UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024
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: 001-37722

SPYRE THERAPEUTICS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**46-4312787**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

221 Crescent Street
Building 23, Suite 105
Waltham, MA 02453

(Address of principal executive offices including zip code)

Registrant's telephone number, including area code: (617) 651-5940
Former name, former address and former fiscal year, if changed since last report: N/A

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 Par Value Per Share	SYRE	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

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

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

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

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

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

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

As of August 1, 2024, the registrant had 50,792,374 shares of common stock, $0.0001 par value per share, outstanding.

SPYRE THERAPEUTICS, INC.

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTER ENDED JUNE 30, 2024

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NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (this “Quarterly Report”) contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the Securities Act of 1933, as amended (the "Securities Act"). All statements contained in this Quarterly Report other than statements of historical fact, any future payouts under our contingent value rights ("CVRs") issued in connection with the acquisition of Spyre Therapeutics, Inc. ("Pre-Merger Spyre") (the "Asset Acquisition"); our ability to achieve the expected benefits or opportunities and related timing with respect to the Asset Acquisition or to monetize our legacy assets, our future results of operations and financial position, our business strategy, the length of time that we believe our existing cash resources will fund operations, our market size, our potential growth opportunities, our nonclinical and clinical development activities, the efficacy and safety profile of our product candidates, the potential therapeutic benefits and economic value of our product candidates, the timing and results of nonclinical studies and clinical trials, the expected impact of macroeconomic conditions, including inflation, increasing interest rates and volatile market conditions, current or potential bank failures, as well as global events, including the ongoing military conflict in Ukraine, conflict in Israel and surrounding areas, and geopolitical tensions in China on our operations, and the receipt and timing of potential regulatory designations, approvals and commercialization of product candidates, are forward-looking statements. The words “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “predict,” “target,” “intend,” “could,” “would,” “should,” “project,” “plan,” “expect,” and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Item 1A, “Risk Factors” included in this Quarterly Report. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report to conform these statements to actual results or to changes in our expectations, except as required by law. You should read this Quarterly Report with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

Unless the context indicates otherwise, as used in this Quarterly Report, the terms “Spyre,” "Aeglea BioTherapeutics, Inc.," “the Company,” “we,” “us,” and “our” refer to Spyre Therapeutics, Inc., a Delaware corporation, and its consolidated subsidiaries taken as a whole. “Spyre” and all product candidate names are our common law trademarks. This Quarterly Report contains additional trade names, trademarks and service marks of other companies, which are the property of their respective owners. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies.

All references to “our product candidates,” “our programs” and “our pipeline” in this Quarterly Report refer to the research programs with respect to which we have signed a license agreement for, exercised the option to acquire intellectual property license rights to or have the option to acquire intellectual property license rights to pursuant to that certain antibody discovery and option agreement, dated May 25, 2023, and subsequently amended and restated on September 29, 2023 and May 14, 2024, by and among us, Paragon Therapeutics, Inc. (“Paragon”) and Parapyre Holding LLC (“Parapyre”) (the “Paragon Agreement”).

Please be advised that on September 8, 2023, we effected a reverse stock split of our common stock, par value $0.0001 per share ("Common Stock"), at a ratio of 1-for-25 (the “Reverse Split”). Except as indicated otherwise, all share numbers related to our Common Stock disclosed in this Quarterly Report have been adjusted on a post-Reverse Split basis. In addition, on November 28, 2023, we changed our name from “Aeglea BioTherapeutics, Inc.” to “Spyre Therapeutics, Inc.”

PART I. – Financial Information

Item 1. Financial Statements (Unaudited).

