliate or Sublicensee is required to obtain a license under a Patent Right owned by a Third Party to avoid infringing such Patent Right by the Exploitation of a Product, and such license is not addressed in subsection (b), then Regeneron may [***], *provided* that in no event shall the royalties payable pursuant to Section 7.4.3 with respect to Net Sales for such Licensed Product in such country for such Calendar Year be reduced by reason of such offset by more than [***].

7.4.5 Maximum Reduction. The maximum aggregate reduction with respect to any Licensed Product in any country during any Calendar Quarter pursuant to Section 7.4.4 shall be capped at [***] of the amount of the royalty that would be payable in respect of Net Sales in such country under Section 7.4.3, prior to any such reductions, and any unused portions of the reduction shall be carried-forward in future Calendar Quarters.

Section 7.5 Invoicing. All payments made under this Agreement shall require an invoice to be sent by the receiving Party to the paying Party and all invoices required to be submitted under this Agreement shall be addressed to:

If Regeneron is the paying Party:

Regeneron Pharmaceuticals, Inc.
[***].

If CytomX is the paying Party:

CytomX Therapeutics, Inc.
[***]

Section 7.6 Method of Payment; Offset. Unless otherwise agreed by the Parties, all payments due from the paying Party under this Agreement shall be paid in U.S. Dollars by wire transfer or electronic funds transfer of immediately available funds to an account designated by the non-paying Party. Subject to any specific limitations on offset set forth herein, Regeneron shall have the right to offset any undisputed monetary payments that are payable, but that remain unpaid after the later of the due date thereof or the final resolution of any dispute related thereto, against any payments owed by Regeneron, if any, under this Agreement.

Section 7.7 Currency Conversion. All sums due under this Agreement shall be payable in U.S. Dollars. In those cases where the amount due in Dollars is calculated based upon one or more currencies other than Dollars, such amounts shall be converted to Dollars using the average of the buying and selling exchange rate for conversion of the applicable foreign currency into Dollars, using the average of the daily spot rates (the "Mid Price Close" found on Bloomberg (or any successor thereto), or any other source as agreed to by the Parties) over the period to which the payment relates.

Section 7.8 Reports; Records; Preclinical Research Costs; and Audits.

7.8.1 Regeneron Sales Reports. After the First Commercial Sale of the first Licensed Product by Regeneron and until expiration or termination of this Agreement, Regeneron shall prepare and (within [***] days after the end of each Calendar Quarter) deliver to CytomX reports of the sale of Licensed Products by Regeneron or its Affiliates, and their respective Sublicensees for each Calendar Quarter together with the corresponding royalty payment or other consideration to be paid to CytomX, specifying on a Licensed Product-by- Licensed Product and country-by-country basis, a detailed and itemized calculation of Net Sales. All such information and reports shall be treated as Regeneron's Confidential Information pursuant to the terms of Article 12.

7.8.2 Records. Regeneron will keep complete and accurate records of all royalty, milestone and other payments required under this Agreement, for a period of [***] years after the end of the Calendar Year in which such payment was due. Regeneron shall require its Affiliates, and its and their respective Sublicensees to retain and provide to Regeneron all records of payments

that Regeneron would be required to keep as if sales of Licensed Products by such Affiliates or Sublicensees were sales of Licensed Products by Regeneron, to enable CytomX to audit such records pursuant to this Section 7.8.

7.8.3 Preclinical Research Costs. Regeneron shall be responsible for the payment of the Preclinical Research Costs that are set forth in the approved Preclinical Research Budget for each Work Plan and that are actually incurred by CytomX in connection with Preclinical Research performed under this Agreement. [***]. Within [***] days after the end of each Calendar Quarter, CytomX shall provide Regeneron with a good faith reasonable estimate of its Preclinical Research Costs actually incurred in such prior Calendar Quarter and within [***] days after the end of each Calendar Quarter, CytomX shall provide Regeneron with a detailed, written report of its Preclinical Research Costs actually incurred in such prior Calendar Quarter, such reporting specifying the Preclinical Research activities actually performed, the Preclinical Research FTE Costs and Preclinical Research Out-of-Pocket Expenses actually incurred for such Preclinical Research activities. Within [***] days after the end of each Calendar Quarter, CytomX shall invoice Regeneron for its Preclinical Research Costs actually incurred in such prior Calendar Quarter. Regeneron shall pay any undisputed amounts [***] days after receipt of such invoice. CytomX shall cooperate with any reasonable request of Regeneron to confirm the information in any such invoice(s). All Preclinical Research Budgets in each Work Plan shall specify the Preclinical Research FTE Costs and the Preclinical Research Out-of-Pocket Expenses required for CytomX to perform its activities under such Work Plan. CytomX will keep complete and accurate records of its Preclinical Research Costs with respect to each Product and each Collaboration Program for a period of [***] years after the end of the Calendar Year in which such Preclinical Research Costs were incurred in accordance with Accounting Standards.

7.8.4 Audits. Each Party (the "**Auditing Party**") shall have the right (at its own cost and expense), upon no less than [***] days' advance written notice to have the books and records of the other Party and its Affiliates (the "**Audited Party**") maintained pursuant to this Agreement audited by an independent "Big Four" (or equivalent) accounting firm of its choosing under reasonable appropriate confidentiality provisions, for the sole purpose of verifying the accuracy of all costs and expenses incurred, financial, accounting and numerical information reported and calculations provided hereunder, including Net Sales, Preclinical Research Costs subject to reimbursement, and any other payments made under this Agreement. Such audits shall be conducted at reasonable times during normal business hours, shall be limited to once per Calendar Year and shall not be conducted for any Calendar Year ending more than [***] prior to the date of such request. The results of any such audit shall be delivered in writing to each Party simultaneously and shall be final and binding upon the Parties, unless disputed in good faith by a Party. If the Audited Party or its Affiliates have underpaid or over billed an amount due under this Agreement resulting in a cumulative discrepancy of amounts incurred during the period subject to such audit of more than the greater of [***] or [***] from the accurate amounts the Audited Party shall also reimburse the Auditing Party for the fees charged by the accountants for such audit for such period (with the cost and expense of the audit to be paid by the Auditing Party in all other cases). Such accountants shall not reveal to the Auditing Party the details of its review, except whether the amounts paid or billed are correct or not, and the specific details concerning any discrepancies, including the amount. If any examination or audit of the records described above discloses an overpayment or underpayment of amounts due hereunder, then unless the result of the audit is contested, (i) the Party that underpaid shall pay any amounts due plus, if such

underpayment is the underpaying Party's fault, interest thereon at the interest rate as calculated in Section 7.9 below and accruing from the date of such underpayment, or (ii) the Party that received an overpayment shall refund such overpayment *plus*, if such overpayment is the fault of the Party refunding such payment, interest thereon at the at the interest rate as calculated in Section 7.9 below and accruing from the date of such overpayment, in each case ((i) and (ii)) within [***] days after receipt of the written results of such audit notwithstanding the language regarding interest accrual on disputed payments in Section 7.9 below. Except as otherwise provided herein, all of a Party's costs and expenses and other financial determinations with respect to this Agreement shall be determined in accordance with Accounting Standards, as generally and consistently applied.

Section 7.9 Late Payments. In the event that any payment due hereunder is not made when due, the payment shall accrue interest beginning on [***], calculated at the annual rate of the sum of (a) [***]; *provided, however*, that in no event shall such annual interest rate exceed the maximum rate permitted by Law. Each such payment when made shall be accompanied by all interest so accrued. Said interest and the payment and acceptance thereof shall not negate or waive the right of any Party to seek any other remedy, legal or equitable, to which it may be entitled because of the delinquency of any payment, including termination of this Agreement as set forth in Article 13. With respect to any disputed payments, no interest payment shall be due until such dispute is resolved and the interest which shall be payable thereon shall be based on the finally-resolved amount of such payment, calculated from the original date on which the disputed payment was due through the date on which payment is actually made.

Section 7.10 Taxes.

7.10.1 It is understood and agreed between the Parties that any payments made under this Agreement are exclusive of any value-added tax, sales tax, consumption taxes or other similar taxes ("**Indirect Taxes**"), which shall be added thereon as applicable. Where an Indirect Tax is properly added to a payment made under this Agreement, the Party making the payment will pay the amount of Indirect Tax only upon receipt of a valid tax invoice issued in accordance with the Laws and regulations of the jurisdiction in which the Indirect Tax is chargeable.

7.10.2 Each Party shall be solely responsible for the payment of all taxes imposed on its share of income arising directly or indirectly under this Agreement. In the event a Party is required by applicable Law to deduct and withhold taxes on any payment to the other Party, the Party making such payment shall deduct and withhold the amount of such taxes for the account of the other Party to the extent required by applicable Laws and the amount payable to the other Party shall be reduced by the amount of taxes deducted and withheld. The paying Party shall pay the amounts of such taxes to the proper Governmental Authority in a timely manner and promptly transmit to the other Party an official tax certificate or other evidence of such withholding sufficient to enable such other Party to claim such payment of taxes (to the extent there is reasonably available such certificate or other evidence to allow the claim of such payment of taxes). If a Party deducts and withholds taxes on any payment to the other Party pursuant to applicable Law and pays such taxes to the proper Governmental Authority, the amount of such deduct and withholding shall be treated for all purposes of this Agreement as paid to the other Party, except to the extent otherwise provided in Section 7.10.3. The Party making payments shall use reasonable efforts to provide email notice to the other Party of any such deductions or withholdings, and shall cooperate with the other Party to lawfully reduce such deductions or withholdings, including by cooperating to execute and file any forms or certificates reasonably

required to claim such reduction. If a Governmental Authority determines that the payor under-withheld from any payment made to payee pursuant to this Agreement, payee shall be liable to payor for the amount under-withheld, together with any interest and penalties imposed with respect to such under-withholding; payor shall have the right (x) to offset such amount against any future payment obligations to the payee under this Agreement, (y) to invoice the payee for such amount (which shall be payable by the payee within [***] days of its receipt of such invoice) or (z) to pursue indemnification from payee by any other available remedy.

7.10.3 If a Party is required to deduct and withhold taxes on any payment to the other Party and such withholding obligation arises as a result of any action by the paying Party that has the effect of modifying the tax treatment of the Parties hereto (including any assignment or sublicense, or any failure on the part of the paying Party to comply with applicable Law or filing or record retention requirements) (a "**Withholding Tax Action**"), then the sum payable by the paying Party (in respect of which such deduction withholding is required to be made) shall be increased to the extent necessary to ensure that the other Party actually receives, as appropriate, a sum equal to the sum that it would have received had no such Withholding Tax Action occurred; *provided*, *however*, that no such increase shall apply to the extent such increase would have resulted (i) from a change in applicable Law increasing the applicable withholding tax rate, which change occurs after the Effective Date, or (ii) in circumstances where actions or inactions of the Party receiving such payment or any of its Affiliates cause a change in the applicable withholding tax rate, for example, the failure of the Party receiving such payment to timely provide to the paying Party any documents required to be provided pursuant to Section 7.10.4.

7.10.4 Each Party shall cooperate with the other and furnish the other Party with any documents that may be reasonably necessary for the paying Party to determine whether to withhold tax on payments (including but not limited to Internal Revenue Service Forms W-9 or applicable Forms W-8) or to withhold tax at a reduced rate under applicable Law. Without limiting the foregoing, each Party agrees to make reasonable efforts to lawfully minimize any such taxes, assessments and fees and to claim on the other Party's behalf the benefit of any available treaty on the avoidance of double taxation that applies to any payments hereunder to such other Party.

Article 8.**INTELLECTUAL PROPERTY**

Section 8.1 Intellectual Property Ownership.

8.1.1 Background IP. Except as expressly set forth herein, as between the Parties, each Party is and shall remain the owner of all of its Background IP that it owns as of the Effective Date or that it develops or acquires thereafter pursuant to activities independent of this Agreement.

8.1.2 Collaboration IP. [***].

8.1.3 CytomX Platform Improvements IP. CytomX shall solely own all right, title and interest in and to any and all CytomX Platform Improvements IP arising under this Agreement, including any Patent Rights with respect thereto and the right to pursue the same. Regeneron hereby assigns to CytomX all right, title and interest in and to any such CytomX Platform Improvements IP; *provided*, that if such assignment is prohibited by applicable Law, then Regeneron shall grant, and hereby does grant, to CytomX, a perpetual, irrevocable, exclusive (even as to Regeneron), worldwide, royalty-free, fully paid-up license, with the right to grant sublicenses

through multiple tiers, under such CytomX Platform Improvements IP. Regeneron will cooperate with CytomX to execute any agreements, instruments and documents as may be reasonably required to perfect CytomX's right, title and interest in and to such CytomX Platform Improvements IP.

8.1.4 Regeneron Background Improvements IP. Regeneron shall solely own all right, title and interest in and to any and all Regeneron Background Improvements IP arising under this Agreement, including any Patent Rights with respect thereto and the right to pursue the same. CytomX hereby assigns to Regeneron all right, title and interest in and to any such Regeneron Background Improvements IP; *provided*, that if such assignment is prohibited by applicable Law, then CytomX shall grant, and hereby does grant, to Regeneron, a perpetual, irrevocable, exclusive (even as to CytomX), worldwide, royalty-free, fully paid-up license, with the right to grant sublicenses through multiple tiers, under such Regeneron Background Improvement IP. CytomX will cooperate with Regeneron to execute any agreements, instruments and documents as may be reasonably required to perfect Regeneron's right, title and interest in and to such Regeneron Background Improvements IP.

8.1.5 Joint IP. The Parties shall jointly own all Know-How, including Inventions, and intellectual property rights therein that arise under the Agreement and are not otherwise allocated to be owned solely by one party pursuant to Section 8.1.2, Section 8.1.3, or Section 8.1.4 ("**Joint IP**"), including any Patent Rights with respect thereto ("**Joint Invention Patents**") and the right to pursue the same therein. Subject to the licenses and obligations set forth in this Agreement, each Party has the right to practice, license, sublicense, assign, transfer and otherwise exploit such Party's interest in the Joint IP (including Joint Invention Patents) for any and all purposes on a worldwide basis without restriction, and without the consent of and without a duty of accounting to the other Party. Each Party will grant and hereby does grant all permissions, consents and waivers with respect to, and all licenses under, such Party's interest in the Joint IP, throughout the world, necessary to provide the other Party with the foregoing rights. For those countries where a specific license is required for a joint owner of a Joint IP to practice such Joint IP in such countries, each Party hereby grants to the other Party a perpetual, irrevocable, non-exclusive, worldwide, royalty-free, fully paid-up license, transferable and sublicensable, under the granting Party's right, title and interest in and to all Joint IP to practice such Inventions.

8.1.6 Data Ownership. [***] shall solely own any and all Preclinical Research Data generated under the Agreement. Ownership of any other data arising from the performance of activities and each Party's responsibilities under the Agreement shall be deemed Know-How and treated as set forth in this Section 8.1.

8.1.7 Disclosure; Further Assurances. Each Party shall promptly disclose to the other Party in writing, and shall cause its Affiliates, and Sublicensees to so disclose any Inventions. Each Party shall cause its Sublicensees and Affiliates, and their respective employees, consultants, agents, or independent contractors to so assign to such Party, such person's or entity's right, title and interest in and to the foregoing, and all Patent Rights or other intellectual property rights therein, as is necessary to enable such Party to fully effect the ownership of the foregoing, as provided in this Agreement. Each Party shall also include provisions in its relevant agreements with Third Parties performing activities on its behalf pursuant to this Agreement, that effect the intent of this Article 8. Each Party shall execute and deliver all documents reasonably required to evidence or record any assignment pursuant to this Agreement if such Party is unable, after making reasonable inquiry, to obtain assistance of such other Party with respect to any such document.

Each Party shall, and shall cause its Sublicensees and Affiliates, and their respective employees, consultants, agents, or independent contractors to, cooperate with the other Party and take all reasonable additional actions and execute such agreements, instruments and documents as may be reasonably required to perfect such other Party's right, title and interest in and to Inventions, and all Patent Rights or intellectual property rights therein, as set forth in this Section 8.1.

Section 8.2 Patent Prosecution and Maintenance.

8.2.1 CytomX Patents. CytomX will be solely responsible, [***], for preparing, filing, prosecuting (including provisional, reissue, reexamination, continuing, divisional, continuation, continuation-in-part, and substitute applications and any foreign counterparts thereof), and maintaining all CytomX Patents, and conducting any interferences and oppositions or similar proceedings relating to any CytomX Patents. CytomX will [***].

8.2.2 Regeneron Patents. Regeneron will be solely responsible, [***], for preparing, filing, prosecuting (including provisional, reissue, reexamination, continuing, divisional, continuation, continuation-in-part, and substitute applications and any foreign counterparts thereof), and maintaining all Regeneron Patents, and conducting any interferences and oppositions or similar proceedings relating to any Regeneron Patents. CytomX acknowledges and agrees that [***].

8.2.3 Collaboration Patents. [***] will [***], for preparing, filing, prosecuting (including provisional, reissue, reexamination, continuing, divisional, continuation, continuation-in-part, and substitute applications and any foreign counterparts thereof), and maintaining all Collaboration Patents and conducting any interferences and oppositions or similar proceedings relating to any such Collaboration Patents.

8.2.4 Joint Invention Patents. [***] will have the first right, [***], for preparing, filing, prosecuting (including provisional, reissue, reexamination, continuing, divisional, continuation, continuation-in-part, and substitute applications and any foreign counterparts thereof), and maintaining all Joint Invention Patents, and conducting any interferences and oppositions or similar proceedings relating to any Joint Invention Patents. [***] shall provide regular updates to [***] regarding the prosecution of such applications and will consider in good faith any recommendations by [***] regarding the prosecution, status and maintenance of Joint Invention Patents. In the event [***] declines to prosecute or maintain any Joint Invention Patent before all appeals within the respective patent office have been exhausted (each, an "**Abandoned Joint Invention Patent Right**"), then: (i) [***] shall provide [***] with reasonable notice of such decision so as to permit [***] to decide whether to file, prosecute or maintain such Abandoned Joint Invention Patent Rights and to take any necessary action (which notice shall, in any event, be given no later than [***] days prior to the next deadline for any action that may be taken with respect to such Abandoned Joint Invention Patent Right with the U.S. Patent & Trademark Office or any foreign patent office); (ii) [***], at [***], may assume control of the filing, prosecution or maintenance of such Abandoned Joint Invention Patent Rights; (iii) [***] shall have the right, at its expense, to transfer the responsibility for such filing, prosecution and maintenance of such Abandoned Joint Invention Patent Rights to patent counsel (outside or internal) selected by [***]; and (iv) [***] shall, at [***] reasonable request and at [***], assist and cooperate in the filing, prosecution and maintenance of such Abandoned Joint Invention Patent Rights.

8.2.5 Inventor's Remuneration. Each Party shall be solely responsible for any remuneration that may be due to such Party's inventors under any applicable inventor remuneration Laws.

Section 8.3 Patent Term Extensions. The Parties will cooperate with each other in gaining Patent Right term extension (including supplementary protection certificates for Collaboration Patents) to the extent applicable to Products; *provided* that, in the case of any disagreement, Regeneron will have the final decision-making authority as to such term extension and the discretion with respect to any application for such term extension.

Section 8.4 Defense and Settlement of Third Party Claims; Licensed Third Party Patents.

8.4.1 If any Product Exploited under this Agreement becomes the subject of a Third Party's claim or assertion of infringement of a Patent Right, the Party first having notice of the claim or assertion shall promptly notify the other Party, and the Parties shall promptly confer to consider the claim or assertion and the appropriate course of action. Unless the Parties otherwise agree in writing, [***] shall have the right to control the defense of such claim, [***]. [***] shall not enter into any settlement of any claim described in this Section 8.4 that admits to the invalidity or unenforceability of any [***] (or otherwise affects the scope, validity or enforceability of such Patent Right), incurs any financial liability on the part of [***] or requires an admission of liability, wrongdoing or fault on the part of [***] without [***] written consent. In any event, [***] shall reasonably assist [***] and cooperate in any such litigation at [***] request and expense.

8.4.2 If, after the Effective Date, either Party identifies a Patent Right or other intellectual property right of a Third Party that may be necessary for the Exploitation of any Licensed Product ("**Third Party Patent Rights**"), then such Party shall promptly notify the other Party thereof in writing ("**Third Party Patent Rights Notice**"), and the Parties shall promptly meet to discuss in good faith whether to enter into a license or other agreement with respect to such a Patent or other intellectual property right and the allocation of any to-be-incurred financial obligations with respect thereto, in accordance with this Section 8.4.2. [***] shall have the first right to enter into any such license or other agreement with a Third Party to obtain rights to any such Third Party Patent Rights that may be reasonably useful or necessary for either Party to perform its obligations under this Agreement or [***]. [***] shall have the first right (but not the obligation) to obtain a license to any Third Party intellectual property that directly relates to the [***]. In pursuing or obtaining any such license, [***]. In the event [***] to the Exploitation of a Licensed Product.

Section 8.5 Third Party Defense or Counterclaim.

8.5.1 If a Third Party asserts, as a defense or as a counterclaim in any infringement action under Section 8.7 that any CytomX Patent, Collaboration Patent, Joint Invention Patent, or Regeneron Patent is invalid or unenforceable, then the Party defending such infringement action shall promptly give written notice to the other Party. Each Party shall reasonably cooperate with the other Party in any such action.

8.5.2 With respect to the [***], [***] shall respond to such defense and use Commercially Reasonable Efforts to defend against such counterclaim (as applicable) and, if [***] is pursuing the applicable infringement action under Section 8.7, [***] shall allow [***] to control such response or defense (as applicable). Any costs and expenses with respect to such response or defense against such counterclaim shall be borne by [***].

8.5.3 With respect to the [***], [***] shall respond to such defense and defend against such counterclaim (as applicable) and, if [***] is pursuing the applicable infringement action under Section 8.7, [***] shall allow [***] to control such response or defense (as applicable). Any costs and expenses with respect to such response or defense against such counterclaim shall be borne by [***]. Notwithstanding the foregoing, if [***] fails to assume such defense in respect to any [***], [***] or its Affiliate or Sublicensee shall have the right to defend against such action or claim [***].

Section 8.6 Third Party Declaratory Judgment or Similar Action.

8.6.1 If a Third Party asserts, in a declaratory judgment action or similar action or claim filed by such Third Party, that any Regeneron Patent, Collaboration Patent, Joint Invention Patent, or CytomX Patent is invalid or unenforceable, then the Party first becoming aware of such action or claim shall promptly give written notice to the other Party. Each Party shall reasonably cooperate with the other Party in any such action.

8.6.2 [***] shall defend against such action or claim against a [***]. [***] shall defend against such action or claim against a [***]. Any costs and expenses with respect to such defense with respect to such Patent Rights shall be borne by the Party defending such action. Notwithstanding the foregoing, if [***] fails to assume such defense in respect to any [***] or its Affiliate or Sublicensee shall have the right to defend against such action or claim. For clarity, [***].

Section 8.7 Enforcement.

8.7.1 Notice of Infringement. The Parties shall inform each other promptly of any infringement or colorable cause of action for infringement of any Patent Right within the Collaboration Patents, Joint Invention Patents, CytomX Patents or Regeneron Patents that claim the composition of matter of, methods of making, formulation, or methods of using any Product.

8.7.2 CytomX Enforcement. CytomX shall have the sole right to enforce the CytomX Patents at its sole cost. CytomX shall not have any right to enforce any Regeneron Patent or Collaboration Patent. CytomX shall at all times keep Regeneron informed as to the status of such enforcement pursuant to this Section 8.7.2. CytomX may, at its own expense, institute suit against any infringer or alleged infringer and control and defend such suit in a manner consistent with the terms and provisions hereof and recover any damages, awards or settlements resulting therefrom, subject to Section 8.7.5. Regeneron shall reasonably cooperate in any such litigation at CytomX's expense. CytomX shall not enter into any settlement of any claim described in this Section 8.7.2 that [***].

8.7.3 Regeneron Enforcement. Regeneron shall have the sole right to enforce the Regeneron Patents [***]. Regeneron shall not have any right to enforce any CytomX Patent. Regeneron shall at all times keep CytomX informed [***]. Regeneron may, at its own expense,

institute suit against any infringer or alleged infringer and control and defend such suit in a manner consistent with the terms and provisions hereof and recover any damages, awards or settlements resulting therefrom, subject to Section 8.7.5. CytomX shall reasonably cooperate in any such litigation at Regeneron's expense. Regeneron shall not enter into any settlement of any claim described in this Section 8.7.3 [***]. In the event that [***]. CytomX shall not enter into any settlement of any claim described in this Section 8.7.3 that [***].

8.7.4 Progress Reporting. The Party initiating or defending any enforcement action under this Section 8.7 (the "**Enforcing Party**") shall keep the other Party reasonably informed of the progress of any such enforcement action, and such other Party shall have the individual right to participate with counsel of its own choice at its own expense.

8.7.5 Allocation of Recoveries. Except as otherwise expressly provided herein, the costs and expenses of the Party bringing suit under this Section 8.7 shall be borne by such Party, and any damages, settlements or other monetary awards recovered shall be shared as follows: [***].

Section 8.8 Biosimilars. Notwithstanding the provisions of Section 8.6 or Section 8.7, if either Party receives notice of any Biosimilar Application or a copy of a Biosimilar Application referencing a Biosimilar Product or a Product, whether or not such notice or copy is provided under any applicable Laws, or otherwise becomes aware that such a Biosimilar Application has been submitted to a Regulatory Authority for Marketing Approval, such Party will promptly, but in any event within [***] Business Days, notify the other Party. If either Party receives any equivalent or similar communication or notice in the United States or any other jurisdiction, the Party receiving such communication or notice will within [***] Business Days notify the other Party of such communication or notice to the extent permitted by applicable Laws. For purposes of such Biosimilar Application:

8.8.1 Regeneron will designate, to the extent permitted by applicable Law, the outside counsel and in-house counsel who will receive confidential access to the Biosimilar Application, information regarding the process or processes used to manufacture the product that is the subject of the Biosimilar Application, and any related confidential information pursuant to 42 U.S.C. § 262(l)(1)(B)(ii).

8.8.2 [***] will have the sole right to (a) list any [***], as required pursuant to 42 U.S.C. § 262(l)(3)(A) or 42 U.S.C. § 262(l)(7), (b) respond to any communications with respect to such lists from the filer of the Biosimilar Application, (c) negotiate with the filer of the Biosimilar Application as to whether to utilize a different mechanism for information exchange other than that specified in 42 U.S.C. § 262(l)(1), and (d) as to the [***] that will be subject to the litigation procedure as described in 42 U.S.C. § 262 (l)(4), decide which [***] will be selected for litigation under 42 U.S.C. § 262 (l)(5)(B)(i)(II), and commence such litigation under 42 U.S.C. § 262(l)(6). After consultation with [***] and upon [***] consent, [***] as required pursuant to 42 U.S.C. § 262(l)(3)(A) or 42 U.S.C. § 262(l)(7). If [***] is required pursuant to applicable Law to execute any of these tasks it will do so in accordance with [***]. [***] will cooperate with [***] reasonable requests in connection with the foregoing activities to the extent required or permitted by applicable Laws.

8.8.3 Each Party will within [***] Business Days after receiving any notice of commercial marketing provided by the filer of a Biosimilar Application to [***] pursuant to 42

U.S.C. § 262(l)(8)(A), notify the other Party. To the extent permitted by applicable Law, [***] will have the first right, but not the obligation, to seek an injunction against such commercial marketing as permitted pursuant to 42 U.S.C. § 262(l)(8)(B) and to file an action for infringement. If required pursuant to applicable Law, upon [***] request, [***] will assist in seeking such injunction or filing such infringement action after consulting with [***]. Except as otherwise provided in this Section 8.8, any such action will be subject to the other terms and conditions of Section 8.6 or Section 8.7 as applicable.

Section 8.9 Product Trademarks.

8.9.1 Ownership and Prosecution of Product Trademarks. Regeneron shall own all right, title, and interest to all trademarks, trade dress, slogans, branding and logos and any other indicia of origin of ownership, whether registered or unregistered, including the goodwill associated specifically with each Product (collectively, "**Product Trademarks**") in the Territory, and shall be solely responsible for the selection, registration, prosecution, and maintenance thereof. All costs and expenses of registering, prosecuting, and maintaining the Product Trademarks shall be borne solely by Regeneron. CytomX shall provide, at Regeneron's sole cost and expense, assistance and documents reasonably requested by Regeneron in support of its prosecution, registration, and maintenance of the Product Trademarks.

8.9.2 Enforcement of Product Trademarks. Regeneron shall have the sole right and responsibility for taking such action as Regeneron deems necessary against a Third Party based on any alleged, threatened, or actual infringement, dilution, misappropriation, or other violation of, or unfair trade practices or any other like offense relating to, the Product Trademarks by a Third Party in the Territory. Regeneron shall bear the costs and expenses relating to any enforcement action commenced pursuant to this Section 8.9.2 and any settlements and judgments with respect thereto, and shall retain any damages or other amounts collected in connection therewith.

8.9.3 Third Party Claims. Regeneron shall have the sole right and responsibility for defending against any alleged, threatened, or actual claim by a Third Party that the use or registration of the Product Trademarks in the Territory infringes, dilutes, misappropriates, or otherwise violates any trademark or other right of that Third Party or constitutes unfair trade practices or any other like offense, or any other claims as may be brought by a Third Party against a Party in connection with the use of the Product Trademarks with respect to a Product in the Territory. Regeneron shall bear the costs and expenses relating to any defense commenced pursuant to this Section 8.9.3 and any settlements and judgments with respect thereto, and shall retain any damages or other amounts collected in connection therewith.

8.9.4 Notice and Cooperation. CytomX shall provide to Regeneron prompt written notice of any actual, potential, or threatened infringement of the Product Trademarks in the Territory and of any actual or threatened claim that the use of the Product Trademarks in the Territory violates the rights of any Third Party, promptly after becoming aware of the foregoing. CytomX agrees to cooperate fully with Regeneron, at Regeneron's sole cost and expense, with respect to any enforcement action or defense commenced pursuant to this Section 8.9.

Article 9. **REPRESENTATIONS, WARRANTIES AND COVENANTS**

Section 9.1 Mutual Representations and Warranties. Each Party represents and warrants to the other Party, as of the Effective Date, that:

(a) it is duly incorporated and validly existing, in the case of CytomX, under the Laws of the State of Delaware, and in the case of Regeneron, the Laws of the State of New York, and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof;

(b) it is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder, and the individual executing this Agreement on its behalf has been duly authorized to do so by all requisite corporate action;

(c) this Agreement is legally binding upon it and enforceable in accordance with its terms and the execution, delivery and performance of this Agreement by it have been duly authorized by all necessary corporate action and do not and will not: (x) conflict with, or constitute a default under, any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, or violate any material applicable Law or (y) require any consent or approval of its stockholders or similar action;

(d) all necessary consents, approvals and authorizations of all Governmental Authorities and other persons or entities required to be obtained by such Party in connection with the execution and delivery of this Agreement have been obtained;

(e) no broker, finder or investment banker is entitled to any brokerage, finder's or other fee in connection with this Agreement or the transactions contemplated hereby based on arrangements made by it or on its behalf; and

(f) it is not under any obligation, contractual or otherwise, to any Person that conflicts with or is inconsistent in any material respect with the terms of this Agreement.

Section 9.2 Additional CytomX Representations and Warranties. CytomX represents and warrants to Regeneron that, as of the Effective Date:

(a) CytomX has full Control, legal or beneficial title and ownership of, or an exclusive license to, the CytomX Patents listed on Exhibit B (the "**Existing Patents**") as is necessary to grant the licenses (or sublicenses) to Regeneron to such CytomX Patents that CytomX purports to grant pursuant to this Agreement;

(b) CytomX has the Control and rights necessary to grant the licenses to Regeneron under CytomX Know-How that CytomX purports to grant pursuant to this Agreement and, to CytomX's knowledge, as of the Effective Date, CytomX has the right to (i) use all CytomX Know-How in the conduct of the Preclinical Research and (ii) permit Regeneron to use the CytomX Know-How in the conduct of its Exploitation activities under this Agreement;

(c) [***], no claim or action has been brought or, to CytomX's knowledge, threatened by any Third Party alleging that (i) the Existing Patents are invalid or unenforceable,

(ii) use of the Existing Patents or CytomX Know-How as contemplated herein infringes or misappropriates or would infringe or misappropriate any right of any Third Party, (iii) the Exploitation of the Products as contemplated herein does or will violate, infringe, misappropriate or otherwise conflict or interfere with, any patent or other intellectual property or proprietary right of any Person, and (iv) no Existing Patents are the subject of any interference, opposition, cancellation or other protest proceeding;

(d) [***], no claim or action has been brought or, to CytomX's knowledge, threatened by any Third Party alleging that (i) the CytomX Patents are invalid or unenforceable, (ii) use of the CytomX Platform Technology or CytomX Patents as contemplated herein infringes or misappropriates or would infringe or misappropriate any right of any Third Party and (iii) the CytomX Patents are not the subject of any interference, opposition, cancellation or other protest proceeding;

(e) the Existing Patents are being diligently prosecuted in the respective patent offices in the Territory in accordance with applicable Law. The Existing Patents have been filed and maintained properly and correctly and all applicable fees have been paid on or before the due date for payments (subject to any available extensions), except as would not have a material adverse effect on the validity or enforceability of any of the Existing Patents;

(f) each of the Existing Patents properly identifies each and every inventor of the claims thereof as determined in accordance with the Laws of the jurisdiction in which each such Existing Patent is issued or such application is pending;

(g) to CytomX's knowledge, (i) the conception, development and reduction to practice of the Existing Patents and CytomX Know-How existing as of the Effective Date and licensed to Regeneron pursuant to this Agreement have not constituted or involved the misappropriation of any trade secret of any Third Party;

(h) performance or completion by CytomX of any Preclinical Research within the scope of activities set forth in the initial Work Plan as of the Effective Date does not require any materials, technology or intellectual property that would require any royalty obligation to a Third Party;

(i) to CytomX's knowledge, no Third Party, including any current or former employee or consultant of CytomX, is infringing or misappropriating, is threatening to infringe or misappropriate, or has infringed or misappropriated any Existing Patents and CytomX Know-How existing as of the Effective Date;

(j) each employee of or independent contractor engaged by CytomX who was an inventor of Inventions claimed in the Existing Patents or any CytomX Know-How has assigned and has executed an agreement assigning its entire right, title and interest in and to such Existing Patents and CytomX Know-How to CytomX;

(k) to CytomX's knowledge, no current officer, employee, agent or consultant of CytomX or any of its Affiliates is in violation of any term or any assignment or other agreement regarding the protection of Patent Rights or proprietary information of CytomX or such Affiliate or of any employment contract or any other contractual obligation relating to the relationship of any such Person with CytomX;

(l) the CytomX Know-How that constitutes a material trade secret of CytomX has been the subject of reasonable steps by CytomX to maintain its confidentiality;

(m) to CytomX's knowledge, no material breach of a confidentiality obligation to CytomX with respect to any material CytomX Know-How that constitutes a trade secret of CytomX has been committed by any Third Party;

(n) to CytomX's knowledge, there are no amounts that will be required to be paid to a Third Party based on sales of any Products (other than for ordinary course service agreements), as a result of the Exploitation of such Products in accordance with this Agreement that arise out of any agreement to which CytomX or any of its Affiliates is a party, and no such agreement will result in any Third Party obtaining any interest in, or any right to assert any claim in or with respect to, any rights granted to Regeneron under this Agreement;

(o) the inventions claimed or covered by the Existing Patents (i) were not conceived, discovered, developed or otherwise made in connection with any research activities funded, in whole or in part, by the federal government of the United States or any agency thereof, (ii) are not a "subject invention" as that term is described in 35 U.S.C. § 201(f) and (iii) are not otherwise subject to the provisions of the Bayh-Dole Act;

(p) neither CytomX nor any of its Affiliates is researching or Exploiting a Competing Product; and

(q) [***].

Section 9.3 Covenants.

(a) Employees, Consultants and Contractors. Each Party covenants that it has obtained or will obtain written agreements from each of its employees, consultants, contractors, agents and Sublicensees who perform research or development activities pursuant to this Agreement or otherwise participate in the Exploitation of Products pursuant to this Agreement, which agreements will obligate such persons to obligations of confidentiality and non-use and to assign Inventions in a manner consistent with the provisions of this Agreement.

(b) Debarment. Each Party represents, warrants and covenants to the other Party that it is not debarred, excluded, disqualified, or the subject of disbarment, exclusion or disqualification proceedings under the U.S. Food, Drug and Cosmetic Act or comparable Laws in any country or jurisdiction other than the U.S. and, to its knowledge, does not, and will not during the Term knowingly, employ or use, directly or indirectly, including through Affiliates or Sublicensees, the services of any person who is debarred, excluded, disqualified, or the subject of disbarment, exclusion or disqualification proceedings in connection with activities relating to any Product. In the event that either Party becomes aware of the debarment, exclusion or disqualification or threatened debarment, exclusion or disqualification of any person providing services to such Party, directly or indirectly, including through Affiliates or Sublicensees, which directly or indirectly relate to activities contemplated by this Agreement, such Party shall promptly notify the other Party in writing and such Party shall cease employing, contracting with, or retaining any such person to perform any such services.

(c) Compliance. Each Party shall comply with applicable Law in the course of performing its obligations or exercising its rights pursuant to this Agreement. Neither Party (nor any of their Affiliates) shall be required under this Agreement to take any action or to omit to take any action otherwise required to be taken or omitted by it under this Agreement if the taking or omitting of such action, as the case may be, could in its reasonable opinion violate any settlement, consent order, corporate integrity agreement, or judgment to which it may be subject from time to time during the Term. Notwithstanding anything to the contrary in this Agreement, neither Party nor any of its Affiliates shall be required to take, or shall be penalized for not taking, any action that such Party reasonably believes is not in compliance with applicable Law.

(i) Each Party agrees, on behalf of itself and its officers, directors, employees, Affiliates and agents, that, in connection with the matters that are the subject of this Agreement, and the performance of its obligations hereunder: (A) it will comply with the U.S. Foreign Corrupt Practices Act, as amended, the UK Bribery Act 2010, as amended, and any other applicable Law relating to or concerning public or commercial bribery or corruption (collectively, "**Anti-Bribery and Anti-Corruption Laws**") and its applicable anti-corruption policies ("**Anti-Corruption Policies**"), and will not take any action that will cause the other Party or its Affiliates to be in violation of any such laws or policies; (B) it will not, directly or indirectly, pay, offer or promise to pay, or authorize the payment of any money, or give, offer or promise to give or authorize the giving of anything of value to any Public Official or Entity for the purpose of influencing the acts of such Public Official or Entity to induce them to use their influence with any Governmental Authority, or obtaining or retaining business or any improper advantage in connection with this Agreement, or that would otherwise violate any Anti-Bribery and Anti-Corruption Laws or Anti-Corruption Policies; and (C) it will not directly or indirectly solicit, receive or agree to accept any payment of money or anything else of value in violation of the Anti-Bribery and Anti-Corruption Laws or the Anti-Corruption Policies.

(ii) Each Party will keep and maintain accurate books, accounts, invoices and reasonably detailed records in connection with the performance of its obligations under, and payments made in connection with, this Agreement, including all records required to establish compliance with the provisions of this Section 9.3(c), until the later of (A) [***] after the end of the period to which such books and records pertain or (B) the expiration of the applicable statute of limitations (or any extension thereof).

(iii) If either Party requests that any other Party complete a compliance certification certifying compliance with this Section 9.3(c), which request shall occur no more than [***] in the [***] that a Party makes such request and [***] per [***] thereafter, such other Party shall promptly complete and deliver such compliance certification truthfully and accurately. If either Party requests, in connection with a corporate integrity agreement or similar arrangement with a Governmental Authority, that any other Party complete a compliance certification certifying adherence to and compliance with such other Party's code of conduct and compliance program with respect to such other Party's activities under this Agreement, which request shall occur no more than [***] per [***], such other Party shall cooperate with the first Party to promptly complete and deliver such compliance certification truthfully and accurately, and should there be reasonable additional requests of such other Party as a result of a corporate integrity agreement or similar arrangement with a Governmental Authority of the requesting Party, such other Party shall comply with such requests.

(iv) In the event that a Party has a good faith reason to believe that the other Party may be in breach or violation of any representation, warranty or undertaking in this Section 9.3(c), such Party shall have the right to conduct an examination and audit of relevant books and records of the other Party and, during the pendency of such examination, to suspend any obligations on the part of such Party to the other Party. In the event that a Party becomes aware, whether or not through audit, that the other Party is in breach of or in violation of any representation, warranty or undertaking in this Section 9.3(c), then that Party shall have the right to take such steps as are reasonably necessary in order to avoid a violation or continuing violation of the Anti-Bribery and Anti-Corruption Laws, including by requesting such additional representations, warranties, undertakings and other provisions including a further audit as it believes in good faith are reasonably necessary.

(d) No Grant of Conflicting Rights. Neither Party nor any of its respective Affiliates will, during the Term, enter into any agreements or grant any right, title or interest to any Person that is inconsistent with the rights and licenses granted to the other Party hereunder, and each Party will maintain and keep in full force and effect all agreements necessary to perform its obligations, and grant the rights granted to the other Party, hereunder.

Section 9.4 Additional CytomX Covenants.

(a) Encumbrances. CytomX will not and will cause its Affiliates not to, without the prior written consent of Regeneron, encumber or diminish the rights granted to Regeneron hereunder or any portion of the CytomX IP with liens, charges or encumbrances that would adversely affect Regeneron' ability to Exploit the Products in any material respect, or enter into, amend or modify any other agreement between CytomX or any of its Affiliates and a Third Party under which Regeneron is granted or requires a sublicense or other rights in order to perform under this Agreement, or Exploit any Product without limitation (subject only to the provisions of this Agreement).

(b) Breach. CytomX will not, and will cause its Affiliates not to, breach or fail to perform in any material respect under any agreement under which Regeneron is granted a sublicense or other rights in order to perform under this Agreement or to Exploit any Product without limitation, such that Regeneron's sublicense or other rights in order to perform under this Agreement or to Exploit any Product without limitation are affected.

Section 9.5 **Further Assurances and Transaction Approvals**. Upon the terms and subject to the conditions hereof, each of the Parties will use Commercially Reasonable Efforts to (a) take, or cause to be taken, all actions necessary, proper or advisable under applicable Laws or otherwise to consummate and make effective this Agreement, (b) obtain from the requisite Governmental Authorities any consents, licenses, permits, waivers, approvals, authorizations or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and (c) make all necessary filings, and thereafter make any other advisable submissions, with respect to this Agreement required to be made under applicable Law. The Parties will cooperate with each other in connection with the making of all such filings.

Section 9.6 **Disclaimer.** EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS ARTICLE 9, NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR

PURPOSE, NON-INFRINGEMENT, OR VALIDITY OF PATENT CLAIMS. NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING ANY REPRESENTATION OR WARRANTY CONCERNING THE SUCCESS OR POTENTIAL SUCCESS OF THE EXPLOITATION OF THE PRODUCTS IN THE LICENSED FIELD.

Article 10.**INDEMNIFICATION**

Section 10.1Indemnity.

10.1.1 By CytomX. CytomX agrees to defend Regeneron, its Affiliates, and each of their respective directors, officers, employees and agents (the "**Regeneron Indemnified Parties**"), at CytomX's cost and expense, and will indemnify and hold Regeneron and the other Regeneron Indemnified Parties harmless from and against any claims, losses, costs, damages, fees or expenses (including reasonable legal fees and expenses) (collectively, "**Losses**") in connection with any claims, actions, demands, suits or proceedings brought by a Third Party (including product liability claims) (a "**Third Party Claim**") to the extent arising out of or resulting from [***]; except, in each of (a) through (c), to the extent such Losses result from any of clauses (a) through (c) of Section 10.1.2 below.

10.1.2 By Regeneron. Regeneron agrees to defend CytomX, its Affiliates and their respective directors, officers, employees and agents (the "**CytomX Indemnified Parties**"), at Regeneron's cost and expense, and will indemnify and hold CytomX and the other CytomX Indemnified Parties harmless from and against any Losses in connection with any Third Party Claims to the extent arising out of or resulting from [***]; except, in each of (a) through (c), to the extent such Losses result from any of clauses (a) through (c) of Section 10.1.1 above.

Section 10.2Procedure.

10.2.1 Notice. The indemnified Party ("**Indemnitee**") will promptly notify the indemnifying Party ("**Indemnitor**") in writing of the assertion or the commencement of the relevant Third Party Claim; *provided, however*, that any failure or delay to notify shall not excuse any obligation of the Indemnitor, except to the extent the Indemnitor is actually prejudiced thereby. Such notice must contain a description of the claim and the nature and amount of any Losses (to the extent that the nature and the amount of such Losses is known at such time). The Indemnitee shall furnish promptly to the Indemnitor copies of all papers and official documents received in respect of any Losses and Third Party Claims.

10.2.2 Control of Defense. The Indemnitee hereby grants the Indemnitor the right to assert sole management and control, at the Indemnitor's sole expense, of the defense of such Third Party Claim and its settlement; *provided, however*, that the Indemnitor shall not settle any such Third Party Claim without the prior written consent of the Indemnitee if such settlement does not include a complete release from liability or if such settlement would involve the Indemnitee undertaking an obligation (including the payment of money by the Indemnitee), would bind or impair the Indemnitee, or includes any admission of wrongdoing by the Indemnitee or that any intellectual property or proprietary right of Indemnitee or this Agreement is invalid, narrowed in scope or unenforceable. The assertion of the defense of a Third Party Claim by the Indemnitor shall not be construed as an acknowledgment that the Indemnitor is liable to indemnify the

Indemnitee in respect of the Third Party Claim, nor shall it constitute a waiver by the Indemnitor of any defenses it may assert against the Indemnitee's claim for indemnification. Upon assuming the defense of a Third Party Claim, the Indemnitor may appoint as lead counsel in the defense of the Third Party Claim any legal counsel selected by the Indemnitor. In the event the Indemnitor assumes the defense of a Third Party Claim, except as provided in this Section 10.2.2, the Indemnitor shall not be liable to the Indemnitee for any legal expenses subsequently incurred by such Indemnitee in connection with the analysis, defense or settlement of the Third Party Claim unless specifically agreed to in writing by the Indemnitor. In the event that it is ultimately determined that the Indemnitor is not obligated to indemnify, defend or hold harmless the Indemnitee from and against the Third Party Claim, the Indemnitee shall reimburse the Indemnitor for any Losses incurred by the Indemnitor in defense of the Third Party Claim. The Indemnitee shall have the right (at its own expense) to be present in person or through counsel at all legal proceedings giving rise to the right of indemnification. Notwithstanding the foregoing, the Indemnitee will have the right to employ separate counsel at the Indemnitor's expense and to control its own defense of the applicable Third Party Claim if: (a) the employment thereof, and the assumption by the Indemnitor of such expense, has been specifically authorized by the Indemnitor in writing, (b) the Indemnitor has failed to assume the defense and employ counsel in accordance with this Section 10.2.2 (in which case, the Indemnitee shall control the defense), (c) there are or may be legal defenses available to the Indemnitee that are different from or additional to those available to the Indemnitor, or (d) in the reasonable opinion of counsel to the Indemnitee, a conflict or potential conflict exists between the Indemnitee and the Indemnitor that would make such separate representation advisable; *provided* that in no event will the Indemnitor be required to pay fees and expenses under this sentence for more than one firm of attorneys in any jurisdiction in any one legal action or group of related legal actions. In such event, the Indemnitee shall not settle or compromise such Third Party claim without the prior written consent of the Indemnitor, such consent not to be unreasonably withheld, conditioned or delayed. The Indemnitor shall not be liable for any settlement, compromise or other voluntary disposition of a Loss by an Indemnitee that is reached without the written consent of the Indemnitor. Without limiting the general application of this Section 10.2.2, [***].

10.2.3 Cooperation. Regardless of whether the Indemnitor chooses to defend or prosecute any Third Party Claim, Indemnitee shall, and shall cause each other indemnitee to, cooperate in the defense or prosecution thereof and shall furnish such records, proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith. Such cooperation shall include access during Indemnitee's normal business hours, and reasonable retention by the Indemnitee of, records and information that are reasonably relevant to such Third Party Claim, and making Indemnitees and other employees and agents available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the Indemnitor shall reimburse the Indemnitee for all of its reasonable out-of-pocket expenses in connection therewith as set forth in Section 10.2.4.

10.2.4 Expenses. The reasonable and verifiable costs and out-of-pocket expenses, including costs, expenses, fees and disbursements of counsel, incurred by the Indemnitee pursuant to Section 10.2.3 shall be reimbursed on a monthly basis in arrears by the Indemnitor, without prejudice to the Indemnitor's right to contest the Indemnitee's right to indemnification and subject to refund in the event the Indemnitor is ultimately held not to be obligated to indemnify the Indemnitee.

Article 11.**LIMITATIONS OF LIABILITY**

Section 11.1__**LIMITATION OF DAMAGES**__. EXCEPT [***], IN NO EVENT SHALL A PARTY BE LIABLE TO THE OTHER PARTY WITH RESPECT TO THIS AGREEMENT FOR ANY PUNITIVE, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST REVENUE, LOST PROFITS, OR LOST SAVINGS) HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY (INCLUDING CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE), EVEN IF SUCH PARTY HAS NOTICE OF THE POSSIBILITY OF SUCH DAMAGES.

Section 11.2__**Insurance**__**.** CytomX will, at its sole expense, procure and maintain during the Term, insurance policies consistent with the normal business practices of prudent biopharmaceutical companies of similar size and scope. Regeneron will have reasonable self-insurance during the Term sufficient to provide materially the same level and type of protection as that consistent with the normal business practices of prudent biopharmaceutical companies of similar size and scope. Such insurance will not create a limit to either Party's liability hereunder.

Article 12.**CONFIDENTIALITY**

Section 12.1__**Confidential Information**__**.**

12.1.1 __**Confidential Information**__**.** Each Party (the "**Receiving Party**") may receive during the course and conduct of activities under this Agreement, certain proprietary or confidential information of the other Party (the "**Disclosing Party**") as furnished to the Receiving Party by or on behalf of the Disclosing Party. The term "**Confidential Information**" means all ideas and information of any kind, whether in written, oral, graphical, machine-readable or other form, whether or not marked as confidential or proprietary, which are transferred, disclosed or made available by Disclosing Party or at the request of Receiving Party, including any of the foregoing of Affiliates or Third Parties. Notwithstanding anything to the contrary in the foregoing, (a) any information to the extent including [***] shall be the [***] shall be deemed [***] for purposes of this Article 12, (b) any information to the extent including [***] shall be [***], and [***] shall be deemed [***] for purposes of this Article 12, (c) the [***] shall be the [***], and [***] shall be deemed [***] for purposes of this Article 12, (d) [***] shall be [***], and [***] shall be deemed to be [***] for purposes of this Article 12, and (e) any other information disclosed by or on [***] hereunder to [***] shall, for the avoidance of doubt, [***] for purposes of this Article 12.

12.1.2 __**Restrictions**__**.** During the Term and for [***] years thereafter (or, for any trade secret, for so long as the Disclosing Party maintains such trade secret as a trade secret as defined in the United States Defend Trade Secrets Act (USDTA Section 15(a) and under all other applicable Law), the Receiving Party will keep all of the Disclosing Party's Confidential Information in confidence with the same degree of care with which the Receiving Party holds its own confidential information (but in no event less than a commercially reasonable degree of care). The Receiving Party will not use, directly or indirectly, the Disclosing Party's Confidential Information for any purpose except in connection with the performance of its obligations and exercise of its rights under this Agreement. The Receiving Party has the right to disclose the Disclosing Party's Confidential Information without Disclosing Party's prior written consent to the Receiving Party's Affiliates and their employees, subcontractors, consultants or agents who

have a need to know such Confidential Information in order to perform its obligations and exercise its rights under this Agreement and who are bound by restrictions on use and disclosure consistent with this Article 12. The Receiving Party will use diligent efforts to cause those entities and persons to comply with the restrictions on use and disclosure in this Article 12.1.2. The Receiving Party assumes responsibility for those entities and persons maintaining the Disclosing Party's Confidential Information in confidence and using same only for the purposes described herein and the Receiving Party shall be liable for any breach by such entities or persons of the obligations set forth in this Article 12.

12.1.3 Exceptions. The Receiving Party's obligation of nondisclosure and the limitations upon the right to use the Disclosing Party's Confidential Information will not apply to the extent that the Receiving Party can demonstrate that the Disclosing Party's Confidential Information: (a) was known to the Receiving Party or any of its Affiliates prior to the time of disclosure without any obligation of confidentiality with respect to such information; (b) is or becomes public knowledge through no wrongful act, fault or omission of the Receiving Party or any of its Affiliates; (c) is subsequently obtained by the Receiving Party or any of its Affiliates from a Third Party not known by the Receiving Party after due inquiry to be under an obligation of confidentiality; (d) has been independently discovered or developed by employees, subcontractors, consultants or agents of the Receiving Party or any of its Affiliates without the aid, application or use of the Disclosing Party's Confidential Information, as evidenced by contemporaneous written records; or (e) was made public or was otherwise released from the restrictions set forth in this Agreement by express prior written consent of the Disclosing Party.

12.1.4 Permitted Disclosures. The Receiving Party may disclose the Disclosing Party's Confidential Information to the extent (and only to the extent) such disclosure is reasonably necessary in the following instances:

(a) in order to comply with applicable Law (including any securities law or regulation or the rules of a securities exchange or as a requirement in filing for an International Nonproprietary Name (INN) or the like) or with a legal or administrative proceeding, or in connection with prosecuting or defending litigation;

(b) in connection with prosecuting and defending litigation, Marketing Approvals and other Regulatory Filings and communications, and filing, prosecuting and enforcing Patent Rights in connection with Receiving Party's rights and obligations pursuant to this Agreement; and

(c) in connection with [***];

provided, however, that with respect to Sections 12.1.4(a) or 12.1.4(b), where reasonably possible, 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 and the Receiving Party shall furnish only that portion of Confidential Information that the Receiving Party is advised by counsel is legally required to be disclosed.

12.1.5 Use of Name. Except as expressly provided in this Agreement, neither Party shall mention or otherwise use the name, logo, trademark, service mark, registered design, or physical likeness of the other Party or any of its Affiliates (or any abbreviation or adaptation thereof) or any of such Party's or its Affiliates respective officers, directors or employees in any publication, press release, marketing and promotional material, or other form of publicity without the prior written approval of such other Party in each instance, which approval may be withheld at such Party's sole discretion. The restrictions imposed by this Section 12.1.5 shall not prohibit either Party from making any disclosure identifying the other Party that, in the opinion of the Disclosing Party's counsel, is required by Law (including any securities law or regulation or the rules of a securities exchange or as a requirement in filing for an International Nonproprietary Name (INN) or the like) or with a legal or administrative proceeding, or in connection with prosecuting or defending litigation; *provided* that such Party shall submit the proposed disclosure identifying the other Party in writing to the other Party as far in advance as reasonably practicable so as to provide a reasonable opportunity to comment thereon.

Section 12.2Terms of this Agreement; Public Announcements.

12.2.1 The Parties agree that the terms of this Agreement will be treated as the Confidential Information of both Parties, and thus may be disclosed only as permitted by this Agreement. Except as required by Law or as permitted under Section 12.1.4, each Party agrees not to issue any press release or public statement disclosing information relating to this Agreement or the transactions contemplated hereby or the terms hereof without the prior written consent of the other Party, which consent may be withheld, conditioned or delayed at such Party's sole discretion. Notwithstanding the foregoing, a joint press release in the form attached hereto as Exhibit G shall be issued by the Parties on or as promptly as practicable after the Effective Date. Without limiting Section 12.1.4, the Parties agrees to seek reasonable and customary redactions in any filing of this Agreement with the SEC

12.2.2 Notwithstanding anything to the contrary in Section 12.1, CytomX may publicly announce the achievement and amount of any milestone entitling CytomX to receive a payment; *provided* that, except as permitted under Section 12.1, CytomX shall submit to Regeneron for prior review a draft of the proposed announcement and reasonably consider comments made by Regeneron and, to the extent practicable if so desired by Regeneron, the Parties shall coordinate the timing of any such release.

Section 12.3Publication.

12.3.1 Subject to the requirements of this Article 12, Regeneron will have the sole right to publish and make scientific presentations, issue press releases (except with respect to the terms of this Agreement, which is governed by Section 12.2) or make other public disclosures with respect to [***] consistent with Regeneron's publication policy. CytomX will not issue any such publications related to the [***] without Regeneron's prior written consent, except as required by applicable Law or as otherwise permitted under this Agreement. Notwithstanding the foregoing, any such publication or presentation to be made by Regeneron that names CytomX will require the prior written consent of CytomX.

12.3.2 Subject to the requirements of this Article 12, CytomX will have the sole right to publish and make scientific presentations, issue press releases (except with respect to the terms of this Agreement, which is governed by Section 12.2) or make other public disclosures with respect to [***] consistent with CytomX's publication practices. Regeneron will not issue any such publications related to the [***] without CytomX's prior written consent, except as required by applicable Law. Notwithstanding the foregoing, any such publication or presentation to be made by CytomX that names Regeneron will require the prior written consent of Regeneron.

12.3.3 Subject to the requirements of this Article 12, either Party shall have the right to publish and make scientific presentations, issue press releases (except with respect to the terms of this Agreement, which is governed by Section 12.2) or make other public disclosures with respect to [***] consistent with such Party's publication practices. Notwithstanding the foregoing, any such publication or presentation to be made by a Party that names the other Party will require the prior written consent of such other Party.

12.3.4 The Party that is entitled under this Section 12.3 to make a publication or presentation (the "**Publishing Party**") will deliver to the other Party (the "**Non-Publishing Party**") a copy of the proposed written publication or outline of the presentation to be made by the Publishing Party at least [***] days in advance of submission (or, where a copy of such publication or presentation is not available at such time, a draft or outline of such publication or a description of such presentation), and the Non-Publishing Party will have the right to: (a) require a delay of submission of not more than [***] days to enable the filing of Patent Rights from information in such proposed publication or presentation in accordance with this Agreement; and (b) prohibit disclosure of any of the Non-Publishing Party's Confidential Information in any such proposed publication or presentation. If the Non-Publishing Party has not provided any comments or otherwise exercised its rights as described in this Section 12.3.4 within [***] days of receiving a copy of such proposed written publication or outline of presentation, the Publishing Party shall be free to submit such publication or to orally disclose or publish the disclosed information in a manner consistent with this Article 12.

Section 12.4Relationship to the Confidentiality Agreement. This Agreement supersedes the Confidential Disclosure Agreement; *provided, however,* that all "Confidential Information" disclosed or received by the Parties thereunder will be deemed "Confidential Information" hereunder and will be subject to the terms and conditions of this Agreement.

Article 13.**TERM & TERMINATION**

Section 13.1Term. The term of this Agreement shall commence on the Effective Date, and unless terminated earlier as provided in this Article 13, shall continue in full force and effect, on a Licensed Product-by-Licensed Product and country-by-country basis, until expiration of the obligation to make payments under this Agreement with respect to each Licensed Product in each country (the "**Term**").

Section 13.2Termination by CytomX.