Spyre Therapeutics, Inc.
Condensed Consolidated Balance Sheets
(Unaudited, in thousands, except share and per share amounts)

	June 30, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 45,144	$ 188,893
Marketable securities	380,851	150,384
Prepaid expenses and other current assets	9,741	2,251
Total current assets	435,736	341,528
Restricted cash	321	322
Other non-current assets	10	9
TOTAL ASSETS	$ 436,067	$ 341,859
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 3,231	$ 896
CVR liability	2,640	1,390
Accrued and other current liabilities	5,683	13,108
Related party accounts payable and other current liabilities	10,568	16,584
Total current liabilities	22,122	31,978
Non-current CVR liability	39,560	41,310
TOTAL LIABILITIES	61,682	73,288
Commitments and Contingencies (Note 7 and 8)		
Series B non-voting convertible preferred stock, $0.0001 par value; 150,000 shares authorized, issued, and outstanding as of December 31, 2023.	—	84,555
STOCKHOLDERS' EQUITY		
Series A non-voting convertible preferred stock, $0.0001 par value; 1,086,341 shares authorized as of June 30, 2024 and December 31, 2023; 346,045 and 437,037 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively.	146,425	184,927
Series B non-voting convertible preferred stock, $0.0001 par value; 271,625 shares authorized and 16,667 shares issued and outstanding as of June 30, 2024.	9,395	—
Preferred stock, $0.0001 par value; 8,642,034 shares and 8,763,659 shares authorized as of June 30, 2024 and December 31, 2023, respectively; no shares issued and outstanding as of June 30, 2024 and December 31, 2023.	—	—
Common stock, $0.0001 par value; 400,000,000 shares authorized as of June 30, 2024 and December 31, 2023; 50,783,384 shares and 36,057,109 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively.	12	10
Additional paid-in capital	1,066,214	763,191
Accumulated other comprehensive (loss) income	(553)	302
Accumulated deficit	(847,108)	(764,414)
TOTAL STOCKHOLDERS' EQUITY	374,385	184,016
TOTAL LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY	$ 436,067	$ 341,859

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

Spyre Therapeutics, Inc.
Condensed Consolidated Statements of Operations
(Unaudited, in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue:				
Development fee and royalty	$ —	$ 688	$ —	$ 886
Total revenue	—	688	—	886
Operating expenses:				
Research and development [1]	32,636	17,386	67,564	31,162
General and administrative	11,511	12,062	24,357	17,290
Acquired in-process research and development	—	130,486	—	130,486
Total operating expenses	44,147	159,934	91,921	178,938
Loss from operations	(44,147)	(159,246)	(91,921)	(178,052)
Other income (expense):				
Interest income	5,920	350	10,352	770
Change in fair value of forward contract liability	—	(58,170)	—	(58,170)
Other expense, net	(610)	(8)	(1,093)	(80)
Total other income (expense)	5,310	(57,828)	9,259	(57,480)
Loss before income tax expense	(38,837)	(217,074)	(82,662)	(235,532)
Income tax (expense) benefit	—	(7)	(32)	29
Net loss	$ (38,837)	$ (217,081)	$ (82,694)	$ (235,503)
Net loss per share, basic and diluted	$ (0.86)	$ (56.79)	$ (2.02)	$ (62.03)
Weighted-average common shares outstanding, basic and diluted	45,316,264	3,822,605	40,914,463	3,796,699

(1) Includes $9.4 million and $26.5 million in related party expenses for the three and six months ended June 30, 2024, respectively, and $1.4 million related party expenses for the three and six months ended June 30, 2023.

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

Spyre Therapeutics, Inc.
Condensed Consolidated Statements of Comprehensive Loss
(Unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss	$ (38,837)	$ (217,081)	$ (82,694)	$ (235,503)
Other comprehensive (loss) income:				
Foreign currency translation adjustment	4	18	20	28
Unrealized (loss) gain on marketable securities	(194)	(1)	(875)	31
Total comprehensive loss	$ (39,027)	$ (217,064)	$ (83,549)	$ (235,444)

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

Spyre Therapeutics, Inc.
Condensed Consolidated Statements of Changes in Convertible Preferred Stock and Stockholders' Equity
(Unaudited, in thousands)

Six Months Ended June 30, 2024

	Series B Non-Voting Convertible Preferred Stock		Series A Non-Voting Convertible Preferred Stock		Series B Non-Voting Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
Balances - December 31, 2023	150	$ 84,555	437	$ 184,927	—	$ —	36,057	$ 10	$ 763,191	$ 302	$ (764,414)	$ 184,016
Issuance of Series B non-voting convertible preferred stock in connection with private placement, net of financing costs	122	168,850	—	—	—	—	—	—	—	—	—	—
Issuance of common stock in connection with exercise of stock options and employee stock purchase plan	—	—	—	—	—	—	572	—	4,390	—	—	4,390
Stock-based compensation expense	—	—	—	—	—	—	—	—	8,385	—	—	8,385
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	16	—	16
Unrealized loss on marketable securities	—	—	—	—	—	—	—	—	—	(681)	—	(681)
Net loss	—	—	—	—	—	—	—	—	—	—	(43,857)	(43,857)
Balances - March 31, 2024	272	$ 253,405	437	$ 184,927	—	—	36,629	$ 10	$ 775,966	$ (363)	$ (808,271)	$ 152,269
Stockholder approval of the issuance of Common Stock upon conversion of Series B convertible non-voting preferred stock	(272)	(253,405)			272	253,405	—	—	—	—	—	253,405
Exchange of Series A non-voting convertible preferred stock for common stock	—	—	(91)	(38,502)	—	—	3,640	1	38,501	—	—	—
Conversion of Series B non-voting convertible preferred stock into common stock	—	—			(255)	(244,010)	10,198	1	244,009	—	—	—
Issuance of common stock in connection with exercise of pre-funded warrants	—	—	—	—	—	—	250	—	1	—	—	1
Issuance of common stock in connection with exercise of stock options and employee stock purchase plan	—	—	—	—	—	—	66	—	494	—	—	494
Stock-based compensation expense	—	—	—	—	—	—	—	—	7,243	—	—	7,243
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	4	—	4
Unrealized loss on marketable securities	—	—	—	—	—	—	—	—	—	(194)	—	(194)
Net loss	—	—	—	—	—	—	—	—	—	—	(38,837)	(38,837)
Balances - June 30, 2024	—	—	346	$ 146,425	17	$ 9,395	50,783	$ 12	$ 1,066,214	$ (553)	$ (847,108)	$ 374,385

	Six Months Ended June 30, 2023							
	Series A Non-Voting Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balances - December 31, 2022	—	$ —	2,614	$ 6	$ 475,971	$ (48)	$ (425,624)	$ 50,305
Issuance of common stock in connection with employee stock purchase plan	—	—	2	—	18	—	—	18
Stock-based compensation expense	—	—	—	—	1,709	—	—	1,709
Foreign currency translation adjustment	—	—	—	—	—	10	—	10
Unrealized gain on marketable securities	—	—	—	—	—	32	—	32
Net loss	—	—	—	—	—	—	(18,422)	(18,422)
Balances - March 31, 2023	—	$ —	2,616	$ 6	$ 477,698	$ (6)	$ (444,046)	$ 33,652
Issuance of Series A non-voting convertible preferred stock in connection with private placement, net of financing costs	721	197,323	—	—	—	—	—	—
Issuance of common stock forward in connection with the asset acquisition of Spyre	—	—	—	—	3,768	—	—	3,768
Issuance of common stock in connection with exercise of pre-funded warrants	—	—	624	—	—	—	—	—
CVR distribution to common stockholders	—	—	—	—	(29,500)	—	—	(29,500)
Stock-based compensation expense	—	—	—	—	1,775	—	—	1,775
Foreign currency translation adjustment	—	—	—	—	—	18	—	18
Unrealized loss on marketable securities	—	—	—	—	—	(1)	—	(1)
Net loss			—	—	—	—	(217,081)	(217,081)
Balances - June 30, 2023	721	$ 197,323	3,240	$ 6	$ 453,741	$ 11	$ (661,127)	$ (207,369)

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

Spyre Therapeutics, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited, in thousands)