13.2.1 CytomX will have the right to terminate this Agreement in the event of any material breach by Regeneron of any terms and conditions of this Agreement [***]; *provided, however*, that CytomX has [***]; *provided further, however*, such termination will not be effective if such breach has been cured within [***] days after written notice thereof is given by CytomX to Regeneron specifying the nature of the alleged breach; *provided further, however*, if such breach (except for payment breaches) is not reasonably subject to cure within [***] days after receipt of written notice thereof, then Regeneron shall continue to use good faith efforts to cure such breach and shall have provided to CytomX a written plan intended to cure (and that Regeneron reasonably believes will cure) such breach as soon as reasonably practicable thereafter. Notwithstanding the foregoing in this Section 13.2.1, in the event of a good faith dispute as to whether a material breach by Regeneron allowing for termination hereunder has occurred, the foregoing cure period with respect thereto will be tolled pending final resolution of such dispute in accordance with the terms of this Agreement; *provided, however*, if such dispute relates to payment, such tolling of the cure period will only apply with respect to payment of the disputed amounts, and not with respect to any undisputed amount.

13.2.2 Notwithstanding Section 13.2.1, if the material breach and failure to cure otherwise meeting the termination standard set forth in Section 13.2.1 is (a) [***], CytomX shall not have the right to terminate this Agreement in its entirety but shall have the right to terminate this Agreement [***] or (b) with respect to Regeneron's obligations under this Agreement with respect to any particular Collaboration Program, CytomX shall not have the right to terminate this Agreement in its entirety but shall have the right to terminate this Agreement solely with respect to such Collaboration Program.

13.2.3 CytomX will have the right to terminate this Agreement if, at any time, Regeneron: (a) files in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of Regeneron or of its assets, in each case that is not dismissed within [***] days after the filing thereof; (b) is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition will not be dismissed within [***] days after the filing thereof; (c) passes a resolution for its winding up or proposes to be or is a party to any dissolution or liquidation; or (d) makes or will make an assignment of substantially all of its assets for the benefit of its creditors.

13.2.4 CytomX will have the right to terminate this Agreement immediately upon written notice to Regeneron if Regeneron or any of its Sublicensees or Affiliates initiates or asserts any CytomX Patent Challenge and fails to initiate rescission of such CytomX Patent Challenge

within [***] Business Days after such written notice and thereafter fails to rescind such CytomX Patent Challenge within [***] days after such written notice. In the event any Sublicensee (or any Person acting on its behalf) of Regeneron initiates or asserts any CytomX Patent Challenge in any forum, Regeneron shall, upon written request by CytomX, immediately terminate the applicable sublicense agreement with such Sublicensee.

Section 13.3Termination by Regeneron.

13.3.1 CytomX Breach. Regeneron will have the right to terminate this Agreement in the event of any material breach by CytomX of any terms and conditions of this Agreement [***]; *provided, however*, that Regeneron has [***]; *provided further, however*, that such termination will not be effective if such breach has been cured within [***] days after written notice thereof is given by Regeneron to CytomX specifying the nature of the alleged breach; *provided further, however*, if such breach is not reasonably subject to cure within [***] days after receipt of written notice thereof, then CytomX shall continue to use good faith efforts to cure such breach and shall have provided to Regeneron a written plan intended to cure (and that CytomX reasonably believes will cure) such breach as soon as reasonably practicable thereafter. Notwithstanding the foregoing in this Section 13.3.1, in the event of a good faith dispute as to whether a material breach by CytomX has occurred, the foregoing cure period with respect thereto will be tolled pending final resolution of such dispute in accordance with the terms of this Agreement; *provided, however*, if such dispute relates to payment, such tolling of the cure period will only apply with respect to payment of the disputed amounts, and not with respect to any undisputed amount.

13.3.2 Notwithstanding Section 13.3.1, if the material breach and failure to cure otherwise meeting the termination standard set forth in Section 13.2.1 is with respect to [***], Regeneron may, at its sole discretion, have the right to: [***].

13.3.3 CytomX Bankruptcy or Insolvency. Regeneron will have the right to terminate this Agreement if, at any time, CytomX: (a) files in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of CytomX or of its assets, in each case that is not dismissed within [***] days after the filing thereof; (b) is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition will not be dismissed within [***] days after the filing thereof; (c) passes a resolution for its winding up or proposes to be or is a party to any dissolution or liquidation; or (d) makes or will make an assignment of substantially all of its assets for the benefit of its creditors.

13.3.4 Other Termination. Regeneron may terminate this Agreement with respect to a given Collaboration Program or Licensed Product effective (a) upon [***] days' written notice to CytomX in the event that Regeneron in good faith believes it is not advisable for Regeneron to continue to Develop or Commercialize any Licensed Products in such Collaboration Program, or (b) immediately upon written notice to CytomX in the event that CytomX or any of its Sublicensees or Affiliates, or any Person acting on CytomX's behalf, initiates or asserts any Regeneron Patent Challenge and fails to initiate rescission of such Regeneron Patent Challenge within [***] Business Days after such written notice and thereafter fails to rescind such Regeneron Patent Challenge within [***] days after such written notice. In the event any Sublicensee (or any Person acting on its behalf) of CytomX initiates or asserts any Regeneron Patent Challenge in any forum, CytomX shall, upon written request by Regeneron, immediately terminate the applicable sublicense agreement with such Sublicensee.

13.3.5 Discretionary Termination. Regeneron, in its sole discretion, may terminate this Agreement in its entirety effective as of any time after the [***] of the Effective Date upon delivery of at least [***] days' prior written notice to CytomX.

Section 13.4Effects of Expiration or Termination. Following the expiration of the Term, the grants to Regeneron in Section 4.1 shall (i) become exclusive, perpetual and irrevocable (and sublicensable through multiple tiers), [***] and (ii) become royalty-free. If this Agreement is terminated by Regeneron pursuant to Section 13.3.1, Section 13.3.3 or Section 13.3.4(b), the grants to Regeneron in Section 4.1 shall (i) become exclusive, perpetual and irrevocable (and sublicensable through multiple tiers), [***], (ii) in the case of any such termination (but not expiration of the Term) of all Collaboration Programs (if this Agreement is terminated in its entirety) or the applicable Collaboration Program or a Licensed Product (if this Agreement is partially terminated), milestone payments payable with respect to the applicable Licensed Product shall be reduced by [***] of the amounts that would have otherwise been due under Section 7.3, and the royalty rates set forth in Section 7.4.3 applicable to a Licensed Product shall be reduced by [***] following such termination until the expiration of the applicable Royalty Term. Upon termination by a Party, as applicable, under Section 13.2, Section 13.3.4(a) or Section 13.3.5 (or, to the extent this Agreement is terminated solely with respect to a particular jurisdiction pursuant to Section 13.2.2, or solely with respect to a Collaboration Program pursuant to Section 13.3.4(a), [***]:

13.4.1 Termination of Licenses and Sublicenses; Payments. Except as set forth herein, all relevant licenses and sublicenses granted under Article 4, as of the effective date of such termination, shall terminate automatically unless otherwise agreed by the Parties. All undisputed amounts due or payable to a Party hereunder that were accrued prior to the date of termination shall remain due and payable.

13.4.2 Destruction of Confidential Information and Materials. Each Party shall destroy or cause to be destroyed (or, at the other Party's written request, return or cause to be returned) all Confidential Information of the other Party in the possession of such Party or its Affiliates or Sublicensees as of the effective date of expiration or termination (with the exception of one copy of such Confidential Information, which may be retained by the legal department of the Party that received such Confidential Information to confirm compliance with the nonuse and nondisclosure provisions of this Agreement), *provided* that each Party may retain and continue to use such Confidential Information of the other Party to the extent necessary to exercise any surviving rights, licenses or obligations under this Agreement. Notwithstanding the foregoing, a Party shall not be required to destroy any computer files created during automatic system back up that are subsequently stored securely by it and not readily accessible to its employees, consultants, or others who received Confidential Information under this Agreement. Each Party shall destroy or cause to be destroyed, or at the other Party's option, return or cause to be returned to such other Party, all Materials of such other Party in its possession or its Affiliates' or Sublicensees' possession as of the effective date of expiration or termination.

Section 13.5Reversion [***]. Upon termination by CytomX pursuant to Section 13.2 or by Regeneron pursuant to Section 13.3.5, within [***] days after the effective date of such termination, [***].

Section 13.6Remedies. Except as otherwise expressly provided herein, any termination in accordance with the provisions hereof shall not limit any remedies that may otherwise be available to a Party in law or equity.

Section 13.7Survival. In addition to the expiration or termination consequences set forth in Section 13.4, Section 13.5, Section 13.6 and this Section 13.7, the following provisions will survive termination or expiration of this Agreement: Article 1, Article 10, Article 11 and Article 14, Section 4.1 and Section 4.2 (with respect to the license grants to Regeneron that expressly survive such termination or expiration in accordance with Section 13.4), Section 7.3 (in the case of a termination pursuant to Section 13.2, with respect to a milestone reached prior to the date of the notice of termination by CytomX, and in the case of any other termination or expiration, with respect to a milestone reached prior to the effective date of such expiration or termination, Section 7.4 (with respect to sales made before the effective date of such expiration or termination), Section 7.5 through Section 7.10 inclusive (with respect to periods with sales of Products made before the effective date of such expiration or termination), Section 8.1, Section 8.2, Section 8.4 through Section 8.9 (with respect to any action initiated prior to the effective date of such expiration or termination), Section 9.5, Section 9.6, Section 12.1, Section 12.2, Section 12.3 (with respect to any paper or presentation proposed, or any paper or presentation including data or results of clinical studies conducted, prior to the effective date of such expiration or termination). Termination or expiration of this Agreement are neither Party's exclusive remedy and will not relieve the Parties of any liability or obligation which accrued hereunder prior to the effective date of such termination or expiration nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation. All other rights and obligations will terminate upon termination or expiration of this Agreement.

Article 14.MISCELLANEOUS

Section 14.1Entire Agreement; Amendment. This Agreement and all Exhibits attached hereto or thereto, constitute the entire agreement between the Parties as to the subject matter hereof (and all references to this Agreement shall be deemed to include the Exhibits hereto). All prior and contemporaneous negotiations, representations, warranties, agreements, statements, promises and understandings with respect to the subject matter of this Agreement, including the Confidential Disclosure Agreement, are hereby superseded and merged into, extinguished by and completely expressed by this Agreement. Neither of the Parties shall be bound by or charged with any written or oral agreements, representations, warranties, statements, promises or understandings not specifically set forth in this Agreement. No amendment, supplement or other modification to any provision of this Agreement shall be binding unless in writing and signed by Regeneron and CytomX.

Section 14.2Section 365(n) of the Bankruptcy Code. All rights and licenses granted under or pursuant to any section of this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the U.S. Bankruptcy Code to the extent permitted thereunder. The Parties shall retain and may fully exercise all of their respective rights and elections under the U.S. Bankruptcy Code. Upon the bankruptcy of any Party, the non-bankrupt Party shall further be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property, and such, if not already in its possession, shall be promptly delivered

to the non-bankrupt Party, unless the bankrupt Party elects to continue, and continues, to perform all of its obligations under this Agreement. All rights granted to either Party under this Agreement shall be deemed to exist immediately before the occurrence of any bankruptcy case in which the other Party is the debtor.

Section 14.3Independent Contractors. The relationship between Regeneron and CytomX created by this Agreement is solely that of independent contractors. This Agreement does not create any agency, distributorship, employee-employer, partnership, joint venture or similar business relationship between the Parties, including for all tax purposes. No such Party is a legal representative of the other Party, and no such Party can assume or create any obligation, representation, warranty or guarantee, express or implied, on behalf of the other Party for any purpose whatsoever. Each such Party shall use its own discretion and shall have complete and authoritative control over its employees and the details of performing its obligations under this Agreement.

Section 14.4Governing Law; Jurisdiction. This Agreement and its effect are subject to and shall be construed and enforced in accordance with the laws of the State of New York, without regard to its conflicts of laws, except as to any issue which depends upon the validity, scope or enforceability of any Patent Right, which issue shall be determined in accordance with the laws of the country in which such patent was issued. Except to the extent otherwise set forth in Section 14.5, each of the Parties hereby irrevocably and unconditionally (a) consents to submit to the exclusive jurisdiction of the courts of the State of New York located in the City of New York for any matter arising out of or relating to this Agreement and the transactions contemplated hereby, and agrees not to commence any litigation relating thereto except in such courts, (b) waives any objection to the laying of venue of any matter arising out of this Agreement or the transactions contemplated hereby in the courts of the State of New York located in the City of New York, and (c) waives and agrees not to plead or claim in any such court that any such matter brought in any such court has been brought in an inconvenient forum. The Parties agree that a final judgment in any such matter shall be conclusive and may be enforced in other jurisdictions by suits on the judgment or in any other manner provided by Law. Any proceeding brought by either Party under this Agreement shall be exclusively conducted in the English language.

Section 14.5Dispute Resolution.

14.5.1 Disputes; Resolution by Executive Officers. The Parties recognize that disputes as to certain matters may from time to time arise during the Term that relate to decisions to be made by the Parties herein or to the Parties' respective rights and/or obligations hereunder. Subject to Section 2.2.4 and Section 14.5.2, any disputes, controversies or claims that may arise between the Parties out of or in relation to or in connection with this Agreement shall be promptly presented to the Alliance Managers for resolution. If the Alliance Managers are unable to resolve such dispute within [***] Business Days after a matter has been presented to them, then upon the request of either Party by written notice, the Parties agree to meet and discuss in good faith a possible resolution thereof, which good faith efforts shall include at least one in-person meeting between the Executive Officers of each Party within [***] Business Days after receipt by the other Party of such written notice. If any such matter, other than a matter within the final decision-making authority of Regeneron, is not resolved within [***] Business Days following presentation to the Executive Officers, then either Party may invoke the provisions of Section 14.5.2.

14.5.2 Litigation. Subject to Section 14.4, any dispute that is not resolved pursuant to Section 14.5.1 may be submitted for resolution by a court of competent jurisdiction.

14.5.3 Injunctive Relief. Nothing in this Section 14.5 will preclude either Party from seeking equitable relief or interim or provisional relief from a court of competent jurisdiction, including a temporary restraining order, preliminary injunction or other interim equitable relief, concerning a dispute if necessary to protect the interests of such Party. Each Party further acknowledges and agrees that the restrictions set forth in Section 2.5, Article 4, Article 8 and Article 12 are reasonable and necessary to protect the legitimate interests of the other Party and that such other Party would not have entered into this Agreement in the absence of such restrictions, and that any breach or threatened breach of any provision of such Section or Article may result in irreparable injury to such other Party for which there will be no adequate remedy at law. In the event of a breach or threatened breach of any provision of such Section or Articles, the non-breaching Party shall be authorized and entitled to seek from any court of competent jurisdiction injunctive relief, whether preliminary or permanent, specific performance, and an equitable accounting of all earnings, profits, and other benefits arising from such breach, which rights shall be cumulative and in addition to any other rights or remedies to which such non-breaching Party may be entitled in law or equity. Both Parties agree to waive any requirement that the other post a bond or other security as a condition for obtaining any such relief. For the avoidance of doubt, nothing in this Section 14.5.3 shall otherwise limit either Party's opportunity to cure a material breach as permitted in accordance with Article 13.

14.5.4 Patent and Trademark Disputes. Notwithstanding Section 14.5.2, and without prejudice to CytomX's rights pursuant to Section 13.2.4 or Regeneron's rights pursuant to Section 13.3.4(b), any dispute, controversy or claim relating to the inventorship, scope, validity, enforceability or infringement of any Patent Rights, or the scope, validity, enforceability or infringement of any trademark used in connection with, the Exploitation of Products shall be submitted to a court of competent jurisdiction in the country in which such Patent Rights or trademark rights were granted or arose.

Section 14.6Notices. Any notice required or permitted to be given by this Agreement shall be in writing, in English. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective if (a) delivered by hand or by overnight courier with tracking capabilities, (b) mailed postage prepaid by first class, registered, or certified mail, or (c) delivered by email followed by delivery via either of the methods set forth in clauses (a) and (b) of this Section 14.6, in each case, addressed as set forth below unless changed by notice so given:

If to CytomX:

CytomX Therapeutics, Inc.
151 Oyster Point Blvd., Suite 400
South San Francisco, CA 94080 USA
Attn: [***]

with copies (which shall not constitute notice) to:

CytomX Therapeutics, Inc.
151 Oyster Point Blvd., Suite 400
South San Francisco, CA 94080 USA
Attn: [***]

[***]
Latham & Watkins LLP
140 Scott Drive
Menlo Park, CA 94025 USA

If to Regeneron:

Regeneron Pharmaceuticals, Inc..
777 Old Saw Mill River Road
Tarrytown, NY 10591-6707
U.S.A.
Email: [***]
Attn: [***]

Any such notice shall be deemed given on the date received, except any notice received after 5:00 p.m. (in the time zone of the receiving Party) on a Business Day or received on a non-Business Day shall be deemed to have been received on the next Business Day. A Party may add, delete, or change the Person or address to which notices should be sent at any time upon written notice delivered to the Party's notices in accordance with this Section 14.6.

Section 14.7Severability. If any one or more provisions of this Agreement is held to be invalid, illegal or unenforceable, the affected provisions of this Agreement shall be curtailed and limited only to the extent necessary to bring it within the applicable legal requirements and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

Section 14.8Successors and Assigns. Neither this Agreement nor any of the rights or obligations created herein may be assigned by either Party, in whole or in part, without the prior written consent of the other Party, not to be unreasonably withheld, conditioned or delayed, except that either Party shall be free to assign this Agreement (a) to an Affiliate of such Party (for so long as such Affiliate remains an Affiliate); *provided* that such Party shall remain liable and responsible to the other Party for the performance and observance of all such duties and obligations by such Affiliate, or (b) in connection with any sale of all or substantially all of the assets of the Party that relate to this Agreement to a Third Party, whether by merger, consolidation, divestiture, restructure, sale of stock, sale of assets or otherwise (a "**Sale Transaction**"; such Third Party, a "**Third Party Acquirer**"). A copy of such written agreement by such assignee shall be provided to the non-assigning Party within [***] days of execution of such written agreement.

Section 14.9Sale Transaction or CytomX Acquisition. [***].

Section 14.10Waivers. A Party's consent to or waiver, express or implied, of the other Party's breach of its obligations hereunder shall not be deemed to be or construed as a consent to or waiver of any other breach of the same or any other obligations of such breaching Party. A Party's failure to complain of any act, or failure to act, by the other Party, to declare the other Party in default, to insist upon the strict performance of any obligation or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof, no matter how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder, of any such breach, or of any other obligation or condition. A Party's consent in any one instance shall not limit or waive the necessity to obtain such Party's consent in any future instance and in any event no consent or waiver shall be effective for any purpose hereunder unless such consent or waiver is in writing and signed by the Party granting such consent or waiver.

Section 14.11Performance by Affiliates. Each Party may use one (1) or more of its Affiliates to perform its obligations and duties hereunder and such Affiliates are expressly granted certain rights herein; *provided* that each such Affiliate shall be bound by the corresponding obligations of such Party and such Party shall remain liable hereunder for the prompt payment and performance of all of their respective obligations hereunder.

Section 14.12Force Majeure. Each Party shall be excused from the performance of its obligations (except matured and due payment obligations) under this Agreement to the extent that such performance is prevented by Force Majeure (defined below) and the nonperforming Party promptly provides notice of such prevention to the other Party. Such excuse shall be continued so long as the condition constituting Force Majeure continues. The Party affected by such Force Majeure also shall notify the other Party of the anticipated duration of such Force Majeure, any actions being taken to avoid or minimize its effect after such occurrence, and shall take reasonable efforts to remove the condition constituting such Force Majeure. For purposes of this Agreement, "**Force Majeure**" shall mean conditions beyond the control of the Parties, including acts of God, acts of terrorism, voluntary or involuntary compliance with any Law of any Governmental Authority, embargoes, insurrections, war, acts of war (whether war be declared or not), shortages, epidemics, quarantines, labor strikes, lock-outs or other labor disturbances (whether involving the workforce of the non-performing Party or of any other Person), civil commotion, riots, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, hurricane, storm, flood, or like catastrophe, or delays in acting by any

Governmental Authority (except to the extent such delay results from the breach by the nonperforming Party or any of its Affiliates of any term or condition of this Agreement). The suspension of performance shall be of no greater scope and no longer duration than is necessary and the non-performing Party shall use Commercially Reasonable Efforts to remedy its ability to perform. The Party not subject to such Force Majeure may terminate this Agreement if such Force Majeure exists for [***] consecutive days in any 365-day period pursuant to Section 13.2.1 or Section 13.3.1, as applicable, unless the Party affected by such Force Majeure continues to use Commercially Reasonable Efforts to remove such Force Majeure if it is reasonably expected that such efforts would be capable of removing such Force Majeure. For clarity, the COVID-19 pandemic, conditions, and recovery plans as they exist as of the Effective Date shall not be considered Force Majeure events or other public health emergencies.

Section 14.13No Third Party Beneficiaries. Nothing in this Agreement shall be construed as giving any Person, other than the Parties and their successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof, except for the provisions of Article 10 (with respect to which the persons to which Article 10 applies shall be Third Party beneficiaries for Article 10 only in accordance with the terms and conditions of Article 10).

Section 14.14Headings; Exhibits; Appendices. Article and Section headings used herein are for convenient reference only, and are not a part of this Agreement, and in no way define, describe, extend, or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. All Exhibits are incorporated herein by this reference.

Section 14.15Interpretation. Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders and the word “or” is used in the inclusive sense (and/or). The term “including,” “include,” or “includes” as used herein means including, without limiting the generality of any description preceding such term. The word “will” shall be construed to have the same meaning and effect as the word “shall.” 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. The language in all parts of this Agreement shall be deemed to be the language mutually chosen by the Parties. Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar days. The Parties and their counsel have cooperated in the drafting and preparation of this Agreement, and this Agreement therefore shall not be construed against any Party by virtue of its role as the drafter thereof.

Section 14.16Counterparts Electronic or Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed and delivered electronically or by facsimile and upon such delivery such electronic or facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other Party.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CYTOMX THERAPEUTICS INC.

By: /s/ Sean McCarthy

Name: Sean A. McCarthy, D. Phil.

Title: Chief Executive Officer & Chairman

REGENERON PHARMACEUTICALS, INC.

By: /s/ Nouhad Husseini

Name: Nouhad Husseini

Title: SVP, Business Development & Corporate Strategy

Exhibit A
Initial Work Plan

[***]

Exhibit B
CytomX Patents

[***]

Exhibit C
Regeneron Background Technology

[***]

Exhibit D
UCSB Owned Tools Patents
[***]

Exhibit E
Approved Subcontractors

[***]

Exhibit F
Materials

[***]

Exhibit G
Form of Joint Press Release

[***]

Exhibit H
CytomX/UCSB Co-Owned Tools Patents
[***]

Exhibit I
Disclosures

[***]

CONFIDENTIAL
EXECUTION VERSION

Exhibit 10.25

COLLABORATION

AND

LICENSE AGREEMENT

by and between

CYTOMX THERAPEUTICS, INC.

and

MODERNATX, INC.

Dated as of December 30, 2022

COLLABORATION AND LICENSE AGREEMENT

This Collaboration and License Agreement ("**Agreement**") is entered into as of December 30, 2022 (the "**Effective Date**") by and between CytomX Therapeutics, Inc., organized and existing under the laws of Delaware with its principal place of business at 151 Oyster Point Blvd., Suite 400, South San Francisco, California 94080, U.S.A. ("**CytomX**") and ModernaTX, Inc., a corporation organized and existing under the laws of Delaware with its principal place of business at 200 Technology Square, Cambridge, Massachusetts 02139 ("**Moderna**"). CytomX and Moderna are each hereafter referred to individually as a "**Party**" and together as the "**Parties**".

WHEREAS, Moderna has developed expertise and technology useful for the research, development, manufacture, and commercialization of mRNA-based pharmaceutical products delivered via lipid nanoparticles;

WHEREAS, CytomX has technology and expertise relating to the discovery and development of conditionally activated therapeutic molecules;

WHEREAS, CytomX and Moderna desire to collaborate in the performance of preclinical and clinical development programs for the discovery and development of certain mRNA sequences encoding conditionally activated therapeutic molecules for delivery in lipid nanoparticles, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1. DEFINITIONS

All references to particular Exhibits, Articles or Sections mean the Exhibits to, and Articles and Sections of, this Agreement, unless otherwise specified. For the purposes of this Agreement and the Exhibits and Appendices hereto, the following words and phrases have the following meanings:

Section 1.1"**Affiliate**" means, with respect to any Person, any other Person that controls, is controlled by or is under common control with such Person, for as long as such control exists. For purposes of this Section, "control" means the direct or indirect ownership of more than fifty percent (50%) of the voting or economic interest of a Person, or the power, whether pursuant to contract, ownership of securities or otherwise, to direct the management and policies of a Person. For clarity, once a Person ceases to be an Affiliate of a Party, then, without any further action, such Person shall cease to have any rights, including license and sublicense rights, under this Agreement by reason of being an Affiliate of such Party.

Section 1.2"**Agreement**" has the meaning set forth in the Preamble.

Section 1.3"**Alliance Manager**" has the meaning set forth in Section 2.2.2 (*Alliance Managers*).

Section 1.4"**Anti-Bribery and Anti-Corruption Laws**" has the meaning set forth in Section 9.3(c)(i)(A) (*Compliance*).

Section 1.5"**Anti-Corruption Policies**" has the meaning set forth in Section 9.3(c)(i)(A) (*Compliance*).

Section 1.6 "**Antibody**" means any mono-specific or multi-specific antibody, or any Variant or fragment thereof, including fusions comprising any such antibody, Variant or fragment thereof, and any composition or formulation that incorporates or includes any such antibody; *provided* that a fragment of an antibody that is incorporated to extend the half-life of a target molecule shall not be considered an Antibody hereunder. Antibody also means with respect to any of the foregoing molecules, the nucleic acids (including DNA, RNA, and complementary and reverse complementary nucleic acids corresponding thereto, whether coding or noncoding) that contain, express, secrete, or code for such molecule.

Section 1.7 "**Auditing Party**" has the meaning set forth in Section 7.9 (*Reports; Records and Audits*).

Section 1.8"**Available**" means [***].

Section 1.9"**Background IP**" means Background Know-How and Background Patent Rights.

Section 1.10"**Background Know-How**" means [***].

Section 1.11"**Background Patent Rights**" means [***].

Section 1.12"**Bayh-Dole Act**" means the Patent and Trademark Law Amendments Act of 1980, as amended, codified at 35 U.S.C. §§ 200-212, as amended, as well as any regulations promulgated pursuant thereto, including in 37 C.F.R. Part 401.

Section 1.13"**Biosimilar Application**" means an application or submission filed with a Regulatory Authority for Marketing Approval of a Biosimilar Product.

Section 1.14"**Biosimilar Product**" means, with respect to any Licensed Product, on a country-by-country basis, a biologic product (a) for which the licensing, approval, or marketing authorization relies in whole or in part on a prior approval, licensing or marketing authorization granted such Licensed Product; (b) that is "biosimilar" to such Licensed Product, as the term "biosimilar" is defined in 42 U.S.C. § 262(i)(2) or other analogous applicable Law outside of the United States; and (c) that has been licensed by the FDA or other Regulatory Authority outside of the United States by reference to such Licensed Product, as set forth at 42 USC 262(k)(4) or other analogous applicable Law outside of the United States. A Licensed Product licensed, marketed, sold, manufactured, or produced by or on behalf of Moderna or its Affiliates (or any Sublicensees or Distributors in their capacity as Sublicensee or Distributor for Moderna or any of its Affiliates) will not constitute a Biosimilar Product.

Section 1.15"**BLA**" means (a) a Biologics License Application as defined in the United States Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 et seq., as amended from time to time, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions, and modifications thereto), or (b) any corresponding foreign application in the Territory, including, with respect to the European Union, a Marketing Authorization Application ("**MAA**") filed with the EMA pursuant to the Centralized Approval Procedure or with the applicable Regulatory Authority of a country in Europe with respect to the mutual recognition or any other national approval procedure.

Section 1.16"**BPCIA**" means Biologics Price Competition and Innovation Act of 2009, as amended.

Section 1.17"**Business Day**" means a day other than Saturday, Sunday or any day on which commercial banks located in Boston, Massachusetts, United States or in San Francisco, California, United States are authorized or obligated by Law to close.

Section 1.18"**Calendar Quarter**" means each of the three (3) month periods ending March 31, June 30, September 30 and December 31; *provided, however*, that: (a) the first Calendar Quarter of the Term shall extend from the Effective Date to the day immediately prior to the first to occur of January 1, April 1, July 1 or October 1 after the Effective Date; and (b) the last Calendar Quarter shall extend from the beginning of the Calendar Quarter in which this Agreement expires or terminates until the effective date of such expiration or termination.

Section 1.19"**Calendar Year**" means each of the twelve (12) month periods ending December 31; *provided, however*, that: (a) the first Calendar Year of the Term shall extend from the Effective Date to December 31 of the year in which the Effective Date occurs; and (b) the last Calendar Year shall extend from the beginning of the Calendar Year in which this Agreement expires or terminates until the effective date of such expiration or termination.

Section 1.20"**Centralized Approval Procedure**" means the procedure through which a MAA filed with the EMA results in a single marketing authorization valid throughout the applicable countries of the European Union (as constituted at the applicable time).

Section 1.21"**Collaboration Construct**" means [***].

Section 1.22"**Collaboration IP**" means Collaboration Know-How and Collaboration Patents.

Section 1.23"**Collaboration Know-How**" means [***].

Section 1.24"**Collaboration Patents**" means [***].