	Six Months Ended June 30,	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (82,694)	$ (235,503)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	22,517	3,620
Acquired in-process research and development	—	130,486
Change in fair value of CVR liability	930	—
Change in fair value of forward contract liability	—	58,170
Lease ROU asset and leasehold improvement impairment loss	—	2,580
Loss on disposal of long-lived assets	—	915
Net accretion of discount on marketable securities	(5,984)	(123)
Interest proceeds from maturities of zero coupon US Treasury Bills	124	—
Depreciation and amortization	—	744
Amortization of operating lease assets	—	220
Other	—	6
Changes in operating assets and liabilities:		
Accounts payable	2,335	2,045
Accrued and other liabilities	(7,623)	(1,058)
Related party accounts payable	(12,906)	1,247
Prepaid expenses and other assets	(7,489)	3,368
Deferred revenue	—	575
Development receivables	—	(1,271)
Operating lease liabilities	—	(298)
Net cash used in operating activities	(90,790)	(34,277)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities and sales of marketable securities	105,626	21,000
Purchases of marketable securities	(331,107)	—
Cash assumed from asset acquisition of Spyre	—	3,035
Proceeds from sale of property and equipment	—	475
Net cash (used in) and provided by investing activities	(225,481)	24,510
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Series B non-voting convertible preferred stock in connection with private placement, net of placement and other offering costs	169,070	—
Proceeds from issuance of Series A non-voting convertible preferred stock in connection with private placement	—	210,000
Payments related to contingent value rights liability	(1,430)	—
Proceeds from employee stock option exercises, employee stock plan purchases, and exercise of prefunded warrants	4,885	18
Principal payments on finance lease obligation	—	(16)
Net cash provided by financing activities	172,525	210,002
Effect of exchange rate on cash, cash equivalents, and restricted cash	(4)	24
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(143,750)	200,259
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Beginning of period	189,215	36,416
End of period	$ 45,465	$ 236,675

(Continued on next page)

	Six Months Ended June 30,	
	2024	**2023**
Supplemental Disclosure of Non-Cash Investing and Financing Information:		
Exchange of Series A non-voting convertible preferred stock for common stock	$ 38,502	$ —
Conversion of Series B non-voting convertible preferred stock into common stock	$ 244,010	$ —
Unpaid amounts related to issuance of Series B non-voting convertible preferred stock in connection with private placement	$ 220	$ —
Unpaid direct transaction costs related to the asset acquisition of Spyre	$ —	$ 2,067
Unpaid amounts related to issuance of Series A non-voting convertible preferred stock in connection with private placement	$ —	$ 12,677
Reconciliation of Cash, Cash Equivalents, and Restricted Cash Reported in the Statement of Financial Position		
Cash and cash equivalents	$ 45,144	$ 235,358
Restricted cash	321	1,317
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$ 45,465	$ 236,675

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

Spyre Therapeutics, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

1. The Company and Basis of Presentation

Spyre Therapeutics, Inc., formerly Aeglea BioTherapeutics, Inc. (“Spyre” or the “Company”), is a clinical stage biotechnology company focused on developing next generation therapeutics for patients living with inflammatory bowel disease. The Company was formed as a Limited Liability Company ("LLC") in Delaware on December 16, 2013 under the name Aeglea BioTherapeutics Holdings, LLC and was converted from a Delaware LLC to a Delaware corporation on March 10, 2015. On November 27, 2023, the Company completed its corporate rebranding, changing the name of the Company to Spyre Therapeutics, Inc. The Company operates in one segment and has its principal offices in Waltham, Massachusetts.

On September 8, 2023, the Company effected a reverse stock split of its Common Stock at a ratio of 1-for-25 (the “Reverse Split”). Except as indicated otherwise, all share numbers related to the Company's Common Stock disclosed in these financial statements have been adjusted on a post-Reverse Split basis.

On April 12, 2023, based on the review of the inconclusive interim results from the Company's Phase 1/2 clinical trial of pegtarviliase for the treatment of Classical Homocystinuria and other business considerations, the Company announced that it had initiated a process to explore strategic alternatives to maximize stockholder value and engaged an independent exclusive financial advisor to support this process. As a result, in April 2023, the Company implemented a restructuring plan resulting in an approximate 83% reduction of the Company’s existing headcount.