Section 1.25"**Collaboration Product**" means a [***].

Section 1.26"**Collaboration Program**" means [***].

Section 1.27"**Collaboration Protein**" means any of the [***].

Section 1.28"[***]" has the meaning set forth in [***].

Section 1.29"**Commercialize**" or "**Commercialization**" means [***], and "**Commercialization**" shall have the correlative meaning with respect to such activities; [***].

Section 1.30"**Commercially Reasonable Efforts**" means, with respect to a Party (directly or through Affiliates or Sublicensees) performing activities under this Agreement, such [***], including [***], in each case, based on [***]. Commercially Reasonable Efforts requires, with respect to [***], that [***].

Section 1.31"**Competitive Infringement**" has the meaning set forth in Section 8.7.1 (*Notice of Infringement*).

Section 1.32"**Conditionally Activated Molecule**" or "**CAM**" means [***].

Section 1.33"**Confidential Disclosure Agreement**" means [***].

Section 1.34"**Confidential Information**" has the meaning set forth in Section 12.1.1 (*Confidential Information*).

Section 1.35"**Control**" or "**Controlled**" means, with respect to any Know-How, Patent Right, or other intellectual property right, the possession (whether by ownership, license, covenant not to sue or otherwise) by a Party or its Affiliate of the ability to grant to the other Party a license, sublicense, access or other right as provided herein to or under such Know-How, Patent Right, or other intellectual property right, without violating the terms of any agreement or other arrangement of such Party with any Third

Party in existence as of the time such Party or its Affiliates would first be required hereunder to grant the other Party such license or access. For clarity, nothing in this Section 1.35 (*Control*) obligates a Party to obtain rights under the intellectual property rights of any Third Party in order to be able to grant the other Party a license or access as provided herein.

Section 1.36"**Cover**" means with respect to a Patent Right, that the Exploitation of a given molecule, product, or item would infringe a Valid Claim of such Patent Right (in the absence of ownership of, or a license under, such Patent Right). Cognates of the word "**Cover**" have correlative meanings.

Section 1.37"**Critical Matter**" means [***].

Section 1.38"**Cytokine**" means a small immunomodulatory protein that plays a role in cell–cell communication, cell growth and/or regulation of immune function.

Section 1.39"**CytomX**" has the meaning set forth in the Preamble.

Section 1.40"[***]" has the meaning set forth in [***].

Section 1.41"[***]" has the meaning set forth in [***].

Section 1.42"**CytomX** [***]" has the meaning set forth [***].

Section 1.43"**CytomX Indemnified Parties**" has the meaning set forth in Section 10.1.2 (*Indemnity*).

Section 1.44"**CytomX IP**" means [***].

Section 1.45"**CytomX Know-How**" means [***].

Section 1.46"**CytomX Patent Challenge**" means any action, suit, proceeding or claim by Moderna or its Sublicensees or Affiliates challenging the validity, patentability, scope, priority, construction, inventorship, enforceability of CytomX's or its Affiliate's or licensor's ownership of any CytomX Patent or any Collaboration Patent owned by CytomX, as applicable, in any forum, in each case, with respect to a Licensed Product under this Agreement, but excludes any assertion by Moderna or its Sublicensees or Affiliates relating to validity, patentability, scope, priority, construction, non-infringement, inventorship, ownership or enforceability as a defense in any legal proceeding, administrative proceeding or arbitration brought by CytomX or its Affiliates or licensors asserting infringement against Moderna or its Sublicensees or Affiliates with respect to the relevant Licensed Product under this Agreement.

Section 1.47"**CytomX Patents**" means [***].

Section 1.48"**CytomX Platform Improvements IP**" means [***].

Section 1.49"**CytomX Platform Know-How**" means [***].

Section 1.50"**CytomX Platform Patents**" means [***].

Section 1.51"**CytomX Platform Technology**" means [***].

Section 1.52"**Develop**" or "**Development**" means [***].

Section 1.53"Development Candidate" means a Collaboration Product [***].

Section 1.54"**Development Candidate Selection Fee**" has the meaning set forth in Section 7.2 (*Development Candidate Selection Fee*).

Section 1.55"**Disclosing Party**" has the meaning set forth in Section 12.1.1 (*Confidential Information*).

Section 1.56"**Distributor**" has the meaning set forth in Section 4.4 (*Distributorships*).

Section 1.57"**Effective Date**" has the meaning set forth in the Preamble.

Section 1.58"**EMA**" means the European Medicines Agency or any successor entity thereto.

Section 1.59"**Enforcing Party**" has the meaning set forth in Section 8.7.4 (*Progress Reporting*).

Section 1.60"[***]" has the meaning set forth in [***].

Section 1.61"**EU**" or "**European Union**" means those countries, nations, states or other territories under the jurisdiction of the EMA, as such jurisdiction may change from time to time, but in any event including the United Kingdom for purposes of Section 7.4 (*Milestone Payments*).

Section 1.62"**Executive Officers**" means (a) with respect to CytomX, the Chief Executive Officer, or any other person that such officer designates from time to time, and (b) with respect to Moderna, the President, Drug Discovery Research of Moderna, or any other person that such officer designates from time to time.

Section 1.63"**Existing Patents**" has the meaning set forth in Section 9.2(a) (*Additional CytomX Representations and Warranties*).

Section 1.64"**Exploit**" means to make, have made, import, export, use, sell, have sold, or offer for sale, including to Develop, Commercialize, register, modify, enhance, improve, Manufacture, have Manufactured, hold, or keep (whether for disposal or otherwise), or otherwise dispose of. Cognates of the word "**Exploit**" shall have correlative meanings.

Section 1.65"**FDA**" means the United States Food and Drug Administration or any successor entity thereto.

Section 1.66"**FICA**" means the Federal Insurance Contributions Act, as amended.

Section 1.67"**First Commercial Sale**" means [***].

Section 1.68"**Force Majeure**" has the meaning set forth in Section 14.13 (*Force Majeure*).

Section 1.69"**Format**" means [***].

Section 1.70"**FTE**" means the equivalent of work of one (1) full time equivalent employee (*i.e.*, one fully-committed or multiple partially-committed employees aggregating to one full-time employee) employed or contracted by a Party or its Affiliates and assigned to perform specified work for one (1) Calendar Year, with such commitment of time and effort to constitute one (1) employee performing such work on a full-time basis, which for purposes hereof shall be [***] hours per Calendar Year. For further clarity, FTEs shall not include personnel performing the functions of information technology, human resources, finance, legal, or other general administrative activities, or contractors.

Section 1.71"**FTE Rate**" means (a) for the period commencing on the Effective Date and ending on [***], [***] per FTE per Calendar Year, and (b) for each Calendar Year thereafter, [***].

Section 1.72"[***]" means the sum of (a) [***] and (b) [***], for activities under a Work Plan.

Section 1.73"**GAAP**" means U.S. Generally Accepted Accounting Principles.

Section 1.74"**Gatekeeper**" means an independent Third Party mutually agreeable to the Parties responsible for determining the Availability of Proposed Molecules for the collaboration, to be engaged by CytomX promptly, but in any event within [***] after the Effective Date, on terms acceptable to both Parties, including provisions relating to confidentiality.

Section 1.75"**German Exemption Certificate**" has the meaning set forth in Section 7.11.3 (*German Exemption Certificate*).

Section 1.76"**GLP Toxicology Study**" means any toxicology study that meets the requirements set forth in 21 CFR Part 58 pertaining to good laboratory practice for use or intended for use in an IND and is required to be included in the filing of an IND, but excluding toxicology studies performed in the course of evaluating Collaboration Products prior to selection of a Development Candidate.

Section 1.77"**Governmental Authority**" means any governmental authority of any nature of any multi-national, national, state, county, city or other political subdivision, including any governmental division, subdivision, department, agency, court, tribunal, agency, bureau, branch, office, authority or other instrumentality.

Section 1.78"[***]" means [***].

Section 1.79"[***]" means [***].

Section 1.80"[***]" means [***].

Section 1.81"[***]" means [***].

Section 1.82"[***]" means [***].

Section 1.83 "**IND**" means, (a) with respect to the United States, an investigational new drug application as defined in applicable regulations promulgated by the FDA and filed with the FDA for human clinical testing or (b) with respect to any other country in the Territory, any equivalent thereof.

Section 1.84"**Indemnitee**" has the meaning set forth in Section 10.2.1 (*Indemnification*).

Section 1.85"**Indemnitor**" has the meaning set forth in Section 10.2.1 (*Indemnification*).

Section 1.86"**Indirect Taxes**" has the meaning set forth in Section 7.11.2 (*Indirect Taxes*).

Section 1.87"**Initial Collaboration Program**" means [***].

Section 1.88"**Initial Molecule**" or "**Initial Molecules**" means [***].

Section 1.89"**Initiation**" means (a) with respect to a clinical trial, the first dosing in the first patient in such clinical trial or study or (b) with respect to a GLP Toxicology Study, the first dosing of an animal subject in such GLP Toxicology Study. Cognates of the word "**Initiation**" have correlative meanings.

Section 1.90"**INN**" has the meaning set forth in Section 8.9.1(*Ownership and Prosecution of Product Trademarks*).

Section 1.91"**Inventions**" means all inventions generated, invented or conceived by or on behalf of either Party or its respective Affiliates or both Parties or their respective Affiliates, whether solely or jointly with any Third Party subcontractor, in the course of activities performed under this Agreement.

Section 1.92"**JAMS**" has the meaning set forth in Section 14.5.2(a) (*Arbitration*).

Section 1.93"**Joint Research Committee**" or "**JRC**" has the meaning set forth in Section 2.2.3(d) (*Subcommittees*).

Section 1.94"**Joint Steering Committee**" or "**JSC**" has the meaning set forth in Section 2.2.1 (*Management*).

Section 1.95"**Know-How**" means proprietary techniques, technology, trade secrets, inventions (whether patentable or not), methods, know-how, data and results (including pharmacological, toxicological and clinical data and results), analytical and quality control data and results, regulatory documents, and other information, compositions of matter, cells, cell lines, assays, animal models, reagents and other physical, biological, or chemical material.

Section 1.96"**Law**" means, individually and collectively, any and all federal, state, local, and foreign laws, statutes, ordinances, principles of common law, rules, directives, standards, administrative circulars, judgments, orders, writs, injunctions, decrees, arbitration awards, agency requirements, licenses, permits, and regulations of any kind whatsoever of any Governmental Authority within the applicable jurisdiction.

Section 1.97"**Licensed Field**" means all human and non-human diagnostic, prophylactic and therapeutic uses [***] (a) [***], and (b) [***].

Section 1.98"**Licensed Product**" means [***].

Section 1.99"**Losses**" has the meaning set forth in Section 10.1.1 (*Indemnification*).

Section 1.100"**MAA**" has the meaning set forth in Section 1.15 (*BLA*).

Section 1.101"**Major Market**" means [***].

Section 1.102"**Manufacturing**" or "**Manufacture**" means any and all processes and activities directed to producing, manufacturing, processing, sourcing of materials, filling, finishing, packaging, labeling, inspecting, quality assurance testing and release, receiving, holding, shipping and/or storage of Licensed Products or any raw materials or packaging materials with respect thereto, or any intermediate of any of the foregoing, including process and cost optimization, process qualification and validation, commercial manufacture, stability and release testing, and quality control.

Section 1.103"**Marketing Approval**" means all approvals, licenses, registrations or authorizations of the Regulatory Authority in a country, necessary for the customary commercial sale of a Licensed Product in such country, including with respect to pricing and reimbursement.

Section 1.104"**Mask**" means [***].

Section 1.105"**Mask/Substrate Activities**" has the meaning set forth in Section 4.1.4 (*Limitation*).

Section 1.106"**Materials**" has the meaning set forth in Section 3.6 (*Material Transfer*).

Section 1.107"**Milestone Events**" has the meaning set forth in Section 7.4.1 (*Milestone Payments*).

Section 1.108"**Milestone Payments**" has the meaning set forth in Section 7.4.1 (*Milestone Payments*).

Section 1.109"**Moderna**" has the meaning set forth in the Preamble.

Section 1.110"**Moderna Indemnified Parties**" has the meaning set forth in Section 10.1.1 (*Indemnification*).

Section 1.111"**Moderna IP**" means [***].

Section 1.112"**Moderna Know-How**" means [***].

Section 1.113"**Moderna Patent Challenge**" means any action, suit, proceeding or claim by CytomX or its Sublicensees or Affiliates challenging the validity, patentability, scope, priority, construction, inventorship, enforceability of Moderna's or its Affiliate's or licensor's ownership of any Moderna Patent or any Collaboration Patent owned by Moderna, as applicable, in any forum, in each case, with respect to a Licensed Product under this Agreement, but excludes any assertion by CytomX or its Sublicensees or Affiliates relating to validity, patentability, scope, priority, construction, non-infringement, inventorship, ownership or enforceability as a defense in any legal proceeding, administrative proceeding or arbitration brought by Moderna or its Affiliates or licensors asserting infringement against CytomX or its Sublicensees or Affiliates with respect to the relevant Licensed Product under this Agreement.

Section 1.114"**Moderna Patents**" means [***].

Section 1.115"**Moderna Platform Improvements IP**" means [***].

Section 1.116"**Moderna Platform Know-How**" means [***].

Section 1.117"**Moderna Platform Patents**" means [***].

Section 1.118"**Moderna Platform Technology**" means [***].

Section 1.119"**Molecule Notice**" has the meaning set forth in Section 3.1.4 (*Selection of Molecules*).

Section 1.120"**mRNA**" means messenger RNA.

Section 1.121"**mRNA Construct**" means [***].

Section 1.122"**MTA**" has the meaning set forth in Section 3.6 (*Material Transfer*).

Section 1.123"**Net Sales**" means [***].

Section 1.124"**Non-Auditing Party**" has the meaning set forth in Section 7.9.4 (*Audits*).

Section 1.125"**Non-Publishing Party**" has the meaning set forth in Section 12.3.3 (*Publication*).

Section 1.126"**Party**" and "**Parties**" has the meaning set forth in the Preamble.

Section 1.127"**Patent Rights**" means (a) all patents, priority patent filings and patent applications, and (b) any divisional, continuation (in whole or in part), or request for continued examination of any of such patents, and patent applications, and any and all patents or certificates of invention issuing thereon, and any and all reissues, reviews, reexaminations, extensions, renewals, substitutions, confirmations, registrations, revalidations, revisions, and additions of or to any of the foregoing.

Section 1.128"**Paying Party**" has the meaning set forth in Section 7.11.1 (*Withholding*).

Section 1.129"**Person**" means any corporation, limited or general partnership, limited liability company, joint venture, trust, unincorporated association, governmental body, authority, bureau or agency, any other entity or body, or an individual.

Section 1.130"**Phase 2 Clinical Trial**" means a human clinical trial of a Licensed Product, the principal purpose of which is a determination of safety and efficacy in the target patient population, which is prospectively designed to generate sufficient data that may permit commencement of pivotal

clinical trials, or a similar clinical study prescribed by the Regulatory Authorities, from time to time, pursuant to applicable Law or otherwise, including the trials referred to in 21 C.F.R. §312.21(b), as amended.

Section 1.131"**Phase 3 Clinical Trial**" means a human clinical trial of a Licensed Product on a sufficient number of subjects in an indicated patient population that is designed to establish that a Licensed Product is safe and efficacious for its intended use and to determine the benefit/risk relationship, warnings, precautions, and adverse reactions that are associated with such product in the dosage range to be prescribed, which trial is intended to support the BLA and Marketing Approval of such Licensed Product, including all tests and studies that are required by Regulatory Authorities from time to time, pursuant to applicable Law or otherwise, including the trials referred to in 21 C.F.R. §312.21(c), as amended.

Section 1.132"**Pivotal Trial**" means a human clinical trial of a Licensed Product with a defined dose or set of doses of such Licensed Product designed to establish the efficacy and safety of such Licensed Product and where the results of such clinical trial (if successful) are designed to lead directly to submission of a BLA for the applicable Licensed Product.

Section 1.133"**Platform Technology**" shall mean either the CytomX Platform Technology or the Moderna Platform Technology, as applicable.

Section 1.134"**Preclinical Research**" means, with respect to a particular Collaboration Program, any discovery, preclinical CMC and other research and development activities as set forth in a Work Plan (including post-clinical candidate selection activities), and any advisory or consulting services provided in connection therewith, including with respect to filing of an IND for the relevant Collaboration Product and preparing regulatory documents therefor, and up to and including the filing of an IND for the relevant Collaboration Product.

Section 1.135"**Preclinical Research Budget**" means, with respect to a Collaboration Program, the budget to be established by the JSC in accordance with Section 2.2.3 (*Joint Steering Committee*) for Preclinical Research activities to be conducted by CytomX. The initial budget for the Preclinical Research activities for the Initial Collaboration Programs is attached hereto as part of the Work Plans attached as Exhibit A. The Preclinical Research Budget shall be included as part of the Work Plan for the applicable Collaboration Program(s) and approved by the JSC prior to the commencement of activities in respect of a Collaboration Protein.

Section 1.136"**Preclinical Research Costs**" means, with respect to a Collaboration Program, [***] during the Term in a manner consistent with the applicable Work Plan and this Agreement that are specifically identifiable and directly allocable to, the Preclinical Research for such Collaboration Program.

Section 1.137"**Preclinical Research Data**" means all data and reports generated in the performance of Preclinical Research by or on behalf of either Party.

Section 1.138"**Preclinical Research FTE Costs**" means, with respect to a Collaboration Program, the product of (a) the actual number of FTEs utilized in the Preclinical Research for such Collaboration Program in a manner consistent with the applicable Work Plan, as documented by CytomX, and (b) the FTE Rate.

Section 1.139"**Preclinical Research Out-of-Pocket Expenses**" means, with respect to a Collaboration Program, the reasonable direct, documented, out-of-pocket expenses paid or payable to Third Parties directly incurred by CytomX and its Affiliates for, and that are specifically identifiable and directly allocable to, the Preclinical Research for such Collaboration Program.

Section 1.140"**Preclinical Research Term**" means, on a Collaboration Program-by-Collaboration Program basis, subject to the early termination of this Agreement, the period from [***] or, with respect to [***], the period from [***], until [***].

Section 1.141"**Product-Specific Collaboration IP**" [***].

Section 1.142"**Product-Specific Collaboration Know-How**" means [***].

Section 1.143"**Product-Specific Collaboration Patents**" means [***].

Section 1.144"**Product Selection Period**" means, for each Collaboration Program, the period commencing upon selection of the relevant Collaboration Protein [***] and ending upon [***].

Section 1.145"**Product Trademarks**" has the meaning set forth in Section 8.9.1 (*Ownership and Prosecution of Product Trademarks*).

Section 1.146"**Proposed Molecule**" has the meaning set forth in Section 1.8 (*Available*).

Section 1.147"**Public Official or Entity**" means (a) any officer, employee (including physicians, hospital administrators, or other healthcare professionals), agent, representative, department, agency, de facto official, representative, corporate entity, instrumentality or subdivision of any government, military or international organization, including any ministry or department of health or any state-owned or affiliated company or hospital, or (b) any candidate for political office, any political party or any official of a political party.

Section 1.148"**Publishing Party**" has the meaning set forth in Section 12.3.3 (*Publication*).

Section 1.149"**Qualified Financing**" has the meaning as set forth in Section 7.3 (*Equity Investment Option*).

Section 1.150"**Qualified Private Financing**" means [***].

Section 1.151"**Qualified Public Offering**" means [***].

Section 1.152"**Receiving Party**" has the meaning set forth in Section 12.1.1 (*Confidential Information*).

Section 1.153"[***]" has the meaning set forth in Section 8.1.7 (*Data Ownership*).

Section 1.154"**Regulatory Authority**" means any Governmental Authority or other authority responsible for granting Marketing Approvals for Licensed Products, including the FDA, EMA, PMDA, and any corresponding national or regional regulatory authorities.

Section 1.155"**Regulatory Exclusivity**" means, with respect to a Licensed Product, any exclusive marketing rights or data exclusivity rights conferred by the applicable Regulatory Authority with respect to such Licensed Product, other than a Patent Right.

Section 1.156"**Regulatory Filing**" means any filing with any Governmental Authority with respect to the research, development, manufacture, distribution, pricing, reimbursement, marketing or sale of a Licensed Product.

Section 1.157"**Royalty Term**" has the meaning set forth in Section 7.5.2 (*Royalty Term*).

Section 1.158"**Sale Transaction**" has the meaning set forth in Section 14.9 (*Successors and Assigns*).

Section 1.159"[***]" has the meaning set forth in Section 3.1.1 (*Selection of Molecules*).

Section 1.160"**Selling Party**" has the meaning set forth in Section 1.123 (*Net Sales*).

Section 1.161"[***]" means a [***].

Section 1.162"[***]" has the meaning set forth in Section 3.1.2 (*Selection of Molecules*).

Section 1.163"[***]" means [***].

Section 1.164"**Sublicensee(s)**" means a Third Party, other than a Third Party subcontractor or any Distributor, that has been granted a sublicense or other rights under the rights granted to a Party pursuant to Section 4.1 (*License Grants*) in accordance with Section 4.2 (*Sublicenses*), or is deemed to be a Sublicensee under Section 4.4 (*Distributorships*), [***].

Section 1.165"**Substrate**" means [***].

Section 1.166"[***]" means [***].

Section 1.167"**Term**" has the meaning set forth in Section 13.1 (*Term*).

Section 1.168"**Territory**" means the entire world.

Section 1.169"**Third Party**" means a Person other than (a) Moderna or any of its Affiliates and (b) CytomX or any of its Affiliates.

Section 1.170"**Third Party Acquirer**" has the meaning set forth in Section 14.9 (*Successors and Assigns*).

Section 1.171"**Third Party Claim**" has the meaning set forth in Section 10.1.1 (*Indemnity*).

Section 1.172"**Third Party IP**" has the meaning set forth in Section 7.5.4(c) (*Third Party Intellectual Property*).

Section 1.173"**Tools and Joint UC Patents**" means any Patent Rights, Know-How, or other intellectual property rights licensed to CytomX under the UCSB Agreement, as set forth in Schedule 1.173, it being understood that no license to the patents and patent applications in Schedule 1.173 is granted to Moderna under this Agreement.

Section 1.174"**UCSB Agreement**" means the Exclusive License Agreement, dated August 19, 2010 and bearing UC Agreement No. 2011-03-0081, between The Regents of the University of California acting through its Santa Barbara campus and CytomX, as amended by that certain Amendment No. 1 to Exclusive Agreement, dated May 30, 2013, that certain Amendment No. 2 to Exclusive Agreement, dated November 8, 2013, and that certain Amendment No. 3 to Exclusive License Agreement, dated April 2, 2019, as may be further amended from time to time after the Effective Date in accordance with this Agreement.

Section 1.175"**United States**" or "**U.S.**" means the United States of America and its territories and possessions.

Section 1.176 "**Valid Claim**" means a claim in an issued and unexpired Patent Right or an application for a Patent Right that has not lapsed or been abandoned, canceled, disclaimed, revoked, held unenforceable, unpatentable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and that has not been admitted to be invalid or unenforceable through re-examination, re-issue, disclaimer or otherwise, or lost in an interference proceeding; *provided*, *however*, that if a claim of a pending patent application shall not have issued within [***] after the earliest filing date from which such claim takes priority, such claim shall not constitute a Valid Claim for the purposes of this Agreement unless and until a Patent Right issues with such claim (from and after which time the same would be deemed a Valid Claim).

Section 1.177"**Variant**" means [***].

Section 1.178"**Work Plan**" means, with respect to a Collaboration Program, a written plan setting forth the obligations and activities of each Party during the applicable Preclinical Research Term. The initial Work Plans are set forth in Exhibit A. Each update to a Work Plan for Preclinical Research activities shall include (a) a description of the Preclinical Research activities, expected timelines, preclinical, as well as the Format for such Licensed Products, and (b) a reasonably detailed description of the schedule of work activity and the identification of the Party responsible therefor (including subcontractors and Sublicensees), and the applicable Preclinical Research Budget.

ARTICLE 2. RESEARCH COLLABORATION

Section 2.1Collaboration Overview.

2.1.1 Moderna and CytomX are entering into a research collaboration to identify and Develop Licensed Products under Collaboration Programs. As of the Effective Date, the Parties have agreed to conduct [***] Collaboration Programs: [***]. The Parties shall enter into Work Plans for the conduct of Preclinical Research activities on a Collaboration Program-by-Collaboration Program basis.

2.1.2 As of the Effective Date, the Parties have entered into Work Plans in respect of the [***] Collaboration Programs directed to the Initial Molecules. The Parties have agreed that the [***] Collaboration Programs are the Initial Collaboration Programs.

2.1.3 The Parties shall commence activities in respect [***], no sooner than [***] from the Effective Date after identification of the [***]. Prior to commencement of any activities in respect of [***], the Parties shall enter into [***] for such [***] that, unless otherwise mutually agreed, shall be generally consistent with the Work Plans for the Initial Collaboration Programs (*e.g.*, the necessary resources (including FTEs), allocation of the activities and responsibilities between the Parties, and the Preclinical Research Budget for such [***]shall be calculated using the same calculation principles that were applied in determining such matters for the Initial Collaboration Programs).

Section 2.2Management.

2.2.1 Overview. Within [***] after the Effective Date, the Parties shall establish a cross-functional, joint steering committee (the "**Joint Steering Committee**" or the "**JSC**"), which shall manage the collaboration between the Parties.

2.2.2 Alliance Managers. Each of Moderna and CytomX shall appoint [***] representative who possesses a general understanding of Development, regulatory, Manufacturing and Commercialization matters to act as its respective alliance manager(s) for this relationship (each, an "**Alliance Manager**"). Each Party may replace its respective Alliance Manager at any time upon written notice to the other in accordance with this Agreement. Any Alliance Manager may designate a substitute to temporarily perform the functions of that Alliance Manager. Each Alliance Manager shall be charged with creating and maintaining a collaborative work environment within the JSC. Consistent with the Work Plan(s), each Alliance Manager will also be responsible for:

(a) providing a primary single point of communication responsible for seeking consensus both within the respective Party's organization and together regarding key strategy and plan issues;

(b) ensuring awareness of the governance procedures and rules set forth herein and monitoring compliance therewith; and

(c) identifying and raising disputes to the JSC for discussion in a timely manner.

The Alliance Managers shall have the right to attend all JSC and subcommittee meetings as non-voting observers. In accordance with Section 2.2.3(c) (*Meetings*), each Alliance Manager may bring any matter to the attention of the JSC that such Alliance Manager reasonably believes requires the attention of the JSC. Within [***] after the Effective Date, each Party shall appoint and notify the other Party in writing of the identity of such Party's representative to act as Alliance Manager under this Agreement.

2.2.3 Joint Steering Committee.

(a) **Composition**. The JSC shall be comprised of [***] named representatives of each Party (or such other number as the Parties may agree in writing) in addition to each Party's Alliance Manager who are members ex-officio. The JSC will be led by [***]. Within [***] after the Effective Date, each Party shall designate by written notice to the other Party its initial representatives on the JSC. Each Party may replace [***], in its sole discretion, effective upon written notice to the other Party of such change. Each Party's representatives on the JSC, and any replacement for any such representative, shall be bound by the obligations of confidentiality set forth in Article 12 (*Confidentiality*).

(b) **Function and Powers of the JSC**. The JSC shall, consistent with the terms and conditions set forth in this Agreement, and subject to Section 2.2.5 (*Decisions*):

(i) coordinate the Parties' activities under this Agreement;

(ii) [***];

(iii) [***];

(iv) oversee the implementation of each Work Plan and review and serve as a forum for discussion of the results of the activities being carried out thereunder;

(v) serve as an information-sharing forum for Preclinical Research for each Collaboration Product;

(vi) review and comment on any material strategy changes with respect to any Work Plan;

(vii) establish subcommittees, as appropriate, as described more fully in Section 2.2.3(d) (*Subcommittees*) below;

(viii) direct and oversee any subcommittee;

(ix) resolve disputed matters that may arise at the subcommittees; and

(x) perform any and all tasks and responsibilities that are expressly attributed to the JSC under this Agreement.

(c) **Meetings**.

(i) The JSC shall meet at least [***] per [***] or more or less often as otherwise agreed by the Parties, with the location of such meetings [***]. The chairperson of the JSC shall be responsible for calling meetings on reasonable prior notice. Each Party shall use reasonable efforts to make all proposals for agenda items and to provide all appropriate information with respect to such proposed items reasonably in advance (at least [***] if reasonably practicable) of the applicable meeting. Each Alliance Manager may require topics to be included for the agenda for JSC meetings (to the extent within the scope of the JSC) by forwarding such topics and relevant information to the JSC chairperson. The Alliance Managers shall prepare and circulate for review and approval of the JSC minutes of each meeting. The JSC shall agree on the minutes of each meeting as promptly as practicable following such meeting.

(ii) The JSC shall discuss progress under the research collaboration during its regularly scheduled meetings and ad-hoc discussions between the Parties' Alliance Managers or other representatives. Each Party will provide a report of its activities under a Work Plan at each JSC meeting during the Product Selection Period.

(iii) Representatives of the Parties on the JSC may attend meetings by telephone, videoconference or in person. The Parties shall endeavor to conduct at least [***] JSC meetings per year in person. A quorum of the JSC shall exist whenever there is present at a meeting at least [***] appointed by each Party.

(iv) As appropriate (subject to the discretion of the chairperson of the JSC, with approval not to be unreasonably withheld, conditioned or delayed), and *provided* that not less than [***] prior written notice has been given to the other Party, other employees of the Parties may attend JSC meetings as observers, as well as Third Parties; *provided, however,* that a Party shall not bring a Third Party to a meeting without the other Party's prior written consent; and *provided further, however*, that each such Third Party (A) shall not vote or otherwise participate in the decision-making process of the JSC, and (B) shall be bound by obligations of confidentiality and non-disclosure, and obligations to assign inventions, consistent with those set forth in Article 8 (*Intellectual Property*) and Article 12 (*Confidentiality*).

(v) Each Party may also call for special meetings of the JSC with reasonable prior written notice to the other Party (it being agreed that at least [***] shall constitute reasonable notice) to resolve particular matters requested by such Party and within the decision-making authority of the JSC.

(vi) Each Party shall be responsible for all of its own expenses incurred in connection with participating in all meetings.

(d) **Subcommittees**. The JSC may establish and disband such subcommittees as deemed necessary by the JSC, which shall include a joint research committee (the "**Joint Research Committee**" or "**JRC**"). Each such subcommittee shall consist of the same number of representatives designated by each Party, which number shall be mutually agreed by the Parties. Each Party shall be free to change its representatives on written notice to the other Party or to send a substitute representative to any subcommittee meeting. Each Party's representatives and any substitute for a representative shall be bound by the obligations of confidentiality set forth in Article 12 (*Confidentiality*). Except as expressly provided in this Agreement or subject to the delegation granted by the JSC of any of its responsibilities, no subcommittee shall have the authority to bind the Parties hereunder and each subcommittee shall report to the JSC. Each Party shall be responsible for all of its own expenses incurred in connection with participating in all meetings. Any matters arising within a subcommittee that are not resolved by members of such subcommittee shall be submitted to the JSC for resolution as set forth in Section 2.2.3(b) (*Function and Powers of the JSC*).

2.2.4 Cooperation. Each Party shall provide the JSC such information as required under this Agreement or as otherwise reasonably requested by the other Party and reasonably available to such Party to enable the other Party to perform its obligations under this Agreement, in each case relating to the progress against the goals or performance of activities under each Work Plan.

2.2.5 Decisions. The JSC shall serve as [***]. The JSC shall take action by consensus of the representatives present at a meeting, with each Party having [***], or by a written resolution signed by at least [***] appointed by each Party. If a dispute arises that cannot be resolved by a subcommittee of the JSC, such dispute shall be referred to the JSC for resolution. If the JSC cannot reach consensus or a dispute arises that cannot be resolved within the JSC (whether the matter originated at the JSC or within a subcommittee), such dispute shall be [***]; *provided* that [***] shall not be entitled to use its final decision-making authority with respect to any [***], and, in such event, any such decision by [***]shall be deemed to have no force or effect. Without limiting the foregoing, in no event (unless separately agreed by the Parties in writing) shall [***].

2.2.6 Exceptions. [***].

2.2.7 Authority. The JSC and any subcommittee shall have only the powers assigned expressly to it in this Section 2.2 (*Management*) and elsewhere in this Agreement, and shall not have any power to amend, modify or waive compliance with this Agreement. In furtherance thereof, each Party shall retain the rights, powers and discretion granted to it under this Agreement and no such rights, powers or discretion shall be delegated or vested in the JSC or subcommittee unless such delegation or vesting of rights is expressly provided for in this Agreement or the Parties expressly so agree in writing. For the avoidance of doubt, JSC and subcommittee rights to discuss, comment, review or monitor (and other similar activities) shall not require any Party or designee thereof to act or be bound in any respect by such discussion, comment, review, or monitoring.

2.2.8 Discontinuation of JSC. [***].

Section 2.3Subcontracting. Each Party may engage its Affiliates, or Third Party subcontractors (including contract research organizations and contract manufacturing organizations) to perform its obligations under this Agreement; *provided* that JSC approval shall be required for any subcontractor that CytomX may seek to use from time to time unless such subcontractor is set forth on Schedule 2.3 (but

only for the services and Preclinical Research activities specifically indicated for such listed subcontractor in the applicable Work Plan). Any subcontractor to be engaged by a Party to perform such Party's obligations set forth in this Agreement will meet the qualifications typically required by such Party for the performance of work similar in scope and complexity to the subcontracted activity. The activities of any such subcontractors will be considered activities of such subcontracting Party under this Agreement. The subcontracting Party will be responsible for ensuring compliance by any such subcontractors with the terms of this Agreement, as if such subcontractors are such Party hereunder. Each subcontract shall be in writing and shall contain obligations, on the part of the applicable subcontractor, consistent with this Agreement, including (*Intellectual Property*) and Article 12 (*Confidentiality*), with respect to confidentiality and non-use and the assignment of, or the grant of equivalent rights under, all Patent Rights, know-how, inventions and other intellectual property rights that such subcontractor may develop or acquire by reason of work performed under this Agreement. Each subcontracting Party will conduct, and will cause its Affiliates and other subcontractors, if any, to conduct, the relevant activities in accordance with such subcontracting Party's commitments hereunder.

Section 2.4Information Sharing. Each Party shall promptly provide the other Party with copies of all Preclinical Research Data, material non-clinical, analytical, and Manufacturing information generated by such Party, or on behalf of such Party by any Affiliate or Third Party relating to any and all Collaboration Products or Licensed Products, to the extent necessary for the other Party to provide any support expressly requested by such Party under this Agreement or as otherwise reasonably required for a Party to perform its obligations or exercise its rights under this Agreement; [***]. Except as otherwise set forth in this Agreement, all non-clinical, analytical, Manufacturing, and clinical data and associated reports disclosed by one Party to the other under this Agreement shall [***]; *provided* that [***]. Notwithstanding anything to the contrary in the foregoing, [***].

Section 2.5Exclusivity.

2.5.1 [***].

2.5.2 [***].

ARTICLE 3. PRECLINICAL RESEARCH ACTIVITIES

Section 3.1Selection of Molecules.

3.1.1 The Parties have agreed upon the Initial Molecules for the Initial Collaboration Programs. At any time on or before [***] from [***], [***] shall nominate a [***] for [***] pursuant to Section 3.1.3 (*Selection of Molecules*). After nomination and selection of the [***], [***] shall have a right to nominate [***] in accordance with Section 3.1.2 and Section 3.1.3 (*Selection of Molecules*), [***].

3.1.2 [***] shall have the right to [***] if [***] occurs with respect to [***]; *provided* that [***]may exercise this right up to [***] under this Agreement; and *further provided* that [***] must occur no later than [***] after the date on which [***]notifies [***] that [***] has [***]. If [***]desires to exercise [***], [***]shall inform [***] through the JSC of [***] basis (and providing supporting information) for wanting [***].

3.1.3 To exercise the right to [***] pursuant to Section 3.1.1 (*Selection of Molecules*) or to [***] pursuant to Section 3.1.2 (*Selection of Molecules*), [***] shall submit written notice to the

Gatekeeper on a confidential basis of its intention to determine whether a Proposed Molecule is Available within the time period specified. On receipt of such notice, the Gatekeeper shall assess Availability of the Proposed Molecule and provide written notice to [***] as to whether such Proposed Molecule is Available.

3.1.4 After the Gatekeeper notifies [***] that a Proposed Molecule is Available, [***] shall submit written notice to [***] of [***] nomination of such Proposed Molecule (the "**Molecule Notice**"). Upon [***] receipt of the Molecule Notice, the [***] comprising the Proposed Molecule shall be deemed a Collaboration Protein and the Parties will have all rights and obligations hereunder in connection with such Collaboration Protein. For clarity, the identity of each Proposed Molecule, and the corresponding [***], shall not be disclosed to [***] until such time such Proposed Molecule is deemed to be Available. Upon such date as the Gatekeeper notifies [***]that a Proposed Molecule is Available for [***], the [***]for which such [***], and the relevant Collaboration Protein in the [***].

Section 3.2Limitations. [***].

Section 3.3Preclinical Research Work Plans. The Parties (working through the JSC) shall, within [***] after [***] receipt of [***], finalize a Work Plan for the Collaboration Program for the relevant [***] or [***] in accordance with Section 2.2.3(b) (*Function and Powers of the JSC*). The goal of such Work Plan is to [***]; [***]. Unless otherwise agreed by the Parties, within [***], CytomX shall provide to the JSC (or, if applicable and so designated by the JSC, the JRC) a draft Work Plan and Preclinical Research Budget. The JSC (or, if applicable and so designated by the JSC, the JRC) shall review each Work Plan (including, for clarity, the corresponding Preclinical Research Budget) on a regular basis, and in no event less frequently than [***] each [***]. In preparing and approving a Work Plan, the Parties and the JSC shall take into account [***].

Section 3.4Preclinical Research of Collaboration Products. During the applicable Preclinical Research Term, CytomX shall conduct the Preclinical Research activities for the Collaboration Products in accordance with the applicable Work Plan.

Section 3.5Preclinical Research Costs.

3.5.1 Moderna shall be responsible for all of the Preclinical Research Costs incurred by either Party and its Affiliates in connection with Preclinical Research under this Agreement that are set forth in the approved Preclinical Research Budget. CytomX shall have the right to invoice Moderna for its Preclinical Research Costs [***], and Moderna shall pay [***] within [***] after receipt of such invoice. CytomX shall cooperate with any reasonable request of Moderna to confirm the information in any such invoice(s) in accordance with Section 7.9 (*Reports; Records and Audits*).

Section 3.6Material Transfer. To facilitate the Preclinical Research or any regulatory, Development or Commercialization activities hereunder, either Party may, and at Moderna's reasonable request and cost following nomination of an applicable Development Candidate, CytomX shall, with respect to any materials produced or held by or on behalf of CytomX pursuant to a Work Plan, provide to the other Party certain biological or chemical materials (including biological materials or chemical compounds, or cell lines to produce Collaboration Products), owned by, licensed to or otherwise Controlled by such Party for use by the other Party in furtherance of the other Party's Preclinical Research obligations or any regulatory, Development or Commercialization activities under this Agreement (such materials provided hereunder are referred to, collectively, as "**Materials**"), pursuant to a material transfer agreement substantially in the form of Exhibit B (each, a "**MTA**") which shall set forth therein the type and name of the Material transferred, the amount of the Materials transferred, the date of the transfer of the Materials and the permitted use of the Materials.

ARTICLE 4. LICENSE GRANT

Section 4.1License Grants.

4.1.1 Preclinical Research License.

(a) On a Collaboration Program-by-Collaboration Program basis, during the applicable Preclinical Research Term, Moderna hereby grants to CytomX a non-exclusive, worldwide, royalty-free license under Moderna IP solely as necessary for CytomX to conduct Preclinical Research as set forth in the applicable Work Plan for the relevant Collaboration Program under this Agreement.

(b) On a Collaboration Product-by-Collaboration Product basis, during the applicable Preclinical Research Term, CytomX hereby grants to Moderna [***] solely as necessary for Moderna to conduct Preclinical Research as set forth in the applicable Work Plans under this Agreement.

4.1.2 License Grant to Moderna. Subject to the terms and conditions of this Agreement and commencing on the expiration of the applicable Preclinical Research Term on a Collaboration Product-by-Collaboration Product basis, CytomX hereby grants to Moderna [***] license under the CytomX IP that is necessary or reasonably useful to Exploit Licensed Products in the Licensed Field in the Territory during the Term. For clarity, the license granted pursuant to this Section 4.1.2 (*License Grant to Moderna*) would not include a grant to any compound that is proprietary to CytomX and that is not a Collaboration Product. Notwithstanding the foregoing, [***].

4.1.3 Data License Grant.

(a) Subject to the terms and conditions of this Agreement, Moderna hereby grants CytomX a non-exclusive, royalty-free license, under Moderna's interest in the Preclinical Research Data provided to CytomX under Section 2.4 (*Information Sharing*) (but excluding any data solely related to the Moderna Platform Technology) solely for purposes set forth in Section 2.4 (*Information Sharing*).

(b) Subject to the terms and conditions of this Agreement, CytomX hereby grants Moderna a non-exclusive, royalty-free license, under CytomX's interest in the Preclinical Research Data provided to Moderna under Section 2.4 (*Information Sharing*) (but excluding any data solely related to the CytomX Platform Technology) solely for the purpose of performing Moderna's obligations and exercising its rights under this Agreement, as set forth more fully in Section 2.4 (*Information Sharing*).

4.1.4 Limitation. Moderna shall not [***].

4.1.5 [***].

Section 4.2Sublicenses. Moderna shall have the right to grant one (1) or more sublicenses under [***]. CytomX shall have the right to grant one (1) or more sublicenses under [***]. As a condition precedent to and requirement of any such sublicense: (a) any such permitted sublicense shall be consistent with and subject to the terms and conditions of this Agreement (including for the avoidance of doubt, that if sales by such Sublicensee are included in Net Sales hereunder, such Sublicensee shall permit audit rights with respect to its reporting of Net Sales that are consistent with those given by Moderna hereunder with respect to its sales included in Net Sales); (b) such Party will continue to be responsible for full performance of such Party's obligations under this Agreement and will be responsible for all actions of

such Sublicensee as if such Sublicensee were such Party hereunder; (c) such Party's grant of any sublicense will not relieve such Party or its Affiliates from any of its obligations under this Agreement; and (d) such Party will provide the other Party with a copy of such sublicense promptly, but within [***], after the grant of such sublicense, *provided* that such Party may redact such copy at its discretion to remove financial terms and any other information that is not relevant to this Agreement (provided that financial terms may be provided on a confidential basis to a third party auditor only for purposes of confirming amounts payable hereunder pursuant to any audit in accordance with this Agreement).

Section 4.3 No Other Rights. No right or license under any Patent Rights, Know-How, or other intellectual property rights of a Party is granted or shall be granted by estoppel or implication to the other Party, and each Party retains the rights in Patent Rights, Know-How and other intellectual property rights not expressly granted to the other Party pursuant to this Agreement.

Section 4.4Distributorships. Moderna shall have the right, in its sole discretion, to appoint its Affiliates, and Moderna and its Affiliates shall have the right, in their sole discretion, to appoint any other Persons, in the Territory or in any country or other jurisdiction of the Territory, to distribute, market, and sell Licensed Products, in circumstances where the Person purchases its requirements of Licensed Products from Moderna or its Affiliates. If Moderna or its Affiliates appoints such a Person as a distributor and such Person is not an Affiliate of Moderna and does not pay Moderna or its applicable Affiliates in connection with such appointment or such Licensed Products any consideration other than the arm's length transfer price of such Licensed Product, that Person shall be a "**Distributor**" for purposes of this Agreement. If such Person is obligated or has otherwise agreed to pay any royalties, milestones or similar payments (excluding, for the avoidance of doubt, volume rebates and the like) to (or on behalf of) Moderna or any of its Affiliates in connection with such appointment or such Licensed Products, such Person shall not be deemed to be a Distributor for purposes of this Agreement, and instead shall be deemed to be a Sublicensee for purposes of this Agreement.

Section 4.5Moderna Patent Schedules. Within [***] following the Effective Date, Moderna shall provide a written copy of Schedule 1.117 (*Moderna Platform Patents*) to CytomX.

ARTICLE 5. REGULATORY MATTERS

Section 5.1Moderna Responsibilities. Moderna will be [***] responsible for (and as between the Parties, Moderna shall have the [***] with respect to) the preparation, submission and maintenance of all Regulatory Filings and obtaining all Marketing Approvals with respect to Licensed Products. CytomX will cooperate with Moderna, [***], with respect to any regulatory matters related to Licensed Products for which Moderna is responsible hereunder. Moderna will own all right, title and interest in and to any and all Regulatory Filings and Marketing Approvals with respect to Licensed Products and all such Regulatory Filings and Marketing Approvals will be held in the name of Moderna or its designee. CytomX will execute all documents and take all actions as are reasonably requested by Moderna, [***], to vest such title in Moderna or such designee, as applicable.

Section 5.2Regulatory Updates. Moderna shall keep CytomX reasonably informed of all material regulatory developments and filings relating to Licensed Products in any of the Major Markets, including through [***] (*Reports*).

Section 5.3Safety Data. Moderna shall not unreasonably withhold consent to any request by CytomX [***].

ARTICLE 6. DEVELOPMENT, MANUFACTURE AND COMMERCIALIZATION MATTERS

Section 6.1General. Except as otherwise expressly set forth in a Work Plan, Moderna shall have the [***] exclusive right to Develop (including, for the avoidance of doubt, file an IND), Manufacture and Commercialize one (1) or more Licensed Products. After completion of all activities under a Work Plan, Moderna shall be [***] responsible for the Development (preclinical and clinical), Manufacture, and Commercialization of Licensed Products under this Agreement [***]. Subject to the terms of this Agreement, all decisions concerning the Development, Manufacture and Commercialization of Licensed Products, including the clinical and regulatory strategy, design, sale, price and promotion of Licensed Products shall be [***]. Notwithstanding the foregoing, CytomX shall provide Moderna with continued support as needed for Manufacturing scale-up and Regulatory Filings for Licensed Products, [***].

Section 6.2Diligence. [***], Moderna shall use Commercially Reasonable Efforts to Develop, seek Marketing Approval of, and, upon obtaining such Marketing Approval, Commercialize and Manufacture [***] Licensed Product [***].

Section 6.3Reports. During the Term, Moderna shall provide the JSC with updates at least [***] per [***] of the status of Moderna's and its Affiliates', subcontractors and Sublicensees' Development activities under this Agreement.

Section 6.4Costs. Following the Effective Date and at all times during the Term, Moderna shall be responsible for, and shall bear all costs incurred by or on its behalf associated with, the Development, Manufacture and Commercialization of Licensed Products, including development, distribution, marketing and sales activities.

Section 6.5Commercialization Activities.

6.5.1 Generally. Moderna shall have the [***] right to Commercialize Licensed Products under this Agreement.

6.5.2 Commercialization Reports. During the Term, for each Licensed Product, Moderna shall report on the Commercialization status of Moderna's and its Affiliates', subcontractors and Sublicensees' Commercialization activities under this Agreement with respect to such Licensed Product in accordance with the procedures established by the JSC and no less frequently than [***] every [***].

ARTICLE 7. FEES, ROYALTIES, & PAYMENTS

Section 7.1Upfront Payment. As partial consideration for the rights granted by CytomX to Moderna pursuant to the terms of this Agreement, for access to the CytomX Platform Technology and CytomX undertaking its responsibilities under this Agreement, CytomX shall invoice (on the Effective Date) and Moderna shall pay to CytomX a [***] payment of Thirty-Five Million Dollars ($35,000,000), within [***] after delivery of such invoice on or after the Effective Date ("**Upfront Payment**"). [***].

Section 7.2Development Candidate Selection Fee. After selection of the [***] Development Candidate by Moderna in each Collaboration Program but, for clarity, [***], Moderna shall pay CytomX a [***] (subject to Section 7.7 (*Method of Payment; Offset*), if applicable), Development Candidate nomination fee payment of [***] for the first Development Candidate under each Collaboration Program hereunder.

Section 7.3Equity Investment Option. If CytomX undertakes a Qualified Private Financing or a Qualified Public Offering during the Term (each a "**Qualified Financing**"), [***], Moderna shall have [***] option ("**Equity Investment Option**") to purchase up to the number of securities in connection with such Qualified Financing [***]. Moderna shall have the option, [***], to purchase such securities at [***].

Section 7.4Milestone Payments.

7.4.1 As partial consideration for the rights granted by CytomX to Moderna pursuant to the terms of this Agreement, for access to the CytomX Platform Technology and CytomX undertaking its responsibilities under this Agreement, on a Licensed Product-by-Licensed Product basis, Moderna shall pay to CytomX one-time milestone payments ("**Milestone Payments**") following the first occurrence of the corresponding milestone events ("**Milestone Events**") with respect to each Licensed Product within a particular Collaboration Program for which such Milestone Event is achieved by or on behalf of Moderna, as set forth in the following tables:

Development Milestone Events

[***]

Approval and First Sale Milestone Events

[***]

Commercial Milestone Events

[***]

7.4.2 If a Milestone Event set forth in the table titled "Development Milestone Events" in Section 7.4.1 (*Milestone Payments*) is achieved prior to the achievement of the preceding Milestone Event for the same Licensed Product, as applicable, set forth in the relevant chart (*i.e.*, if a lower-listed Milestone Event is achieved before a Milestone Event that is listed higher up in the relevant chart), then upon achievement of the relevant Milestone Event, all preceding Milestone Events for such Licensed Product set forth in the relevant chart shall become due and payable if not previously paid for that Licensed Product. The maximum amount payable under this Section 7.4 (*Milestone Payments*) is [***] for each Licensed Product. Moderna shall report to CytomX its achievement of each Milestone Event for which payment to CytomX is due no later than [***] after the end of the [***]; *provided* that Moderna shall use good faith efforts to inform CytomX of any Development or regulatory Milestone Event within [***] following achievement, and Moderna shall pay to CytomX such Milestone Payment (a) with respect to Development or regulatory Milestone Events, within [***] after receipt of an invoice from CytomX in respect of any payment required as a result of such achievement, and (b) with respect to all other Milestone Events, within [***] after the end of the Calendar Quarter during which such Milestone Event is achieved.

Section 7.5Royalties.

7.5.1 Royalties Payable. As partial consideration for the rights granted by CytomX to Moderna pursuant to the terms of this Agreement, for access to the CytomX Platform Technology and CytomX undertaking its responsibilities under this Agreement, subject to the provisions of this Section 7.5 (*Royalties*), Moderna shall pay to CytomX, on a Licensed Product-by-Licensed Product and country-by-country basis, royalties on quarterly Net Sales of Licensed Products during the applicable Royalty Term, calculated as set forth in Section 7.5.3 (*Royalty Rates*). Royalties will be payable on a Calendar Quarter-by-Calendar Quarter basis and any such payments shall be made within [***] after the end of the Calendar Quarter during which the applicable Net Sales of Licensed Products occurred.

7.5.2 Royalty Term. Moderna's obligation to pay royalties with respect to a Licensed Product in a particular country shall commence upon the First Commercial Sale of such Licensed Product in such country and shall expire on a country-by-country and Licensed Product-by-Licensed Product basis on the latest of [***] (the "**Royalty Term**").

7.5.3 Royalty Rates. The royalty rates payable under Section 7.5.1 (*Royalties Payable*) shall be calculated as follows:

[***]

7.5.4 Royalty Reductions.

(a) **Exclusivity Expiration**. On a country-by-country and Licensed Product-by-Licensed Product basis, if the Exploitation of a Product is not Covered by a Valid Claim of a CytomX Patent, [***], or a Collaboration Patent in such country, the royalty rates set forth in Section 7.5.3 (*Royalty Rates*) with respect to Net Sales for such Licensed Product in such country for such Calendar Quarter shall be reduced by [***], subject to Section 7.5.4(d) (*Maximum Reduction*).

(b) **Biosimilar Competition**. On a country-by-country and Licensed Product-by-Licensed Product basis, if (i) Biosimilar Product(s) for such Licensed Product are sold in such country [***] (ii) sales of such Biosimilar Products in the aggregate equal or exceed, [***] of the sales, on a unit basis, of all Biosimilar Products and Licensed Products combined sold in such country, then the royalty rates set forth in Section 7.5.3 (*Royalty Rates*) with respect to Net Sales for such Licensed Product in such country for such Calendar Quarter shall be reduced by [***], subject to Section 7.5.4(d) (*Maximum Reduction*).

(c) **Third Party Intellectual Property**. In the event that [***] a Third Party owns or otherwise controls intellectual property that is necessary or reasonably useful for the Development, Manufacture, or Commercialization of a Licensed Product, Moderna shall have the right (but not the obligation) to obtain a license to such Third Party intellectual property (collectively, "**Third Party IP**"); *provided* that [***]. In the event Moderna (or, at Moderna's direction, its applicable Affiliate, subcontractor or Sublicensee) obtains any license described in this Section 7.5.4(c) (*Third Party Intellectual Property*) subject to Section 7.5.4(d) (*Maximum Reduction*), [***] of the payments that Moderna actually pays to such Third Party(ies) that are attributable to the Development, Manufacture, or Commercialization of such Licensed Product in a country during a Calendar Quarter may be credited against amounts otherwise payable by Moderna to CytomX under this Article 7 (*Fees, Royalties, & Payments*) for such Licensed Product in such country in such Calendar Quarter. Notwithstanding anything

to the contrary, CytomX shall be solely responsible for any license fees, milestones, royalties, or other payments owed to Third Parties under or in connection with any agreement entered into between CytomX and a Third Party on or prior to the Effective Date under which Moderna is granted a sublicense under this Agreement (whether or not any such agreement is disclosed to Moderna prior to the Effective Date).

(d) **Maximum Reduction**. The maximum aggregate reduction with respect to any Licensed Product in any country during any Calendar Quarter pursuant to this Section 7.5.4 (*Royalty Reductions*) (alone or in combination) shall be capped at [***] of the amount of the royalty that would be payable in respect of Net Sales in such country under Section 7.5.3 (*Royalty Rates*), prior to any such reductions; [***].

7.5.5 Mutual Convenience of the Parties. The royalty and other payment obligations set forth hereunder have been agreed to by the Parties for the purpose of reflecting and advancing their mutual convenience, including the ease of calculating and paying royalties and other amounts required hereunder.

Section 7.6Invoicing. To the extent an invoice is required to be submitted hereunder, such invoice shall be addressed to:

If Moderna is the paying Party:

ModernaTX, Inc.
200 Technology Square
Cambridge, MA 02139
Attention: [***]
[***]

If CytomX is the paying Party:

CytomX Therapeutics, Inc.
151 Oyster Point Blvd, Suite 400
South San Francisco, CA 94080
Attention: [***]
[***]

All invoices shall be sent in portable document format (pdf) and will reference this Agreement.

Section 7.7Method of Payment; Offset. Unless otherwise agreed by the Parties, all payments due from the paying Party under this Agreement shall be paid in U.S. Dollars by wire transfer or electronic funds transfer of immediately available funds to an account designated by the non-paying Party. Subject to any specific limitations on offset set forth herein, Moderna shall have the right to offset any monetary payments that are payable, but that remain unpaid after the later of the due date thereof or the final resolution of any dispute related thereto, against any payments owed by Moderna, if any, under this Agreement.

Section 7.8Currency Conversion. All royalties shall be payable in U.S. Dollars. Any sales of Licensed Products incurred in a currency other than U.S. Dollars shall be converted to the U.S. Dollar equivalent using Moderna's then-current standard exchange rate methodology as applied to its external reporting for the conversion of foreign currency sales into U.S. Dollars consistent with GAAP.

Section 7.9Reports; Records and Audits.

7.9.1 Reports. After the First Commercial Sale of the first Licensed Product by Moderna and until expiration or termination of this Agreement, Moderna shall prepare and (within [***] after the end of each Calendar Quarter) deliver to CytomX reports of the sale of Licensed Products by Moderna or its Affiliates, and their respective Sublicensees [***] together with the corresponding royalty payment or other consideration to be paid to CytomX, specifying [***].

7.9.2 Moderna Records. Moderna will keep complete and accurate records of royalty, milestone and other payments required under this Agreement, for a period of [***] after the end of the Calendar Year in which such were incurred or such payment was due. Moderna shall require its Affiliates, and its and their respective Sublicensees to retain and provide to Moderna all records of payments that Moderna would be required to keep as if sales of Licensed Product by such Affiliates or Sublicensees were sales of Licensed Product by Moderna, to enable CytomX to audit such records pursuant to this Section 7.9 (*Reports; Records and Audits*).

7.9.3 CytomX Records. CytomX will keep complete and accurate records of its Preclinical Research Costs with respect to each Licensed Product for a period of [***] after the end of the Calendar Year in which such Preclinical Research Costs were incurred. Without limiting the foregoing, CytomX shall calculate and maintain records of FTE hours incurred by it in the same manner as used for other products developed by CytomX.

7.9.4 Audits. Each of CytomX and Moderna (the "**Auditing Party**") will have the right, not more than [***] at its own expense, to have a nationally recognized, independent, certified public accounting firm, selected by it and subject to the other Party's prior written consent (which shall not be unreasonably withheld, conditioned or delayed), review any such records of the other Party and its Affiliates (the "**Non-Auditing Party**") in the location(s) where such records are maintained upon reasonable written notice (which shall be no less than [***] prior written notice) and during regular business hours and under obligations of strict confidence, for the sole purpose of verifying the basis and accuracy of payments made under this Agreement within the [***] period preceding the date of the request for review. Upon either Party's written request, the other Party shall use good faith efforts to conduct audits of its subcontractors and Sublicensees (at the requesting Party's cost), and the requesting Party shall have the right to receive and retain a copy of the applicable audit report. No Calendar Year will be subject to audit under this Section 7.9.4 (*Audits*) more than [***] without the consent of the Non-Auditing Party. The Non-Auditing Party will receive a copy of each such report within [***] following receipt by the Auditing Party, and such accounting firm shall report to the Parties only whether or not such calculations are correct and the amount of any discrepancy. No other information shall be shared. The Auditing Party shall treat the results of any such review of the Non-Auditing Party's records under this Section 7.9.4 (*Audits*) as Confidential Information of the Non-Auditing Party and subject to the terms of Article 12 (*Confidentiality*). Should such inspection lead to the discovery of a discrepancy to the Auditing Party's detriment, the Non-Auditing Party will, within [***] after receipt of such report from the accounting firm, pay any undisputed amount of the discrepancy together with interest at the rate set forth in Section 7.10 (*Late Payments*). The Auditing Party will pay the full cost of the review unless the underpayment of amounts due to the Auditing Party with respect to audited royalty or sales milestone, is more than [***], of the amount due for the entire period being examined, in which case, the Non-Auditing Party will pay the cost charged by such accounting firm for such review; *provided* that reimbursement for accounting firm fees shall (a) be no more than would have been paid by the Auditing Party had such reimbursement

not been required and (b) not include any contingency fee charged by the auditor (or any other increased fee resulting from the auditor discovering discrepancies). Should the audit lead to the discovery of a discrepancy to the Non-Auditing Party's detriment, the Non-Auditing Party may credit the amount of the discrepancy, [***], against future payments payable to the Auditing Party under this Agreement or, if there are no such payments payable, then the Auditing Party shall pay to the Non-Auditing Party the amount of the discrepancy, [***], within [***] of the Auditing Party's receipt of the report.