On June 22, 2023, the Company acquired, in accordance with the terms of the Agreement and Plan of Merger (the "Acquisition Agreement"), the assets of Spyre Therapeutics, Inc. (“Pre-Merger Spyre”), a privately held biotechnology company advancing a pipeline of antibody therapeutics with the potential to transform the treatment of inflammatory bowel disease through a research and development option agreement ("Paragon Agreement") with Paragon Therapeutics, Inc. ("Paragon"). The asset acquisition was accomplished through a two-step reverse triangular merger whereby a wholly owned subsidiary of the Company merged with and into Pre-Merger Spyre, which existed at the time the Acquisition Agreement was entered into, and became a wholly owned subsidiary of the Company in accordance with the terms of the Acquisition Agreement. Immediately following this merger, Pre-Merger Spyre merged with and into a second wholly owned subsidiary of the Company (“Merger Sub”) in accordance with the terms of the Acquisition Agreement and Pre-Merger Spyre ceased to exist. Subsequently, Aeglea BioTherapeutics, Inc. was renamed Spyre Therapeutics, Inc. and is a different entity than Pre-Merger Spyre, which ceased to exist upon merging with Merger Sub. The transaction was structured as a stock-for-stock transaction pursuant to which all of Pre-Merger Spyre's outstanding equity interests were exchanged based on a fixed exchange ratio of 0.5494488 to 1 for consideration from the Company of 517,809 shares of common stock, par value of $0.0001 per share ("Common Stock"), and 364,887 shares of Series A non-voting convertible preferred stock, par value of $0.0001 per share ("Series A Preferred Stock") (convertible on a 40 to 1 basis), in addition to the assumption of outstanding and unexercised stock options to purchase 2,734 shares of Common Stock from the Amended and Restated Spyre 2023 Equity Incentive Plan (the "Asset Acquisition"). The Common Stock and Series A Preferred Stock related to the Asset Acquisition were issued to the Pre-Merger Spyre stockholders on July 7, 2023.

In connection with the Asset Acquisition, on June 26, 2023, the Company completed a private placement of shares of Series A Preferred Stock (the “June 2023 PIPE”) to a group of investors (the “June 2023 Investors”). The Company sold an aggregate of 721,452 shares of Series A Preferred Stock for an aggregate purchase price of approximately $210.0 million before deducting approximately $12.7 million in placement agent and other offering expenses (together with the Asset Acquisition, the “Transactions”).

In connection with the Asset Acquisition, a non-transferable contingent value right ("CVR") was distributed to stockholders of record of the Company as of the close of business on July 3, 2023 (the "Legacy Stockholders"), but was not distributed to the holders of shares of Common Stock or Series A Preferred Stock issued to the former stockholders of Pre-Merger Spyre or the June 2023 Investors in the Transactions. Holders of the CVRs will be entitled to receive cash payments from proceeds received by the Company for a three-year

period related to the disposition or monetization of its legacy assets for a period of one-year following the closing of the Asset Acquisition.

On November 21, 2023, the Company's stockholders approved the issuance of Common Stock upon conversion of the Company's Series A Preferred Stock to Common Stock. A total of 649,302 shares of Series A Preferred Stock automatically converted to 25,972,080 shares of Common Stock; 437,037 shares of Series A Preferred Stock did not automatically convert and remained outstanding after the conversion.

On December 11, 2023, the Company completed a private placement of shares of Common Stock and Series B non-voting convertible preferred stock, par value of $0.0001 per share ("Series B Preferred Stock") (convertible on a 40 to 1 basis) (the “December 2023 PIPE”) to a group of investors. The Company sold an aggregate of 6,000,000 shares of Common Stock and 150,000 shares of Series B Preferred Stock for an aggregate purchase price of approximately $180.0 million before deducting approximately $10.9 million of placement agent and other offering expenses.

On March 20, 2024, the Company completed a private placement of Series B Preferred Stock (convertible on a 40 to 1 basis) (the “March 2024 PIPE”) to a group of investors. The Company sold 121,625 shares of Series B Preferred Stock for a purchase price of $180.0 million before deducting approximately $11.2 million of placement agent and other offering costs.

On April 23, 2024, the Company entered into an exchange agreement with Fairmount Healthcare Fund II L.P. (the “Stockholder”), pursuant to which the Stockholder agreed to exchange an aggregate of 90,992 shares of Series A Preferred Stock for an aggregate of 3,639,680 shares of Common Stock (the “April 2024 Exchange”). The Common Stock issued in connection with the April 2024 Exchange was issued without registration under the Securities Act of 1933, as amended (the “Securities Act”) in reliance on the exemption from registration contained in Section 3(a)(9) of the Securities Act. The April 2024 Exchange closed on April 25, 2024, with 346,045 shares of Series A Preferred Stock remaining outstanding following the April 2024 Exchange.