Section 7.10Late Payments. In the event that any undisputed payment due hereunder is not made when due, the payment shall accrue interest beginning on [***] thereof, calculated at [***]; *provided, however*, that in no event shall such annual interest rate exceed the maximum rate permitted by Law. Each such payment when made shall be accompanied by all interest so accrued. Said interest and the payment and acceptance thereof shall not negate or waive the right of any Party to seek any other remedy, legal or equitable, to which it may be entitled because of the delinquency of any payment, including termination of this Agreement as set forth in Article 12 (*Termination*). With respect to any disputed payments, no interest payment shall be due until such dispute is resolved and the interest which shall be payable thereon shall be based on the finally-resolved amount of such payment, calculated from the original date on which the disputed payment was due through the date on which payment is actually made.

Section 7.11Taxes.

7.11.1 Withholding. Subject to Section 7.11.3 (*German Exemption Certificate*), in the event that any Law requires a Party making any payment pursuant to this Agreement (the "**Paying Party**") to withhold taxes with respect to any such payment, the Paying Party (a) will notify the non-Paying Party of such withholding requirement prior to making the payment to the non-Paying Party (such notice, which shall include the authority, basis and method of calculation for the proposed deduction or withholding, shall be given at least a reasonable period of time before such deduction or withholding is required, in order for the non-Paying Party to obtain reduction of or relief from such deduction or withholding), and (b) provide such assistance to the non-Paying Party, including the provision of such standard documentation as may be required by a tax authority, as may be reasonably necessary in the non-Paying Party's efforts to claim an exemption from or reduction of such taxes. The Paying Party will, in accordance with such Law, withhold taxes from such payment, remit such taxes to the appropriate tax authority, and furnish the non-Paying Party with proof of payment of such taxes within [***] following the payment. If taxes are so withheld and paid to a tax authority, the Paying Party shall provide reasonable assistance to the non-Paying Party to obtain a refund of taxes withheld, or obtain a credit with respect to taxes paid. The non-Paying Party shall provide the Paying Party any tax forms (including Internal Revenue Service Forms W-9 or applicable W-8) that may be reasonably necessary in order for the Paying Party to determine whether to withhold tax on any such payments or to withhold tax on such payments at a reduced rate under applicable Law, including any applicable bilateral income tax treaty. [***].

7.11.2 Indirect Taxes. All payments due to the non-Paying Party from the Paying Party pursuant to this Agreement shall be paid exclusive of any value-added tax, sales tax, consumption taxes and other similar taxes ("**Indirect Taxes**") (which, if applicable, shall be payable by the Paying Party upon receipt of a valid Indirect Tax invoice). If the non-Paying Party determines that it is required to report any such tax, the Paying Party shall promptly provide the non-Paying Party with applicable receipts and other documentation necessary or appropriate for such report. For clarity, this Section 7.11.2 (*Indirect Taxes*) is not intended to limit the Paying Party's right to deduct value-added taxes in determining Net Sales.

7.11.3 German Exemption Certificate. Notwithstanding Section 7.11.1 (*Withholding*) and 7.11.2 (*Indirect Taxes*), if at any time the CytomX IP includes intellectual property that is registered in a German public book or register, CytomX shall obtain and provide Moderna with a valid certificate issued by the applicable German authorities establishing CytomX's exemption from German withholding tax (a "**German Exemption Certificate**"), *provided, however*, that a German Exemption Certificate shall not be required if current German law changes and/or if obtaining and providing a German Exemption Certificate is no longer required, in each case, to exempt such payment from German withholding tax. Intellectual property shall be considered registered as soon as an application is filed (even if it is not yet granted) and intellectual property shall be considered registered in Germany if it has been filed with or validated (*e.g.*, under the Patent Cooperation Treaty) in Germany or in a German E.U. office or non-German E.U. office (in the case of Patent Rights, the German Patent and Trademark Office (*Deutsches Patent- and Markenamt*) or European Patent and Trademark Office under the European Patent Convention), if filing or validating such intellectual property in such German EU office or non-German EU office would be considered filing or validating such intellectual property in Germany under German law. Notwithstanding Section 7.11.1 (*Withholding*) and 7.11.2 (*Indirect Taxes*), if any payments are due to CytomX hereunder with respect to such CytomX IP and, at the time such payment is to be made, Moderna is not in possession of a valid and effective German Exemption Certificate, Moderna shall inform CytomX and CytomX may elect to either have (i) Moderna delay making such payment until such time as CytomX receives such a German Exemption Certificate or (ii) Moderna withhold such amounts from such payment as determined by Moderna, in which case no tax gross up amount shall be payable to CytomX. If Moderna withholds any amount under (ii) above, Moderna shall remit such withheld amount to the applicable German tax authorities and provide CytomX with reasonable evidence of such payment in a form and with such details as reasonably requested by CytomX. Notwithstanding anything to the contrary in this Agreement, Moderna shall not withhold taxes on the Upfront Payment due and payable to CytomX under Section 7.1 (*Upfront Payment*). As applicable, CytomX will file for the German Exemption Certificate within [***] of the Effective Date and provide reasonable evidence of such filing to Moderna. Moderna authorizes CytomX to share this Agreement with the applicable German Tax authorities and CytomX tax counsel for the sole purpose of applying for the German Exemption Certificate, notwithstanding anything to the contrary in Article 12 (*Confidentiality*). In the event it is determined that CytomX is not eligible for the German Exemption Certificate and is definitively denied by the German Tax Authorities or CytomX fails to apply for the German Exemption Certificate within [***] of the Effective Date, CytomX shall work in good faith to compensate Moderna for the applicable withholding related to the payment in Section 7.1 (*Upfront Payment*) and taxes in this Section 7.11.3 (*German Exemption Certificate*).

Section 7.12No Other Compensation. Each Party hereby agrees that the terms of this Agreement fully define all consideration, compensation and benefits, monetary or otherwise, to be paid, granted or delivered by one Party to the other Party in connection with the transactions contemplated herein. Neither Party previously has paid or entered into any other commitment to pay, whether orally or in writing, any of the other Party's employees, directly or indirectly, any consideration, compensation or benefits, monetary or otherwise, in connection with the transaction contemplated herein.

Section 7.13No Limitation. Nothing contained in this Article 7 (*Fees, Royalties and Payments*) shall in any way limit either Party's right to indemnification under this Agreement or to otherwise recover damages for breach of this Agreement.

ARTICLE 8. INTELLECTUAL PROPERTY

Section 8.1Intellectual Property ("IP") Ownership.

8.1.1 Background IP. Each Party will own all right, title and interest in its Background IP.

8.1.2 Collaboration IP. [***].

8.1.3 CytomX Platform Improvements IP. [***].

8.1.4 Moderna Platform Improvements IP. [***].

8.1.5 Product-Specific Collaboration IP. [***].

8.1.6 Jointly Owned Collaboration IP. [***].

8.1.7 Data Ownership. [***].

8.1.8 Disclosure; Further Assurances. Each Party shall promptly disclose to the other Party in writing, and shall cause its Affiliates, and Sublicensees to so disclose, the conception of any Collaboration IP, and, in the case of Moderna or its Affiliates, licensees and Sublicensees, CytomX Platform Improvements IP, and, in the case of CytomX or its Affiliates, licensees and Sublicensees, Moderna Platform Improvements IP. Each Party shall cause its Sublicensees and Affiliates, and their respective employees, consultants, agents, or independent contractors to so assign to such Party, such person's or entity's right, title and interest in and to the foregoing, and all intellectual property rights therein, as is necessary to enable such Party to fully effect the ownership of the foregoing, and intellectual property rights therein, as provided in this Agreement. Each Party shall also include provisions in its relevant agreements with Third Parties performing activities on its behalf pursuant to this Agreement, that effect the intent of this Article 8 (*Intellectual Property*). Each Party hereby appoints the other Party as attorney-in-fact of such Party to execute and deliver all documents reasonably required to evidence or record any assignment pursuant to this Agreement if such Party is unable, after making reasonable inquiry, to obtain assistance of such other Party with respect to any such document. Each Party shall, and shall cause its Sublicensees and Affiliates, and their respective employees, consultants, agents, or independent contractors to, cooperate with the other Party and take all reasonable additional actions and execute such agreements, instruments and documents as may be reasonably required to perfect such other Party's right, title and interest in and to Inventions, and intellectual property rights therein, as set forth in this Section 8.1 (*Intellectual Property ("IP") Ownership*).

Section 8.2Patent Prosecution and Maintenance.

8.2.1 CytomX Patents. CytomX shall be solely responsible, [***], for preparing, filing, prosecuting (including provisional, reissue, reexamination, continuing, divisional, continuation, continuation-in-part, and substitute applications and any foreign counterparts thereof), and maintaining all CytomX Patents, and conducting any interferences and oppositions or similar proceedings relating to any CytomX Patents. CytomX will [***].

8.2.2 Moderna Patents. Moderna shall be solely responsible, [***], for preparing, filing, prosecuting (including provisional, reissue, reexamination, continuing, divisional, continuation, continuation-in-part, and substitute applications and any foreign counterparts thereof), and maintaining all Moderna Patents, and conducting any interferences and oppositions or similar proceedings relating thereto. CytomX acknowledges and agrees that [***].

8.2.3 Collaboration Patents.

(a) [***] shall [***] to prepare, file and prosecute specific patent applications for Collaboration Patents. [***]; *provided* that each Party [***]. The Parties shall [***]. Each Party will [***] at least [***] before filing. [***]. In the event of disagreement between the Parties, [***].

(b) Notwithstanding the foregoing, [***] shall not take any action in connection with the conduct of its activities under this Section 8.2.3 (*Collaboration Patents*) over the objection of [***] that such action would be materially prejudicial to any element, including the validity, patentability, scope, priority, construction, inventorship, enforceability, or [***] ownership, of any [***] in any forum.

8.2.4 Inventor's Remuneration. Each Party shall be solely responsible for any remuneration that may be due to such Party's inventors under any applicable inventor remuneration Laws.

Section 8.3Patent Term Extensions; Patent Listings.

8.3.1 The Parties will cooperate with each other in gaining Patent Right term extension (including supplementary protection certificates for Collaboration Patents to the extent applicable to Licensed Products); *provided* that, in the case of any disagreement, [***].

8.3.2 Moderna shall have the sole right to make all filings with Regulatory Authorities in the Territory with respect to Moderna Patents [***] as required or allowed (a) in the United States, and (b) outside the United States, under the national implementations of Article 10.1(a)(iii) of Directive 2001/EC/83 or other international equivalents. [***].

8.3.3 [***] will [***] regarding filings with Regulatory Authorities in the Territory with respect to CytomX Patents as required or allowed (a) in the United States, and (b) outside the United States, under the national implementations of Article 10.1(a)(iii) of Directive 2001/EC/83 or other international equivalents, but in all cases, CytomX shall retain full discretion with respect thereto.

Section 8.4Defense and Settlement of Third Party Claims. If any Licensed Product Exploited by or under authority of either Party, its Affiliates or Sublicensees becomes the subject of a Third Party's claim or assertion of infringement of a Patent Right, the Party first having notice of the claim or assertion shall promptly notify the other Party, and the Parties shall promptly confer to consider the claim or assertion and the appropriate course of action. Moderna shall have the sole right to control the defense of such claim, at its sole cost and expense. Moderna shall not enter into any settlement of any claim described in this Section 8.4 (*Defense and Settlement of Third Party Claims*) that admits to [***]. In any event, CytomX shall reasonably assist Moderna and cooperate in any such litigation at Moderna's request and expense.

Section 8.5Third Party Defense or Counterclaim.

8.5.1 If a Third Party asserts, as a defense or as a counterclaim in any infringement action under Section 8.7 (*Enforcement*) that any CytomX Patent, Collaboration Patent or Moderna Patent is invalid or unenforceable, then the Party defending such infringement action shall promptly give written notice to the other Party. Each Party shall reasonably cooperate with the other Party in any such action.

8.5.2 With respect to the [***], [***] shall respond to such defense and use Commercially Reasonable Efforts to defend against such counterclaim (as applicable) and, if [***] is pursuing the applicable infringement action under Section 8.7 (*Enforcement*), [***] shall allow [***] to control such response or defense (as applicable). [***] with respect to such response or defense against such counterclaim [***].

8.5.3 With respect to the [***], [***] shall have the [***] right, but not the obligation, to defend against such counterclaim (as applicable) and, if [***] is pursuing the applicable infringement action under Section 8.7 (*Enforcement*), [***] shall allow [***] to control such response or defense (as applicable). [***] with respect to such response or defense against such counterclaim [***]. Notwithstanding the foregoing, if [***] fails to assume such defense in respect to any [***], [***] shall have the right to defend against such action or claim, unless [***].

Section 8.6Third Party Declaratory Judgment or Similar Action.

8.6.1 If a Third Party asserts, in a declaratory judgment action or similar action or claim filed by such Third Party, that any Moderna Patent, Collaboration Patent or CytomX Patent is invalid or unenforceable, then the Party first becoming aware of such action or claim shall promptly give written notice to the other Party. Each Party shall reasonably cooperate with the other Party in any such action.

8.6.2 [***] shall have the [***] right, but not the obligation, to defend against such action or claim against an [***]. [***] shall use Commercially Reasonable Efforts to defend against such action or claim against a [***]. Any costs and expenses with respect to such defense with respect to such Patent Rights shall be borne by the Party defending such action. Notwithstanding the foregoing, if [***] fails to assume such defense with respect to any [***], [***] shall have the right to defend against such action or claim, unless [***]. For clarity, [***] shall not have any such right to defend under this Section 8.6.2 (*Third Party Declaratory Judgment or Similar Action*) with respect to any [***].

Section 8.7Enforcement.

8.7.1 Notice of Infringement. The Parties shall inform each other promptly of any infringement or colorable cause of action for infringement of any Patent Right within the Collaboration Patents, CytomX Patents or Moderna Patents that claim the composition of matter of, methods of making, or methods of using any Licensed Product ("**Competitive Infringement**") and shall provide such other Party with available evidence of such Competitive Infringement.

8.7.2 CytomX Enforcement. CytomX shall have the sole right to enforce the CytomX Patents. CytomX shall at all times keep Moderna informed as to the status of such enforcement pursuant to this Section 8.7.2 (*CytomX Enforcement*). CytomX may, at its own expense, institute suit against any infringer or alleged infringer and control and defend such suit in a manner consistent with the terms and provisions hereof and recover any damages, awards or settlements resulting therefrom, subject to Section

8.7.5 (*Allocation of Recoveries*). Moderna shall reasonably cooperate in any such litigation at CytomX's expense. CytomX shall not enter into any settlement of any claim described in this Section 8.7.2 (*CytomX Enforcement*) that admits to [***].

8.7.3 Moderna Enforcement. Moderna shall have the sole right, but not the obligation, to institute, prosecute, and control any action or proceeding with respect to any Competitive Infringement of any Patent Right within the [***] by counsel of its own choice, in Moderna's own name and under Moderna's direction and control. The foregoing right of Moderna shall include the right [***]. Moderna shall at all times keep CytomX informed as to the status of any enforcement pursuant to this Section 8.7.3 (*Moderna Enforcement*). Moderna may, at its own expense, institute suit against any infringer or alleged infringer and control and defend such suit in a manner consistent with the terms and provisions hereof and recover any damages, awards or settlements resulting therefrom, subject to Section 8.7.5 (*Allocation of Recoveries*). CytomX shall reasonably cooperate in any such litigation at Moderna's expense. Moderna shall not enter into any settlement of any claim described in this Section 8.7.3 (*Moderna Enforcement*) that admits to [***]. CytomX shall not enter into any settlement of any claim described in this Section 8.7.3 (*Moderna Enforcement*) that admits to [***].

8.7.4 Progress Reporting. The Party initiating or defending any enforcement action under this Section 8.7 (*Enforcement*) (the "**Enforcing Party**") shall keep the other Party reasonably informed of the progress of any such enforcement action, and such other Party shall have the individual right to participate with counsel of its own choice [***].

8.7.5 Allocation of Recoveries. Except as otherwise expressly provided herein, the costs and expenses of the Party bringing suit under this Section 8.7 (*Enforcement*) [***], and any damages, settlements or other monetary awards recovered shall be shared as follows: [***].

Section 8.8Biosimilars. Notwithstanding the provisions of Section 8.6 (*Third Party Declaratory Judgment or Similar Action*) or Section 8.7 (*Enforcement*), if either Party receives notice of any Biosimilar Application or a copy of a Biosimilar Application referencing a Biosimilar Product or a Licensed Product, whether or not such notice or copy is provided under any applicable Laws (including under the BPCIA, the United States Patient Protection and Affordable Care Act, or its successor provisions), or otherwise becomes aware that such a Biosimilar Application has been submitted to a Regulatory Authority for Marketing Approval (such as in an instance described in 42 U.S.C. §262(l)(2)), the remainder of this Section 8.8 (*Biosimilars*) will apply. Such Party will promptly, but in any event within [***], notify the other Party. [***] then will seek permission to view the Biosimilar Application, information regarding the process or processes used to manufacture the product that is the subject of the Biosimilar Application, and related confidential information from the filer of the Biosimilar Application if necessary under 42 U.S.C. §262(l)(1)(B)(iii). If either Party receives any equivalent or similar communication or notice in the United States or any other jurisdiction, the Party receiving such communication or notice will within [***] notify the other Party of such communication or notice to the extent permitted by applicable Laws. Regardless of the Party that is the "reference product sponsor," as defined in 42 U.S.C. §262(l)(1)(A), for purposes of such Biosimilar Application:

8.8.1 [***] will designate, to the extent permitted by applicable Law, or otherwise [***] will designate in accordance with [***] instructions, the outside counsel and in-house counsel who will receive confidential access to the Biosimilar Application, information regarding the process or processes

used to manufacture the product that is the subject of the Biosimilar Application, and any related confidential information pursuant to 42 U.S.C. §262(l)(1)(B)(ii).

8.8.2 In each case, after consulting with [***] and considering [***] comments in good faith, [***] will have the right to (a) list any [***] as required pursuant to 42 U.S.C. §262(l)(3)(A) or 42 U.S.C. §262(l)(7), (b) respond to any communications with respect to such lists from the filer of the Biosimilar Application, (c) negotiate with the filer of the Biosimilar Application as to whether to utilize a different mechanism for information exchange other than that specified in 42 U.S.C. §262(l)(1), and (d) as to the [***] that will be subject to the litigation procedure as described in 42 U.S.C. §262(l)(4), decide which [***] will be selected for litigation under 42 U.S.C. §262(l)(5)(B)(i)(II), and commence such litigation under 42 U.S.C. §262(l)(6). If [***] is required pursuant to applicable Law to execute any of these tasks it will do so in accordance with [***] instructions.

8.8.3 [***] will cooperate with [***] reasonable requests in connection with the foregoing activities to the extent required or permitted by applicable Laws. [***] will consult with [***] prior to [***] as contemplated by this Section 8.8 (*Biosimilars*). [***] will consider in good faith advice and suggestions with respect thereto received from [***], and notify [***] of any such lists or communications promptly after they are made.

8.8.4 Each Party will within [***] after receiving any notice of commercial marketing provided by the filer of a Biosimilar Application to [***] pursuant to 42 U.S.C. §262(l)(8)(A), notify the other Party. To the extent permitted by applicable Law, [***] will have the first right, but not the obligation, to seek an injunction against such commercial marketing as permitted pursuant to 42 U.S.C. §262(l)(8)(B) and to file an action for infringement. If required pursuant to applicable Law, upon [***] request, [***] will assist in seeking such injunction or filing such infringement action after consulting with [***]. Except as otherwise provided in this Section 8.8 (*Biosimilars*), any such action will be subject to the other terms and conditions of Section 8.6 (*Third Party Declaratory Judgment or Similar Action*) or Section 8.7 (*Enforcement*) as applicable.

Section 8.9Product Trademarks.

8.9.1 Ownership and Prosecution of Product Trademarks. Moderna shall own all right, title, and interest to trademarks, branding and logos associated specifically with each Licensed Product (collectively, "**Product Trademarks**") in the Territory, and shall be responsible for the registration, prosecution, and maintenance thereof. Moderna also shall have the sole right, but not the obligation, to conduct the selection, registration, prosecution, and maintenance of any international nonproprietary name ("**INN**") or other name, identifier or regulatory nomenclature for each Licensed Product. All costs and expenses of registering, prosecuting, and maintaining the Product Trademarks shall be borne solely by Moderna. CytomX shall provide, at Moderna's sole cost and expense, assistance and documents reasonably requested by Moderna in support of its prosecution, registration, and maintenance of the Product Trademarks.

8.9.2 Enforcement of Product Trademarks. Moderna shall have the sole right and responsibility for taking such action as Moderna deems necessary against a Third Party based on any alleged, threatened, or actual infringement, dilution, misappropriation, or other violation of, or unfair trade practices or any other like offense relating to, the Product Trademarks by a Third Party in the Territory. Moderna shall bear the costs and expenses relating to any enforcement action commenced pursuant to this Section 8.9.2 (*Enforcement of Product Trademarks*) and any settlements and judgments with respect thereto, and shall retain any damages or other amounts collected in connection therewith.

8.9.3 Third Party Claims. Moderna shall have the sole right and responsibility for defending against any alleged, threatened, or actual claim by a Third Party that the use or registration of the Product Trademarks in the Territory infringes, dilutes, misappropriates, or otherwise violates any trademark or other right of that Third Party or constitutes unfair trade practices or any other like offense, or any other claims as may be brought by a Third Party against a Party in connection with the use of the Product Trademarks with respect to a Licensed Product in the Territory. Moderna shall bear the costs and expenses relating to any defense commenced pursuant to this Section 8.9.3 (*Third Party Claims*) and any settlements and judgments with respect thereto, and shall retain any damages or other amounts collected in connection therewith.

Section 8.10Notice and Cooperation. Each Party shall provide to the other Party prompt written notice of any actual or threatened infringement of the Product Trademarks in the Territory and of any actual or threatened claim that the use of the Product Trademarks in the Territory violates the rights of any Third Party, promptly after becoming aware of the foregoing. CytomX agrees to cooperate fully with Moderna [***]with respect to any enforcement action or defense commenced pursuant to this Section 8.10 (*Notice and Cooperation*). Moderna shall consult with CytomX and consider any input from CytomX in good faith with respect to the registration, prosecution, maintenance, enforcement or defense of any Product Trademarks.

ARTICLE 9. REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 9.1Mutual Representations and Warranties. Each Party represents and warrants to the other Party, as of the Effective Date, that:

(a) it is duly incorporated and validly existing and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof;

(b) it is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder, and the individual executing this Agreement on its behalf has been duly authorized to do so by all requisite corporate action;

(c) this Agreement is legally binding upon it and enforceable in accordance with its terms and the execution, delivery and performance of this Agreement by it have been duly authorized by all necessary corporate action and do not and will not: (x) conflict with, or constitute a default under, any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, or violate any material applicable Law or (y) require any consent or approval of its stockholders or similar action; and

(d) it is not under any obligation, contractual or otherwise, to any Person that conflicts with or is inconsistent in any material respect with the terms of this Agreement.

Section 9.2Additional CytomX Representations and Warranties. CytomX represents and warrants to Moderna that, as of the Effective Date:

(a) (i) CytomX has full legal or beneficial title and ownership of, or an exclusive license to, the CytomX Patents listed on Schedule 1.47 as of the Effective Date (the "**Existing Patents**") as is necessary to grant the licenses (or sublicenses) to Moderna to such CytomX Patents that CytomX purports to grant pursuant to this Agreement;

(b) CytomX has the rights necessary to grant the licenses to Moderna under CytomX Know-How that CytomX purports to grant pursuant to this Agreement and, as of the Effective Date, CytomX has the right to (i) use all CytomX Know-How in the conduct of the Work Plans and (ii) permit Moderna to use the CytomX Know-How in the conduct of its Exploitation activities under this Agreement;

(c) [***], no claim or action has been brought or threatened by any Third Party alleging that (i) the Existing Patents are invalid or unenforceable, (ii) use of the CytomX IP as contemplated herein infringes or misappropriates or would infringe or misappropriate any right of any Third Party or (iii) the Development, Manufacturing or Commercialization of the Licensed Products as contemplated herein does or will violate, infringe, misappropriate or otherwise conflict or interfere with, any Patent Right or other intellectual property or proprietary right of any Person, and no Existing Patent is the subject of any interference, opposition, cancellation or other protest proceeding. [***], CytomX has not received any written notice from any Third Party asserting or alleging that the Exploitation, development, manufacture, use or sale of any Licensed Product infringes the rights of such Third Party in the Territory;

(d) (i) the Existing Patents and any pending applications included in the CytomX Patents are being diligently prosecuted in the respective patent offices in the Territory in accordance with applicable Law, including any disclosure requirements in connection therewith, and (ii) [***], the Existing Patents have been filed and maintained properly and correctly and all applicable fees have been paid on or before the due date for payments;

(e) each of the Existing Patents properly identifies each and every inventor of the claims thereof as determined in accordance with the Laws of the jurisdiction in which each such Existing Patent is issued or such application is pending;

(f) (i) [***], the conception, development and reduction to practice of the Existing Patents and CytomX Know-How existing as of the Effective Date and licensed to Moderna pursuant to this Agreement have not constituted or involved the misappropriation of any trade secret of any Third Party and (ii) completion by CytomX of any Preclinical Research within the scope of activities set forth in the initial Work Plan(s) as of the Effective Date does not require any materials, technology or intellectual property that would require any royalty obligation to a Third Party;

(g) (i) neither CytomX nor any of its' Affiliates has received any notice of any claim that any Patent Right, Know-How or other intellectual property owned or controlled by a Third Party would be infringed or misappropriated by the Development or Commercialization of any Collaboration Product or, as applicable, Licensed Product, in each case incorporating or based on any Existing Patents and/or CytomX Know-How existing as of the Effective Date, and (ii) [***], there are no Patent Rights owned by a Third Party and not included in the CytomX IP that Cover the CytomX Know-How existing as of the Effective Date as the Existing Patents and/or CytomX Know-How existing as of the Effective Date are used and practiced by CytomX and its Affiliates as of the Effective Date;

(h) each Person who has or has had any rights in or to any Existing Patents or any CytomX Know-How, has assigned and has executed an agreement assigning its entire right, title and interest in and to such Existing Patents and CytomX Know-How to CytomX. [***], no current officer, employee, agent or consultant of CytomX or any of its Affiliates is in violation of any term or any assignment or other agreement regarding the protection of Patent Rights or proprietary information of

CytomX or such Affiliate or of any employment contract or any other contractual obligation relating to the relationship of any such Person with CytomX;

(i) the CytomX Know-How that constitutes a material trade secret of CytomX has been the subject of reasonable steps by CytomX to maintain its confidentiality. [***], no material breach of a confidentiality obligation to CytomX with respect to any material CytomX Know-How that constitutes a trade secret of CytomX has been committed by any Third Party;

(j) Schedule 9.2(j) sets forth a complete and accurate list of all agreements relating to the licensing, sublicensing or other granting of rights with respect to the CytomX IP ("**CytomX Agreements**"), and CytomX has provided complete and accurate copies of all such agreements to Moderna. Except under the CytomX Agreements, there are no amounts that will be required to be paid to a Third Party (other than for ordinary course service agreements), as a result of the Exploitation of Licensed Products in accordance with this Agreement that arise out of any agreement to which CytomX or any of its Affiliates is a party, and no such agreement will result in any Third Party obtaining any interest in, or any right to assert any claim in or with respect to, any rights granted to Moderna under this Agreement. CytomX and its Affiliates are not in material breach of any CytomX Agreement pursuant to which CytomX and/or its Affiliates receive a license or sublicense to any CytomX IP;

(k) the inventions claimed or covered by the Existing Patents (i) were not conceived, discovered, developed or otherwise made in connection with any research activities funded, in whole or in part, by the federal government of the United States or any agency thereof, (ii) are not a "subject invention" as that term is described in 35 U.S.C. Section 201(f) and (iii) are not otherwise subject to the provisions of the Bayh-Dole Act;

(l) [***], there are no claims, judgments, settlements, litigations, suits, actions, disputes, arbitration, judicial or legal, administrative or other proceedings or governmental investigations pending or, [***], threatened against CytomX which would (i) be reasonably expected to affect or restrict the ability of CytomX to consummate the transactions under this Agreement and to perform its obligations under this Agreement, and (ii) affect in any manner the CytomX IP, or CytomX's Control thereof; and

(m) [***].

Section 9.3Covenants.

(a) **Employees, Consultants and Contractors**. Each Party represents, warrants and covenants that it has obtained or will obtain written agreements from each of its employees, consultants, contractors, agents and Sublicensees who perform research or development activities pursuant to this Agreement or otherwise participate in the Exploitation of Licensed Products pursuant to this Agreement, which agreements will obligate such persons to obligations of confidentiality and non-use and to assign inventions in a manner consistent with the provisions of this Agreement.

(b) **Debarment**. Each Party represents, warrants and covenants to the other Party that it is not debarred, excluded, disqualified, or the subject of disbarment, exclusion or disqualification proceedings under the U.S. Food, Drug and Cosmetic Act or comparable Laws in any country or jurisdiction other than the U.S. and, to its knowledge, does not, and will not during the Term knowingly, employ or use, directly or indirectly, including through Affiliates or Sublicensees, the services of any person who is debarred, excluded, disqualified, or the subject of disbarment, exclusion or disqualification

proceedings in connection with activities relating to any Licensed Product. In the event that either Party becomes aware of the debarment, exclusion or disqualification or threatened debarment, exclusion or disqualification of any person providing services to such Party, directly or indirectly, including through Affiliates or Sublicensees, which directly or indirectly relate to activities contemplated by this Agreement, such Party shall promptly notify the other Party in writing and such Party shall cease employing, contracting with, or retaining any such person to perform any such services.

(c) **Compliance**. Each Party shall comply with applicable Law in the course of performing its obligations or exercising its rights pursuant to this Agreement. Neither Party (nor any of their Affiliates) shall be required under this Agreement to take any action or to omit to take any action otherwise required to be taken or omitted by it under this Agreement if the taking or omitting of such action, as the case may be, could in its reasonable opinion violate any settlement, consent order, corporate integrity agreement, or judgment to which it may be subject from time to time during the Term. Notwithstanding anything to the contrary in this Agreement, neither Party nor any of its Affiliates shall be required to take, or shall be penalized for not taking, any action that such Party reasonably believes is not in compliance with applicable Law.

(i) Each Party agrees, on behalf of itself and its officers, directors, employees, Affiliates and agents, that, in connection with the matters that are the subject of this Agreement, and the performance of its obligations hereunder: (A) it will comply with the U.S. Foreign Corrupt Practices Act, as amended, the UK Bribery Act 2010, as amended, and any other applicable Law relating to or concerning public or commercial bribery or corruption (collectively, "**Anti-Bribery and Anti-Corruption Laws**") and its applicable anti-corruption policies ("**Anti-Corruption Policies**"), and will not take any action that will cause the other Party or its Affiliates to be in violation of any such laws or policies; (B) it will not, directly or indirectly, pay, offer or promise to pay, or authorize the payment of any money, or give, offer or promise to give or authorize the giving of anything of value to any Public Official or Entity for the purpose of influencing the acts of such Public Official or Entity to induce them to use their influence with any Governmental Authority, or obtaining or retaining business or any improper advantage in connection with this Agreement, or that would otherwise violate any Anti-Bribery and Anti-Corruption Laws or Anti-Corruption Policies; and (C) it will not directly or indirectly solicit, receive or agree to accept any payment of money or anything else of value in violation of the Anti-Bribery and Anti-Corruption Laws or the Anti-Corruption Policies.

(ii) Each Party, on behalf of itself and its officers, directors, employees, Affiliates, agents and representatives, represents and warrants to the other Party that, in connection with the matters that are the subject of this Agreement, and the performance by each Party of its obligations hereunder: (A) to its knowledge, as of the Effective Date, it and its Affiliates have not committed any Material Anti-Bribery and Anti-Corruption Law violation; and (B) to its knowledge, none of its contracts, licenses or other assets that are the subject of this Agreement were procured in violation of the Anti-Bribery and Anti-Corruption Laws.

(iii) Each Party will keep and maintain accurate books, accounts, invoices and reasonably detailed records in connection with the performance of its obligations under, and payments made in connection with, this Agreement, including all records required to establish compliance with the provisions of this Section 9.3(c) (*Compliance*), until the later of (A) [***] after the end of the period to which such books and records pertain or (B) the expiration of the applicable statute of limitations (or any extension thereof).

(iv) If a Party becomes aware that any of its officers, directors or employees becomes during the Term a Public Official or Entity in a position to take or influence official action for or against a Party in connection with the performance of its obligations under this Agreement, that Party will promptly notify the other Party. A Party shall notify the other Party upon receiving a formal notification that it is the target of a formal investigation by a Governmental Authority for a Material Anti-Bribery and Anti-Corruption Law violation or upon receipt of information from any of its representatives that any of them is the target of a formal investigation by a Governmental Authority for a Material Anti-Bribery and Anti-Corruption Law violation in connection, in either case in connection with this Agreement.

(v) If either Party requests that any other Party complete a compliance certification certifying compliance with this Section 9.3(c) (*Compliance*), which [***] thereafter, such other Party shall promptly complete and deliver such compliance certification truthfully and accurately. If either Party requests, in connection with a corporate integrity agreement or similar arrangement with a Governmental Authority, that any other Party complete a compliance certification certifying adherence to and compliance with such other Party's code of conduct and compliance program with respect to such other Party's activities under this Agreement, [***], such other Party shall cooperate with the first Party to promptly complete and deliver such compliance certification truthfully and accurately, and should there be reasonable additional requests of such other Party as a result of a corporate integrity agreement or similar arrangement with a Governmental Authority of the requesting Party, such other Party shall comply with such requests.

(vi) In the event that a Party has a good faith reason to believe that the other Party may be in breach or violation of any representation, warranty or undertaking in this Section 9.3(c) (*Compliance*), such Party shall have the right to conduct an examination and audit of relevant books and records of the other Party and, during the pendency of such examination, to suspend any obligations on the part of such Party to the other Party, other than the obligation to pay any payments payable to the other Party pursuant to this Agreement. In the event that a Party becomes aware, whether or not through audit, that the other Party is in breach of or in violation of any representation, warranty or undertaking in this Section 9.3(c) (*Compliance*), then that Party shall have the right to take such steps as are reasonably necessary in order to avoid a violation or continuing violation of the Anti-Bribery and Anti-Corruption Laws, including by requesting such additional representations, warranties, undertakings and other provisions including a further audit as it believes in good faith are reasonably necessary.

(d) **No Grant of Conflicting Rights**. Neither Party nor any of its respective Affiliates will, during the Term, enter into any agreements or grant any right, title or interest to any Person that is inconsistent with the rights and licenses granted to the other Party hereunder, and each Party will maintain and keep in full force and effect all agreements necessary to perform its obligations, and grant the rights granted to the other Party, hereunder.

(e) [***].

Section 9.4Additional CytomX Covenants.

(a) **Encumbrances**. CytomX will not and will cause its Affiliates not to, without the prior written consent of Moderna, encumber or diminish the rights granted to Moderna hereunder or any portion of the CytomX IP with liens, charges or encumbrances that would adversely affect Moderna' ability to Exploit the Licensed Products in any material respect, including by amending or modifying any

agreement between CytomX or any of its Affiliates and a Third Party under which Moderna is granted or requires a sublicense or other rights in order to perform under this Agreement or Exploit any Licensed Product without limitation (subject only to the provisions of this Agreement).

(b) **Breach**. Except to the extent of any breach or failure to perform as would not have an adverse effect on Moderna or its rights hereunder in any material respect, CytomX will not, and will cause its Affiliates and its and their respective contractors and agents not to, breach or fail to perform under any agreement under which Moderna is granted a sublicense or other rights in order to perform under this Agreement or Exploit any Licensed Product without limitation or any other agreement relating to the licensing, sublicensing or other granting of rights with respect to the CytomX IP to the extent such breach would have a material adverse effect on Moderna (a "**CytomX Agreement**"). CytomX shall promptly notify Moderna if it receives any notice from any Third Party that is a party to a CytomX Agreement stating that such Third Party intends to terminate or is terminating or intends to materially amend or modify any of the CytomX Agreements.

Section 9.5Obtainment of Rights. Each Party has or will obtain from each of its Affiliates, Sublicensees, subcontractors, employees and agents, and from the employees and agents of its Affiliates, Sublicensees, subcontractors and agents, who are performing tests or studies, or are otherwise participating in the Exploitation of the Licensed Products or who otherwise have access to any of the other Party's information or other Confidential Information of the other Party, and shall obtain from such Person during the Term, the licenses and other rights necessary for such Party to grant to the other Party the rights and licenses provided herein and for the other Party to perform its obligations hereunder, without payments beyond those required by Article 7 (*Fees, Royalties, & Payments*).

Section 9.6Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS ARTICLE 9 (*REPRESENTATIONS, WARRANTIES AND COVENANTS*), NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR VALIDITY OF PATENT CLAIMS.

ARTICLE 10. INDEMNIFICATION

Section 10.1Indemnity.

10.1.1 By CytomX. CytomX agrees to defend Moderna, its Affiliates, and each of their respective directors, officers, employees and agents (the "**Moderna Indemnified Parties**"), at CytomX's cost and expense, and will indemnify and hold Moderna and the other Moderna Indemnified Parties harmless from and against any claims, losses, costs, damages, fees or expenses (including reasonable legal fees and expenses) (collectively, "**Losses**") in connection with any claims, actions, demands, suits or proceedings [***]; except, in each case, to the extent such Losses result from clause (a), (b) or (c) of Section 10.1.2 (*Indemnity—By Moderna*).

10.1.2 By Moderna. Moderna agrees to defend CytomX, its Affiliates and their respective directors, officers, employees and agents (the "**CytomX Indemnified Parties**"), at Moderna's cost and expense, and will indemnify and hold CytomX and the other CytomX Indemnified Parties harmless from and against any Losses in connection with any Third Party Claims to the extent arising out of or resulting from [***]; except, in each case, to the extent such Losses result from clause (a), (b) or (c) of Section 10.1.1 (*Indemnity—By CytomX*).

Section 10.2Procedure.

10.2.1 Notice. The indemnified Party ("**Indemnitee**") will promptly notify the indemnifying Party ("**Indemnitor**") in writing of the assertion or the commencement of the relevant Third Party Claim; *provided, however*, that any failure or delay to notify shall not excuse any obligation of the Indemnitor, except to the extent the Indemnitor is actually prejudiced thereby. Such notice must contain a description of the claim and the nature and amount of any Losses (to the extent that the nature and the amount of such Losses is known at such time). The Indemnitee shall furnish promptly to the Indemnitor copies of all papers and official documents received in respect of any Losses and Third Party Claims.

10.2.2 Control of Defense. The Indemnitee hereby grants the Indemnitor the right to assert sole management and control, at the Indemnitor's sole expense, of the defense of such Third Party Claim and its settlement; *provided, however*, that the Indemnitor shall not settle any such Third Party Claim without the prior written consent of the Indemnitee if such settlement does not include a complete release from liability or if such settlement would involve the Indemnitee undertaking an obligation (including the payment of money by the Indemnitee), would bind or impair the Indemnitee, or includes any admission of wrongdoing by the Indemnitee or that any intellectual property or proprietary right of Indemnitee or this Agreement is invalid, narrowed in scope or unenforceable. The assertion of the defense of a Third Party Claim by the Indemnitor shall not be construed as an acknowledgment that the Indemnitor is liable to indemnify the Indemnitee in respect of the Third Party Claim, nor shall it constitute a waiver by the Indemnitor of any defenses it may assert against the Indemnitee's claim for indemnification. Upon assuming the defense of a Third Party Claim, the Indemnitor may appoint as lead counsel in the defense of the Third Party Claim any legal counsel selected by the Indemnitor, which shall be reasonably acceptable to the Indemnitee. In the event the Indemnitor assumes the defense of a Third Party Claim, except as provided in this Section 10.2.2 (*Control of Defense*), the Indemnitor shall not be liable to the Indemnitee for any legal expenses subsequently incurred by such Indemnitee in connection with the analysis, defense or settlement of the Third Party Claim unless specifically requested in writing by the Indemnitor. In the event that it is ultimately determined that the Indemnitor is not obligated to indemnify, defend or hold harmless the Indemnitee from and against the Third Party Claim, the Indemnitee shall reimburse the Indemnitor for any Losses incurred by the Indemnitor in defense of the Third Party Claim. The Indemnitee shall have the right (at its own expense) to be present in person or through counsel at all legal proceedings giving rise to the right of indemnification. Notwithstanding the foregoing, the Indemnitee will have the right to employ separate counsel at the Indemnitor's expense and to control its own defense of the applicable Third Party Claim if: (a) the employment thereof, and the assumption by the Indemnitor of such expense, has been specifically authorized by the Indemnitor in writing, (b) the Indemnitor has failed to assume the defense and employ counsel in accordance with this Section 10.2.2 (*Control of Defense*) (in which case, the Indemnitee shall control the defense), (c) there are or may be legal defenses available to the Indemnitee that are different from or additional to those available to the Indemnitor, or (d) in the reasonable opinion of counsel to the Indemnitee, a conflict or potential conflict exists between the Indemnitee and the Indemnitor that would make such separate representation advisable; *provided* that in no event will the Indemnitor be required to pay fees and expenses under this sentence for more than one firm of attorneys in any jurisdiction in any one legal action or group of related legal actions. In such event, the Indemnitee shall not settle or compromise such Third Party claim without the prior written consent of the Indemnitor, such consent not to be unreasonably withheld, conditioned or delayed. The Indemnitor shall not be liable for any settlement, compromise or other voluntary disposition of a Loss by an Indemnitee that is reached without the written consent of the Indemnitor.

10.2.3 Cooperation. Regardless of whether the Indemnitor chooses to defend or prosecute any Third Party Claim, Indemnitee shall, and shall cause each other indemnitee to, cooperate in the defense or prosecution thereof and shall furnish such records, proceedings, hearings, trials and appeals as may be reasonably requested in connection therewith. Such cooperation shall include access during normal business hours afforded to the Indemnitor to, and reasonable retention by the Indemnitee of, records and information that are reasonably relevant to such Third Party Claim, and making Indemnitees and other employees and agents available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, and the Indemnitor shall reimburse the Indemnitee for all of its reasonable out-of-pocket expenses in connection therewith as set forth in Section 10.2.4 (*Expenses*).

10.2.4 Expenses. The reasonable and verifiable costs and expenses, including costs, expenses, fees and disbursements of counsel, incurred by the Indemnitee pursuant to Section 10.2.3 (*Cooperation*) shall be reimbursed on a monthly basis in arrears by the Indemnitor, without prejudice to the Indemnitor's right to contest the Indemnitee's right to indemnification and subject to refund in the event the Indemnitor is ultimately held not to be obligated to indemnify the Indemnitee.

ARTICLE 11.LIMITATIONS OF LIABILITY

Section 11.1LIMITATION OF DAMAGES. EXCEPT [***]. THE LIMITATIONS SET FORTH IN THIS SECTION 11.1 (*LIMITATION OF DAMAGES*) SHALL NOT APPLY WITH RESPECT TO ANY BREACH OF [***]. NOTHING IN THIS SECTION 11.1 WILL LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF A PARTY UNDER ARTICLE 10 WITH RESPECT TO ANY DAMAGES PAID OR REQUIRED TO BE PAID TO A THIRD PARTY IN CONNECTION WITH A THIRD PARTY CLAIM.

Section 11.2Insurance. Each of the Parties will, at their own respective expense, procure and maintain during the Term, insurance policies consistent with the normal business practices of prudent biopharmaceutical companies of similar size and scope. The respective insurance policies may include deductibles consistent with the Parties' size and risk profile. Such insurance will not create a limit to either Party's liability hereunder.

ARTICLE 12. CONFIDENTIALITY

Section 12.1Confidential Information.

12.1.1 Confidential Information. Each Party (the "**Receiving Party**") may receive during the course and conduct of activities under this Agreement, certain proprietary or confidential information of the other Party (the "**Disclosing Party**") as furnished to the Receiving Party by or on behalf of the Disclosing Party. The term "**Confidential Information**" means all ideas and information of any kind, whether in written, oral, graphical, machine-readable or other form, whether or not marked as confidential or proprietary, which are transferred, disclosed or made available by Disclosing Party or at the request of Receiving Party, including any of the foregoing of Affiliates or Third Parties. Notwithstanding anything to the contrary in the foregoing, (a) any information that includes [***] shall be Confidential Information of [***], and [***] shall be deemed the Disclosing Party thereof for purposes of this Article 12 (*Confidentiality*), (b) any information that includes [***] shall be Confidential Information of [***], and [***] shall be deemed the Disclosing Party thereof for purposes of this Article 12 (*Confidentiality*), (c) [***] shall be deemed to be the Confidential Information of [***], and [***] shall

be deemed to be the Disclosing Party and the Receiving Party with respect thereto for purposes of this Article 12 (*Confidentiality*), and (d) any information generated by a Party in the performance of any Preclinical Research, Development, or Commercialization activities pursuant to this Agreement that solely relates to a Collaboration Product or a Licensed Product that is the subject of such activities (excluding, for clarity, any information that includes CytomX Platform Technology or CytomX Platform Improvements IP) shall be deemed to be Confidential Information of [***], and [***] shall be deemed the Disclosing Party thereof for purposes of this Article 12 (*Confidentiality*).

12.1.2 Restrictions. During the Term and for [***] thereafter (or, for any trade secret, for so long as the Disclosing Party maintains such trade secret as a trade secret), Receiving Party will keep all Disclosing Party's Confidential Information in confidence with the same degree of care with which Receiving Party holds its own confidential information (but in no event less than a commercially reasonable degree of care). Receiving Party will not use Disclosing Party's Confidential Information except in connection with the performance of its obligations and exercise of its rights under this Agreement. Receiving Party has the right to disclose Disclosing Party's Confidential Information without Disclosing Party's prior written consent to Receiving Party's Affiliates and their employees, subcontractors, consultants or agents who have a need to know such Confidential Information in order to perform its obligations and exercise its rights under this Agreement and who are bound by restrictions on use and disclosure consistent with this Section 12.1.2 (*Confidentiality—Restrictions*). Receiving Party will use diligent efforts to cause those entities and persons to comply with the restrictions on use and disclosure in this Section 12.1.2 (*Confidentiality—Restrictions*). Receiving Party assumes responsibility for those entities and persons maintaining Disclosing Party's Confidential Information in confidence and using same only for the purposes described herein.

12.1.3 Exceptions. Receiving Party's obligation of nondisclosure and the limitations upon the right to use the Disclosing Party's Confidential Information will not apply to the extent that Receiving Party can demonstrate that the Disclosing Party's Confidential Information: (a) was known to Receiving Party or any of its Affiliates prior to the time of disclosure without any obligation of confidentiality with respect to such information (*provided* that subsection (a) shall not apply to Moderna's obligation of nondisclosure and the limitations upon the right to use any information that includes CytomX Platform Technology that is first disclosed by Moderna to CytomX); (b) is or becomes public knowledge through no wrongful act, fault or omission of Receiving Party or any of its Affiliates; (c) is subsequently obtained by Receiving Party or any of its Affiliates from a Third Party not known by the Receiving Party after due inquiry to be under an obligation of confidentiality; (d) has been independently discovered or developed by employees, subcontractors, consultants or agents of Receiving Party or any of its Affiliates without the aid, application or use of Disclosing Party's Confidential Information, as evidenced by contemporaneous written records; or (e) was released from the restrictions set forth in this Agreement by express prior written consent of the Disclosing Party.

12.1.4 Permitted Disclosures. Receiving Party may disclose Disclosing Party's Confidential Information to the extent (and only to the extent) such disclosure is reasonably necessary in the following instances:

(a) in order to comply with applicable Law (including any securities law or regulation or the rules of a securities exchange or as a requirement in filing for an INN or the like) or with a legal or administrative proceeding, or in connection with prosecuting or defending litigation;

(b) in connection with prosecuting and defending litigation, Marketing Approvals and other Regulatory Filings and communications, and filing, prosecuting and enforcing Patent Rights in connection with Receiving Party's rights and obligations pursuant to this Agreement; and

(c) in connection with exercising its rights hereunder, to its Affiliates, potential and future collaborators (including Sublicensees), advisors, or independent contractors; and, to the extent necessary in connection with their evaluation of potential or actual investment, financing, acquisition or other transaction, investment bankers, legal or other advisors, investors, lenders, financial partners and their attorneys and agents, acquirers or permitted assignees who have a need to know and are under written confidentiality and non-use agreements at least as restrictive as hereunder, but may be of shorter duration (except for trade secrets which shall be maintained as confidential as long as they are trade secrets) to the extent such shorter duration is reasonable and customary in the case of investment bankers, legal or other advisors, investors, lenders, or financial partners and their attorneys and agents;

provided, however, that (1) with respect to Sections 12.1.4(a) or 12.1.4(b) (*Permitted Disclosures*), where reasonably possible, Receiving Party will notify Disclosing Party of Receiving Party's intent to make any disclosure pursuant thereto sufficiently prior to making such disclosure so as to allow Disclosing Party adequate time to take whatever action it may deem appropriate to protect the confidentiality of the information to be disclosed and, in the event that no protective order or other remedy is obtained, or the Disclosing Party waives compliance with the terms of this Agreement, the Receiving Party shall furnish only that portion of Confidential Information that the Receiving Party is advised by counsel is legally required to be disclosed; and (2) with respect to Section 12.1.4(c) (*Permitted Disclosures*), (A) each of those named people and entities are bound by restrictions on use and disclosure consistent with Section 12.1.2 (*Restrictions*) (other than advisors, investment bankers, investors and lenders, which must be bound prior to disclosure by commercially reasonable obligations of confidentiality) and (B) all information not relevant to the potential acquirer or investor, including all Work Plans and the financial terms, shall not be disclosed to any such potential acquirer or investor if it has a competing product to any Licensed Product.

12.1.5 Use of Name. Except as expressly provided herein, neither Party shall mention or otherwise use the name, logo or trademark of the other Party or any of its Affiliates (or any abbreviation or adaptation thereof) in any publication, press release, marketing and promotional material, or other form of publicity without the prior written approval of such other Party in each instance. The restrictions imposed by this Section 12.1.5 (*Use of Name*) shall not prohibit either Party from making any disclosure identifying the other Party that, in the opinion of the Disclosing Party's counsel, is required by applicable Law (including any securities law or regulation or the rules of a securities exchange or as a requirement in filing for an INN or the like) or with a legal or administrative proceeding, or in connection with prosecuting or defending litigation; *provided* that such Party shall submit the proposed disclosure identifying the other Party in writing to the other Party as far in advance as reasonably practicable so as to provide a reasonable opportunity to comment thereon.

Section 12.2Terms of this Agreement; Public Announcements.

12.2.1 The Parties agree that the terms of this Agreement will be treated as Confidential Information of both Parties, and thus may be disclosed only as permitted by this Agreement. Except as required by Law or as permitted under Section 12.1.4 (*Permitted Disclosures*), each Party agrees not to

issue any press release or public statement disclosing information relating to this Agreement or the transactions contemplated hereby or the terms hereof without the prior written consent of the other Party, not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, a joint press release substantially in the form attached hereto as Schedule 12.2 shall be issued by the Parties on or as promptly as practicable after the Effective Date. Without limiting Section 12.1.4 (*Permitted Disclosures*), the Parties agrees to seek reasonable and customary redactions in any filing of this Agreement with the SEC.

12.2.2 The Parties agree that each Party may issue future announcements concerning the advancement of a Licensed Product; *provided* that, except as permitted under Section 12.1.4 (*Permitted Disclosures*), any such announcement by CytomX has been mutually agreed upon by the Parties (such agreement not to be unreasonably withheld, conditioned, or delayed) or contains only information that has been previously publicly announced. [***].

Section 12.3Publication.

12.3.1 Subject to the requirements of this Article 12 (*Confidentiality*), Moderna will have the sole right to publish and make scientific presentations, issue press releases (except with respect to the terms of this Agreement, which is governed by Section 12.2 (*Terms of this Agreement; Public Announcements*)) or make other public disclosures with respect to [***] consistent with Moderna's publication policy. CytomX will not issue any such publications without Moderna's prior written consent, except as required by applicable Law or as otherwise permitted under this Agreement. Notwithstanding the foregoing, any such publication or presentation to be made by Moderna that names CytomX will require the prior written consent of CytomX.

12.3.2 Subject to the requirements of this Article 12 (*Confidentiality*), CytomX will have the sole right to publish and make scientific presentations, issue press releases (except with respect to the terms of this Agreement, which is governed by Section 12.2 (*Terms of this Agreement; Public Announcements*)) or make other public disclosures with respect to [***] consistent with CytomX's publication practices. Moderna will not issue any such publications without CytomX's prior written consent, except as required by applicable Law. Notwithstanding the foregoing, any such publication or presentation to be made by CytomX that names Moderna will require the prior written consent of Moderna.

12.3.3 The Party that is entitled under this Section 12.3 (*Publication*) to make a publication or presentation (the "**Publishing Party**") will deliver to the other Party (the "**Non-Publishing Party**") a copy of the proposed written publication or outline of presentation to be made by the Publishing Party at least [***] in advance of submission (or, where a copy of such publication or presentation is not available at such time, a draft or outline of such publication or a description of such presentation), and the Non-Publishing Party will have the right to: (a) require a delay of submission of not more than [***] to enable the filing of patent applications and information from such proposed publication or presentation in accordance with this Agreement; and (b) prohibit disclosure of any of the Non-Publishing Party's Confidential Information in any such proposed publication or presentation. If the Non-Publishing Party has not provided any comments or otherwise exercised its rights as described in this Section 12.3.3 (*Publication*) within [***] of receiving a copy of such proposed written publication or outline of presentation, the Publishing Party shall be free to submit such publication or to orally disclose or publish the disclosed information in a manner consistent with this Article 12 (*Confidentiality*).

Section 12.4Relationship to the Confidentiality Agreement. This Agreement supersedes the Confidential Disclosure Agreement; *provided, however,* that all "Confidential Information" disclosed or received by the Parties thereunder will be deemed "Confidential Information" hereunder and will be subject to the terms and conditions of this Agreement.

Section 12.5Attorney-Client Privilege. Neither Party is waiving, nor will be deemed to have waived or diminished, any of its attorney work product protections, attorney-client privileges or similar protections and privileges recognized under the applicable Law of any jurisdiction as a result of disclosing information pursuant to this Agreement, or any of its Confidential Information (including Confidential Information related to pending or threatened litigation) to the Receiving Party, regardless of whether the Disclosing Party has asserted, or is or may be entitled to assert, such privileges and protections. The Parties may become joint defendants in proceedings to which the information covered by such protections and privileges relates and may determine that they share a common legal interest in disclosure between them that is subject to such privileges and protections, and in such event, may enter into a joint defense agreement setting forth, among other things, the foregoing principles but are not obligated to do so.

Section 12.6Survival. All Confidential Information shall continue to be subject to the terms of this Agreement for the period set forth in Section 12.1.2 (*Restrictions*).

ARTICLE 13. TERM & TERMINATION

Section 13.1Term. The term of this Agreement shall commence on the Effective Date, and unless terminated earlier as provided in this Article 13 (*Term and Termination*), shall continue in full force and effect, on a Licensed Product-by-Licensed Product and country-by-country basis, until expiration of the obligation to make payments under this Agreement with respect to each Licensed Product in each country (the "**Term**").

Section 13.2Termination by CytomX.

13.2.1 Moderna Breach. CytomX will have the right to terminate this Agreement in the event of any material breach by Moderna of any terms and conditions of this Agreement; *provided, however*, that such termination will not be effective if such breach has been cured within [***] after written notice thereof is given by CytomX to Moderna specifying the nature of the alleged breach; *provided further, however*, if such breach (except for payment breaches) is not reasonably subject to cure within [***] after receipt of written notice thereof, then Moderna shall continue to use good faith efforts to cure such breach and shall have provided to CytomX a written plan intended to cure (and that Moderna reasonably believes will cure) such breach as soon as reasonably practicable thereafter. Notwithstanding the foregoing in this Section 13.2.1 (*Moderna Breach*), in the event of a good faith dispute as to whether a material breach by Moderna allowing for termination hereunder has occurred, the foregoing cure period with respect thereto will be tolled pending final resolution of such dispute in accordance with the terms of this Agreement; *provided, however,* if such dispute relates to payment, such tolling of the cure period will only apply with respect to payment of the disputed amounts, and not with respect to any undisputed amount.

13.2.2 Moderna Bankruptcy or Insolvency. CytomX will have the right to terminate this Agreement if, at any time, Moderna: (a) files in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of Moderna or of its assets, in each case that is not dismissed within [***] after the filing thereof; (b) is served with an involuntary petition against it, filed in any

insolvency proceeding, and such petition will not be dismissed within [***] after the filing thereof; (c) passes a resolution for its winding up or proposes to be or is a party to any dissolution or liquidation; or (d) makes or will make an assignment of substantially all of its assets for the benefit of its creditors.

13.2.3 CytomX Patent Challenge. CytomX will have the right to terminate this Agreement on a Licensed Product-by-Licensed Product or Collaboration Program-by-Collaboration Program basis effective immediately upon written notice to Moderna if Moderna or any of its Sublicensees or Affiliates initiates or asserts any CytomX Patent Challenge and fails to initiate rescission of such CytomX Patent Challenge within [***] after such written notice and thereafter fails to rescind such CytomX Patent Challenge within [***] after such written notice. In the event any Sublicensee (or any Person acting on its behalf) of Moderna initiates or asserts any CytomX Patent Challenge in any forum, Moderna shall, upon written request by CytomX, immediately terminate the applicable sublicense agreement with such Sublicensee.

Section 13.3Termination by Moderna.

13.3.1 CytomX Breach. Moderna will have the right to terminate this Agreement in the event of any material breach by CytomX of any terms and conditions of this Agreement; *provided, however*, that such termination will not be effective if such breach has been cured within [***] after written notice thereof is given by Moderna to CytomX specifying the nature of the alleged breach; *provided further, however*, if such breach is not reasonably subject to cure within [***] after receipt of written notice thereof, then CytomX shall continue to use good faith efforts to cure such breach and shall have provided to Moderna a written plan intended to cure (and that CytomX reasonably believes will cure) such breach as soon as reasonably practicable thereafter. Notwithstanding the foregoing in this Section 13.3.1 (*CytomX Breach*), in the event of a good faith dispute as to whether a material breach by CytomX allowing for termination hereunder has occurred, the foregoing cure period with respect thereto will be tolled pending final resolution of such dispute in accordance with the terms of this Agreement; *provided, however*, if such dispute relates to payment, such tolling of the cure period will only apply with respect to payment of the disputed amounts, and not with respect to any undisputed amount. [***].

13.3.2 CytomX Bankruptcy or Insolvency. Moderna will have the right to terminate this Agreement if, at any time, CytomX: (a) files in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of CytomX or of its assets, in each case that is not dismissed within [***] after the filing thereof; (b) is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition will not be dismissed within [***] after the filing thereof; (c) passes a resolution for its winding up or proposes to be or is a party to any dissolution or liquidation; or (d) makes or will make an assignment of substantially all of its assets for the benefit of its creditors.

13.3.3 Other Termination for Cause. Moderna may terminate this Agreement on a Licensed Product-by-Licensed Product or Collaboration Program-by-Collaboration Program basis effective immediately upon written notice to CytomX in the event that (a) Moderna in good faith believes it is not advisable for Moderna to continue to Develop or Commercialize any Licensed Products as a result of a perceived serious safety issue regarding the use of any Licensed Product (as determined by Moderna's senior executive or committee responsible for Licensed Product safety), *provided* that Moderna and CytomX shall first discuss such safety issue and attempt to resolve such safety issue in good faith prior to Moderna providing such notice of termination, or (b) CytomX or any of its Sublicensees or Affiliates

initiates or asserts any Moderna Patent Challenge and fails to initiate rescission of such Moderna Patent Challenge within [***] after such written notice and thereafter fails to rescind such Moderna Patent Challenge within [***] after such written notice. In the event any Sublicensee (or any Person acting on its behalf) of CytomX initiates or asserts any Moderna Patent Challenge in any forum, CytomX shall, upon written request by Moderna, immediately terminate the applicable sublicense agreement with such Sublicensee.

13.3.4 Discretionary Termination. Moderna, in its sole discretion, may terminate this Agreement in its entirety effective as of any time after [***] upon delivery of (a) at least [***] prior written notice to CytomX if [***], (b) at least [***] prior written notice to CytomX if [***], and (c) at least [***] prior written notice to CytomX if [***]. Moderna, in its sole discretion, may terminate this Agreement on a Licensed Product-by-Licensed Product or country-by-country basis at any time during the Term upon delivery of (i) at least [***] prior written notice to CytomX if [***], (ii) at least [***] prior written notice to CytomX if [***], and (iii) at least [***] prior written notice to CytomX if [***].

Section 13.4Effects of Termination. Following the expiration of the Term or if this Agreement is terminated pursuant to Section 13.3.1 (*CytomX Breach*), Section 13.3.2 (*CytomX Bankruptcy or Insolvency*) or Section 13.3.3(b) (*Other Termination for Cause*) (or with respect to the terminated portion thereof in a partial termination pursuant to Section 13.3.3(b) (*Other Termination for Cause*)), the grants to Moderna in Section 4.1 (*License Grants*) shall (a) become exclusive, perpetual and irrevocable (and sublicenseable through multiple tiers), [***], (b) become royalty-free following expiration of the Term and (c) in the case of any such termination (but not expiration of the Term) of all Licensed Products (if this Agreement is terminated in its entirety) or the applicable Licensed Product (if this Agreement is partially terminated), [***]. Upon termination by a Party, as applicable, under Section 13.2 (*Termination by CytomX*), Section 13.3.3(a) (*Other Termination for Cause*) or Section 13.3.4 (*Discretionary Termination*) (or, to the extent this Agreement is terminated solely with respect to a particular Licensed Product or a particular Collaboration Program pursuant to Section 13.3.3(a) (*Other Termination for Cause*), then the remainder of this Section 13.4 (*Effects of Termination*) shall apply (and for clarity if this Agreement is terminated as to a Licensed Product or Collaboration Program, the following shall only apply to such Licensed Product or Collaboration Program):

13.4.1 Ongoing Clinical Studies. If Moderna is conducting (or having conducted on its behalf) any on-going clinical studies for which it has responsibility hereunder in which patient dosing has commenced, Moderna shall either (a) continue to conduct such clinical studies, or (b) responsibly wind-down, in accordance with accepted biopharmaceutical industry norms and ethical practices, and in the case of (a) and (b) Moderna will be responsible for any costs associated therewith.

13.4.2 Termination of Licenses and Sublicense; Payments. Except as set forth herein, all relevant licenses and sublicenses granted under Article 4 (*License Grant*), as of the effective date of such termination, shall terminate automatically unless otherwise agreed by the Parties. All undisputed amounts due or payable to a Party hereunder that were accrued prior to the date of termination shall remain due and payable except as otherwise set forth in the last sentence of this Section 13.4.2 (*Termination of Licenses and Sublicense; Payments*). Upon the effective date of such termination Moderna will have no further diligence obligations under this Agreement.

13.4.3 Destruction of Confidential Information. Each Party shall destroy or cause to be destroyed (or, at the other Party's written request, return or cause to be returned) all Confidential

Information of the other Party in the possession of such Party or its Affiliates or Sublicensees as of the effective date of expiration or termination (with the exception of one copy of such Confidential Information, which may be retained by the legal department of the Party that received such Confidential Information to confirm compliance with the non-use and non-disclosure provisions of this Agreement), and any Confidential Information of the other Party contained in its laboratory notebooks or databases; *provided* that each Party may retain and continue to use such Confidential Information of the other Party to the extent necessary to exercise any surviving rights, licenses or obligations under this Agreement. Notwithstanding the foregoing, a Party shall not be required to destroy any computer files created during automatic system back up that are subsequently stored securely by it and not readily accessible to its employees, consultants, or others who received Confidential Information under this Agreement. Moderna shall destroy or cause to be destroyed, or at CytomX's option, return or cause to be returned to CytomX, all Materials of CytomX in the possession of Moderna or its Affiliates or Sublicensees as of the effective date of expiration or termination.

Section 13.5Product-Specific Collaboration IP. After any termination of this Agreement, [***].

Section 13.6Remedies. Except as otherwise expressly provided herein, any termination in accordance with the provisions hereof shall not limit remedies that may otherwise be available in law or equity.

Section 13.7Survival. In addition to the expiration or termination consequences set forth in Section 13.4 (*Effects of Termination*), Section 13.5 (*Remedies*) and this Section 13.7 (*Survival*), the following provisions will survive termination or expiration of this Agreement: Article 1 (*Definitions*), Article 10 (*Indemnification*), Article 11 (*Limitations of Liability*) and Article 14 (*Miscellaneous*), Section 4.1 (*License Grants*) (with respect to the license grants to Moderna that expressly survive such termination or expiration in accordance with Section 13.4 (*Effects of Termination*)), Section 7.4 (*Milestone Payments*) (in the case of a termination pursuant to Section 13.2 (*Termination by CytomX*), with respect to a milestone reached prior to the date of the notice of termination by CytomX, and in the case of any other termination or expiration, with respect to a milestone reached prior to the effective date of such expiration or termination), Section 7.5 (*Royalties*) (with respect to sales made before the effective date of such expiration or termination), Section 7.6 (*Invoicing*) through Section 7.13 (*No Limitation*) inclusive (with respect to periods with sales of Licensed Products made before the effective date of such expiration or termination), Section 8.1 (*Intellectual Property*), Section 8.4 (*Defense and Settlement of Third Party Claims*) through Section 8.9 (*Product Trademarks*) (with respect to any action initiated prior to the effective date of such expiration), Section 9.6 (*Disclaimer*), Section 12.1 (*Confidential Information*), Section 12.2 (*Terms of this Agreement; Public Announcements*), Section 12.3 (*Publication*) (with respect to any paper or presentation proposed, or any paper or presentation including data or results of clinical studies conducted, prior to the effective date of such expiration or termination), Section 12.4 (*Relationship to the Confidentiality Agreement*), and Section 12.5 (*Attorney-Client Privilege*) (solely the first sentence). Termination or expiration of this Agreement are neither Party's exclusive remedy and will not relieve the Parties of any liability or obligation which accrued hereunder prior to the effective date of such termination or expiration nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation. All other rights and obligations will terminate upon termination or expiration of this Agreement.

ARTICLE 14. MISCELLANEOUS

Section 14.1Entire Agreement; Amendment. This Agreement and all Exhibits attached hereto or thereto, constitute the entire agreement between the Parties as to the subject matter hereof (and all references to this Agreement shall be deemed to include the Exhibits hereto). All prior and contemporaneous negotiations, representations, warranties, agreements, statements, promises and understandings with respect to the subject matter of this Agreement, including the Confidential Disclosure Agreement, are hereby superseded and merged into, extinguished by and completely expressed by this Agreement. Neither of the Parties shall be bound by or charged with any written or oral agreements, representations, warranties, statements, promises or understandings not specifically set forth in this Agreement. No amendment, supplement or other modification to any provision of this Agreement shall be binding unless in writing and signed by Moderna and CytomX.

Section 14.2Section 365(n) of the Bankruptcy Code. All rights and licenses granted under or pursuant to any section of this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the U.S. Bankruptcy Code to the extent permitted thereunder. The Parties shall retain and may fully exercise all of their respective rights and elections under the U.S. Bankruptcy Code. Upon the bankruptcy of any Party, the non-bankrupt Party shall further be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property, and such, if not already in its possession, shall be promptly delivered to the non-bankrupt Party, unless the bankrupt Party elects to continue, and continues, to perform all of its obligations under this Agreement. All rights granted to either Party under this Agreement shall be deemed to exist immediately before the occurrence of any bankruptcy case in which the other Party is the debtor.

Section 14.3Independent Contractors. The relationship between Moderna and CytomX created by this Agreement is solely that of independent contractors. This Agreement does not create any agency, distributorship, employee-employer, partnership, joint venture or similar business relationship between the Parties, including for all tax purposes. No such Party is a legal representative of the other Party, and no such Party can assume or create any obligation, representation, warranty or guarantee, express or implied, on behalf of the other Party for any purpose whatsoever. Each such Party shall use its own discretion and shall have complete and authoritative control over its employees and the details of performing its obligations under this Agreement.

Section 14.4Governing Law; Jurisdiction. This Agreement and its effect are subject to and shall be construed and enforced in accordance with the law of the State of New York, without regard to its conflicts of laws, except as to any issue which depends upon the validity, scope or enforceability of any Patent Right, which issue shall be determined in accordance with the laws of the country in which such patent was issued. Except to the extent otherwise set forth in Section 14.5 (*Dispute Resolution*), each of the Parties hereby irrevocably and unconditionally (a) consents to submit to the exclusive jurisdiction of the courts of the State of New York located in the City of New York for any matter arising out of or relating to this Agreement and the transactions contemplated hereby, and agrees not to commence any litigation relating thereto except in such courts, (b) waives any objection to the laying of venue of any matter arising out of this Agreement or the transactions contemplated hereby in the courts of the State of New York located in the City of New York, and (c) waives and agrees not to plead or claim in any such court that any such matter brought in any such court has been brought in an inconvenient forum. The Parties agree that a final judgment in any such matter shall be conclusive and may be enforced in other

jurisdictions by suits on the judgment or in any other manner provided by law. Any proceeding brought by either Party under this Agreement shall be exclusively conducted in the English language.

Section 14.5Dispute Resolution.

14.5.1 Disputes; Resolution by Executive Officers. The Parties recognize that disputes as to certain matters may from time to time arise during the Term that relate to decisions to be made by the Parties herein or to the Parties' respective rights and/or obligations hereunder. It is the desire of the Parties to establish procedures to facilitate the resolution of disputes arising under this Agreement in an expedient manner by mutual cooperation and without resort to arbitration or litigation. To accomplish this objective, the Parties agree to follow the procedures set forth in this Section 14.5 (*Dispute Resolution*) if and when a dispute arises under this Agreement, subject to Section 2.2.5 (*Decisions*) and Section 14.5.3 (*Injunctive Relief*). Accordingly, any disputes, controversies or claims that may arise between the Parties out of or in relation to or in connection with this Agreement shall be promptly presented to the Alliance Managers for resolution. If the Alliance Managers are unable to resolve such dispute within [***] after a matter has been presented to them, then upon the request of either Party by written notice, the Parties agree to meet and discuss in good faith a possible resolution thereof, which good faith efforts shall include at least one in-person meeting between the Executive Officers of each Party within [***] after receipt by the other Party of such written notice. If any such matter, other than a matter within the final decision-making authority of Moderna, is not resolved within [***] following presentation to the Executive Officers, then either Party may invoke the provisions of Section 14.5.2 (*Arbitration*).

14.5.2 Arbitration. Any dispute that is not resolved pursuant to Section 14.5.1 (*Disputes; Resolution by Executive Officers*), shall be settled by binding arbitration to be conducted as set forth in this Section 14.5.2 (*Arbitration*).

(a) Either Party, following the end of the [***] period referenced in Section 14.5.1 (*Disputes; Resolution by Executive Officers*), may refer such issue to arbitration by submitting a written notice of such request to the other Party. In any proceeding under this Section 14.5.2 (*Arbitration*), there shall be one (1) arbitrator chosen upon mutual agreement of the Parties. If the Parties do not agree upon a single arbitrator within [***] after delivery of such notice, each Party will nominate one arbitrator in accordance with the then current rules of the Judicial Arbitration and Mediation Services ("**JAMS**"). The two (2) arbitrators so nominated will nominate a third arbitrator to serve as the single arbitrator of the dispute, such nomination to be made within [***] after the selection of the second arbitrator. The arbitrator shall be neutral and independent of both Parties and all of their respective Affiliates, shall have significant experience and expertise in licensing and partnering agreements in the pharmaceutical and biotechnology industries, shall have appropriate experience with respect to the matter(s) to be arbitrated, and shall have some experience in mediating or arbitrating issues relating to such agreements. In the case of any dispute involving Section 6.2 (*Diligence*), including an alleged failure to use Commercially Reasonable Efforts, the arbitrator shall in addition be an individual with experience and expertise in the worldwide development and commercialization of pharmaceuticals and the business, legal and scientific considerations related thereto. In the case of a dispute involving a scientific or accounting matter or determination, an expert having applicable expertise and experience will be selected by the Parties to assist the arbitrator in such scientific or accounting matter or determination (and the arbitrator will select such expert if the Parties cannot agree on such expert within [***] following the selection of the arbitrator). The governing law in Section 14.4 (*Governing Law; Jurisdiction*) shall govern such proceedings. No individual will be appointed to arbitrate a dispute pursuant to this Agreement unless he or she agrees in

writing to be bound by the provisions of this Section 14.5.2 (*Arbitration*). The place of arbitration will be New York, New York, United States unless otherwise agreed to by the Parties, and the arbitration shall be conducted in English.

(b) The arbitrator shall set a date for a hearing that shall be held no later than [***] following his or her appointment as the arbitrator. The Parties shall have the right to be represented by counsel. Except as provided herein, the arbitration shall be governed by the Comprehensive Arbitration Rules of JAMS applicable at the time of the notice of arbitration pursuant to Section 14.5.2(a) (*Arbitration*), including the right of each Party to undertake document requests and up to [***] depositions.

(c) The arbitrator shall use his or her best efforts to rule on each disputed issue within [***] after completion of the hearing described in Section 14.5.2(b) (*Arbitration*). The determination of the arbitrator as to the resolution of any dispute shall be binding and conclusive upon the Parties. All rulings of the arbitrator shall be in writing and shall be delivered to the Parties as soon as is reasonably possible. Nothing contained herein shall be construed to permit the arbitrator to award punitive, exemplary or any similar damages. The arbitrator shall render a "reasoned decision" within the meaning of the Commercial Arbitration Rules, which shall include findings of fact and conclusions of law. Any arbitration award may be entered in and enforced by a court in accordance with Section 14.5.2(d) (*Arbitration*).

(d) Any award to be paid by one Party to the other Party as determined by the arbitrator as set forth above under Section 14.5.2 (*Arbitration*) shall be promptly paid in Dollars free of any tax, deduction or offset; and any costs, fees or taxes incident to enforcing the award shall, to the maximum extent permitted by law, be charged against the Party resisting enforcement. Each Party agrees to abide by the award rendered in any arbitration conducted pursuant to this Section 14.5 (*Dispute Resolution*), and agrees that, subject to the Federal Arbitration Act, judgment may be entered upon the final award in a court of competent jurisdiction and that other courts may award full faith and credit to such judgment in order to enforce such award. With respect to money damages, nothing contained herein shall be construed to permit the arbitrator or any court or any other forum to award punitive or exemplary damages. By entering into this agreement to arbitrate, the Parties expressly waive any claim for punitive or exemplary damages. The only damages recoverable under this Agreement are compensatory damages.

(e) Each Party shall bear its own legal fees in connection with any arbitration procedure. The arbitrator may in his or her discretion assess the arbitrator's cost, fees and expenses (and those of any expert hired by the arbitrator) against the Party losing the arbitration.

14.5.3 Injunctive Relief. Nothing in this Section 14.5 (*Dispute Resolution*) will preclude either Party from seeking equitable relief or interim or provisional relief from a court of competent jurisdiction, including a temporary restraining order, preliminary injunction or other interim equitable relief, concerning a dispute either prior to or during any arbitration if necessary to protect the interests of such Party or to preserve the status quo pending the arbitration proceeding. Each Party further acknowledges and agrees that the restrictions set forth in Section 2.5 (*Exclusivity*), Article 4 (*License Grants*), Article 8 (*Intellectual Property*) and Article 12 (*Confidentiality*) are reasonable and necessary to protect the legitimate interests of the other Party and that such other Party would not have entered into this Agreement in the absence of such restrictions, and that any breach or threatened breach of any provision of such Section or Article may result in irreparable injury to such other Party for which there

will be no adequate remedy at law. In the event of a breach or threatened breach of any provision of such Section or Articles, the non-breaching Party shall be authorized and entitled to seek from any court of competent jurisdiction injunctive relief, whether preliminary or permanent, specific performance, and an equitable accounting of all earnings, profits, and other benefits arising from such breach, which rights shall be cumulative and in addition to any other rights or remedies to which such non-breaching Party may be entitled in law or equity. Both Parties agree to waive any requirement that the other (a) post a bond or other security as a condition for obtaining any such relief, and (b) show irreparable harm, balancing of harms, consideration of the public interest, or inadequacy of monetary damages as a remedy. For the avoidance of doubt, nothing in this Section 14.5.3 (*Injunctive Relief*) shall otherwise limit either Party's opportunity to cure a material breach as permitted in accordance with Article 13 (*Term & Termination*).

14.5.4 Confidentiality. The arbitration proceedings shall be confidential and the arbitrator shall issue appropriate protective orders to safeguard each Party's Confidential Information. Except as required by applicable Law, no Party shall make (or instruct the arbitrator to make) any public announcement with respect to the proceedings or decision of the arbitrator without prior written consent of the other Party. The existence of any dispute submitted to arbitration, and any award, shall be kept in confidence by the Parties and the arbitrator, except as required in connection with the enforcement of such award or as otherwise required by applicable Law. Notwithstanding the foregoing, each Party shall have the right to disclose information regarding the arbitration proceedings to the same extent as it may disclose Confidential Information of the other Party under Article 12 (*Confidentiality*).

14.5.5 Survival. Any duty to arbitrate under this Agreement shall remain in effect and be enforceable after termination of this Agreement for any reason.

14.5.6 Patent and Trademark Disputes. Notwithstanding Section 14.5.2 (*Arbitration*), and without prejudice to CytomX's rights pursuant to Section 13.2.3 (*CytomX Patent Challenge*) or Moderna's rights pursuant to Section 13.3.3(b) (*Other Termination for Cause*), any dispute, controversy or claim relating to the inventorship, scope, validity, enforceability or infringement of any patents Covering, or the scope, validity, enforceability or infringement of any trademark used in connection with, the manufacture, use, importation, offer for sale or sale of Licensed Products shall be submitted to a court of competent jurisdiction in the country in which such patent or trademark rights were granted or arose.

Section 14.6Notice. Any notice required or permitted to be given by this Agreement shall be in writing, in English. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective if (a) delivered by hand or by overnight courier with tracking capabilities, (b) mailed postage prepaid by first class, registered, or certified mail, or (c) delivered by facsimile followed by delivery via either of the methods set forth in clauses (a) and (b) of this Section 14.6 (*Notice*), in each case, addressed as set forth below unless changed by notice so given:

If to CytomX:

CytomX Therapeutics, Inc.
151 Oyster Point Blvd., Suite 400
South San Francisco, CA 94080 USA
Attn: [***]

with copies (which shall not constitute notice) to:

CytomX Therapeutics, Inc.
151 Oyster Point Blvd., Suite 400
South San Francisco, CA 94080 USA
Attn: [***]

[***]
Latham & Watkins LLP
140 Scott Drive
Menlo Park, CA 94025 USA

If to Moderna:

Moderna TX, Inc.
200 Technology Square
Cambridge, Massachusetts 02139
Attn: [***]
Email: [***]

with copies (which shall not constitute notice) to:

Moderna TX, Inc.
200 Technology Square
Cambridge, Massachusetts 02139
Attn: [***]
Email: [***]

[***]
Freshfields Bruckhaus Deringer US LLP
700 13th Street NW
Floor 10
Washington, D.C. 20005 USA

Any such notice shall be deemed given on the date received, except any notice received after 5:00 p.m. (in the time zone of the receiving Party) on a Business Day or received on a non-Business Day shall be deemed to have been received on the next Business Day. A Party may add, delete, or change the Person or address to which notices should be sent at any time upon written notice delivered to the Party's notices in accordance with this Section 14.6 (*Notice*).

Section 14.7Compliance With Law; Severability. Nothing in this Agreement shall be construed to require the commission of any act contrary to Law. If any one or more provisions of this Agreement is held to be invalid, illegal or unenforceable, the affected provisions of this Agreement shall be curtailed and limited only to the extent necessary to bring it within the applicable legal requirements and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

Section 14.8Non-Use of Names. Neither Party shall use the name, trademark, logo, or physical likeness of the other Party or any of its respective officers, directors or employees, or any adaptation of any of them, in any advertising, promotional or sales literature, without the other Party's prior written consent. Each Party shall require its Affiliates to comply with the foregoing.

Section 14.9Successors and Assigns. Neither this Agreement nor any of the rights or obligations created herein may be assigned by either Party, in whole or in part, without the prior written consent of the other Party, not to be unreasonably withheld, conditioned or delayed, except that either Party shall be free to assign this Agreement (a) to an Affiliate of such Party (for so long as such Affiliate remains an Affiliate); *provided* that such Party shall remain liable and responsible to the other Party for the performance and observance of all such duties and obligations by such Affiliate, or (b) in connection with any sale of all or substantially all of the assets of the Party to a Third Party, whether by merger, consolidation, divestiture, restructure, sale of stock, sale of assets or otherwise (a "**Sale Transaction**"; such Third Party, a "**Third Party Acquirer**"); *provided* that the party to which this Agreement is assigned expressly agrees in writing to assume and be bound by all obligations of the assigning Party under this Agreement, and *provided*, *further*, that if any such assignment by a paying Party would result in withholding or other similar taxes becoming due on payments to a non-paying Party under this Agreement (which withholding or other similar taxes would not have been due if the assignment did not occur), then any such assignment will require prior written consent absent an express agreement by the paying Party or the assignee to pay or reimburse the non-paying Party for any increase in such taxes resulting from such assignment that are not deductible or creditable by the non-paying Party under applicable Law, such consent not to be unreasonably withheld, conditioned or delayed. A copy of such written agreement by such assignee shall be provided to the non-assigning Party within [***] of execution of such written agreement.

Section 14.10Sale Transaction or CytomX Acquisition. [***].

Section 14.11Waivers. A Party's consent to or waiver, express or implied, of any other Party's breach of its obligations hereunder shall not be deemed to be or construed as a consent to or waiver of any other breach of the same or any other obligations of such breaching Party. A Party's failure to complain of any act, or failure to act, by the other Party, to declare the other Party in default, to insist upon the strict performance of any obligation or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof, no matter how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder, of any such breach, or of any other obligation or condition. A Party's consent in any one instance shall not limit or waive the necessity to obtain such Party's consent in any future instance and in any event no consent or waiver shall be effective for any purpose hereunder unless such consent or waiver is in writing and signed by the Party granting such consent or waiver.

Section 14.12Performance by Affiliates. Each Party may use one (1) or more of its Affiliates to perform its obligations and duties hereunder and such Affiliates are expressly granted certain rights herein; *provided* that each such Affiliate shall be bound by the corresponding obligations of such Party and such Party shall remain liable hereunder for the prompt payment and performance of all of their respective obligations hereunder.

Section 14.13Force Majeure. Each Party shall be excused from the performance of its obligations under this Agreement to the extent that such performance is prevented by Force Majeure (defined below) and the nonperforming Party promptly provides notice of such prevention to the other Party. Such excuse shall be continued so long as the condition constituting Force Majeure continues. The Party affected by such Force Majeure also shall notify the other Party of the anticipated duration of such Force Majeure, any actions being taken to avoid or minimize its effect after such occurrence, and shall take reasonable efforts to remove the condition constituting such Force Majeure. For purposes of this Agreement, "**Force Majeure**" shall mean conditions beyond the control of the Parties, including acts of God, acts of terrorism, voluntary or involuntary compliance with any Law of any Governmental Authority, embargoes, insurrections, war, acts of war (whether war be declared or not), shortages, epidemics, pandemics, quarantines, labor strikes, lock-outs or other labor disturbances (whether involving the workforce of the non-performing Party or of any other Person), civil commotion, riots, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, hurricane, storm, flood, or like catastrophe, or delays in acting by any Governmental Authority (except to the extent such delay results from the breach by the nonperforming Party or any of its Affiliates of any term or condition of this Agreement). The suspension of performance shall be of no greater scope and no longer duration than is necessary and the non-performing Party shall use Commercially Reasonable Efforts to remedy its ability to perform. When such circumstances arise, the Parties shall negotiate in good faith any modifications of the terms of this Agreement that may be necessary or appropriate in order to arrive at an equitable solution.

Section 14.14No Third Party Beneficiaries. Nothing in this Agreement shall be construed as giving any Person, other than the Parties and their successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any provision hereof, except for the provisions of Article 10 (*Indemnification*) (with respect to which the persons to which Article 10 (*Indemnification*) applies shall be Third Party beneficiaries for Article 10 (*Indemnification*) only in accordance with the terms and conditions of Article 10 (*Indemnification*)).

Section 14.15Headings; Exhibits; Appendices. Article and Section headings used herein are for convenient reference only, and are not a part of this Agreement, and in no way define, describe, extend, or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. All Exhibits are incorporated herein by this reference.

Section 14.16Interpretation. Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or). The term "including," "include," or "includes" as used herein means including, without limiting the generality of any description preceding such term. The word "will" shall be construed to have the same meaning and effect as the word "shall". 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. The language in all parts of this Agreement shall be deemed to be the language mutually chosen by the Parties. Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar days. The Parties and their counsel have cooperated in the drafting and preparation of this Agreement, and this Agreement therefore shall not be construed against any Party by virtue of its role as the drafter thereof.

Section 14.17Counterparts Electronic or Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed and delivered electronically or by facsimile and upon such delivery such electronic or facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other Party.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CYTOMX THERAPEUTICS INC.

By: /s/ Sean A. McCarthy
Name: Sean A. McCarthy, D. Phil.
Title: Chief Executive Officer & Chairman of the Board of Directors

MODERNATX, INC.

By: /s/ Said Francis
Name: Said Francis
Title: Senior Vice President, Business Development & Corporate Strategy

Exhibit A
Initial Work Plans

[***]

Exhibit B
Form of Materials Transfer Agreement

[***]

Schedule 1.47
CytomX Patents

[***]

Schedule 1.117
Moderna Platform Patents

[***]

Schedule 1.173
Tools and Joint UC Patents

[***]

Schedule 2.3
Permitted Subcontractors

[***]

Schedule 9.2
Additional CytomX Representations and Warranties

[***]

Schedule 12.2
Form of Press Release

[***]

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 on Form S-3 No. 333-258510 and related prospectus of CytomX Therapeutics, Inc., and

(2) Registration Statements (Form S-8 Nos. 333-207694, 333-209992, 333-215795, 333-223491, 333-229916, 333-236711, 333-253452, 333-255832, and 333-263321) pertaining to the 2015 Equity Incentive Plan, the Employee Stock Purchase Plan and the 2019 Employment Inducement Incentive Plan, of CytomX Therapeutics, Inc.;

of our report dated March 27, 2023, with respect to the financial statements of CytomX Therapeutics, Inc., included in this Annual Report (Form 10-K) of CytomX Therapeutics Inc., for the year ended December 31, 2022.

/s/ Ernst & Young LLP

San Jose, California
March 27, 2023

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, Sean A. McCarthy, Chief Executive Officer of CytomX Therapeutics, Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K of CytomX Therapeutics, Inc. for the year ended December 31, 2022;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 27, 2023

/s/ Sean A. McCarthy

Sean A. McCarthy, D.Phil.
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, Christopher W. Ogden, Senior Vice President, Finance and Accounting of CytomX Therapeutics, Inc., certify that:

1. I have reviewed this Annual Report on Form 10-K of CytomX Therapeutics, Inc. for the year ended December 31, 2022;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 27, 2023

/s/ Christopher W. Ogden

Christopher W. Ogden

Senior Vice President, Finance and Accounting

(Principal Accounting Officer)

Exhibit 32.1

SECTION 1350 CERTIFICATIONS*

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. § 1350), Sean A. McCarthy, D.Phil., Chief Executive Officer of CytomX Therapeutics, Inc. (the "Company") and Christopher W. Ogden, Senior Vice President, Finance and Accounting of the Company, each hereby certify that, to the best of his knowledge:

1. The Company's Annual Report on Form 10-K for the year ended December 31, 2022 to which this Certification is attached as Exhibit 32.1 (the "Annual Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the period covered by the Annual Report.

Dated: March 27, 2023

/s/ Sean A. McCarthy

Sean A. McCarthy, D.Phil.

Chief Executive Officer
(Principal Executive Officer)

/s/ Christopher W. Ogden

Christopher W. Ogden

Senior Vice President, Finance and Accounting
(Principal Accounting Officer)

* This certification accompanies the Annual Report on Form 10-K, to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.