On May 14, 2024, the Company's stockholders approved the issuance of Common Stock upon conversion of the Company's Series B Preferred Stock to Common Stock. A total of 254,958 shares of Series B Preferred Stock automatically converted to 10,198,320 shares of Common Stock; 16,667 shares of Series B Preferred Stock did not automatically convert and remained outstanding as of June 30, 2024.

Liquidity

The Company is a clinical stage biotechnology company with a limited operating history, and due to its significant research and development expenditures, the Company has generated operating losses since its inception and has not generated any revenue from the commercial sale of any products. There can be no assurance that profitable operations will ever be achieved, and, if achieved, whether profitability can be sustained on a continuing basis.

Since its inception and through June 30, 2024, the Company has funded our operations by raising an aggregate of approximately $1.1 billion of gross proceeds from the sale and issuance of convertible preferred stock and common stock, pre-funded warrants, the collection of grant proceeds, and the licensing of its product rights for commercialization of pegzilarginase in Europe and certain countries in the Middle East. As of June 30, 2024, Spyre had an accumulated deficit of $847.1 million, and cash, cash equivalents, marketable securities and restricted cash of $426.3 million.

Based on current operating plans, the Company has sufficient resources to fund operations for at least one year from the issuance date of these financial statements with existing cash, cash equivalents, and marketable securities. Spyre will need to secure additional financing in the future to fund additional research and development, and before a commercial drug can be produced, marketed and sold. If the Company is unable to obtain additional financing or generate license or product revenue, the lack of liquidity could have a material adverse effect on the Company.

Basis of Presentation

The consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States (“U.S. GAAP”) as defined by the Financial Accounting Standards Board and include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations or balance sheets.

Unaudited Interim Financial Information

The interim condensed consolidated financial statements included in this Quarterly Report on Form 10-Q are unaudited. The unaudited interim financial statements have been prepared on the same basis as the annual financial statements and reflect, in the opinion of management, all adjustments of a normal and recurring nature that are necessary for a fair statement of the Company’s financial position as of June 30, 2024, and its results of operations for the three and six months ended June 30, 2024 and 2023, changes in convertible preferred stock and stockholders’ equity for the three and six months ended June 30, 2024 and 2023, and cash flows for the six months ended June 30, 2024 and 2023. The results of operations for the three and six months ended June 30, 2024, are not necessarily indicative of the results to be expected for the year ending December 31, 2024 or for any other future annual or interim period. The December 31, 2023 balance sheet was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP for complete financial statements. These financial statements should be read in conjunction with the audited financial statements included in the Company’s Form 10-K for the year ended December 31, 2023 (the "Annual Report") as filed with the SEC on February 29, 2024 and amended on March 1, 2024.

2. Summary of Significant Accounting Policies

These interim condensed consolidated financial statements have been prepared in accordance with U.S. GAAP and SEC instructions for interim financial information, and should be read in conjunction with the Company's Annual Report. Significant accounting policies and other disclosures normally provided have been omitted since such items are disclosed in the Company's Annual Report. The Company uses the same accounting policies in preparing quarterly and annual financial statements.

Other than policies noted below, there have been no significant changes from the significant accounting policies and estimates disclosed in the Notes titled “1. The Company and Basis of Presentation” and "2. Summary of Significant Accounting Policies” of the Company's Annual Report.

License Agreements Contingent Milestone Payments

The Company’s license agreements include specific development, regulatory, and clinical milestone payments that are payable upon the resolution of a contingency, such as upon the selection of a development candidate, first dosing of a human patient in clinical trials or receipt of the Food Drug and Administration’s (“FDA”) approval of a Spyre drug. The achievement of these milestone payments involves many factors outside of the Company’s control and therefore the associated likelihood cannot be considered probable until the related contingency is resolved. Based on the preceding, the Company accrues each milestone payment upon the achievement of the applicable milestone event.

Recently Adopted Accounting Pronouncement

There have been no recent accounting pronouncements or changes in accounting pronouncements during the six months ended June 30, 2024 that are of significance or potential significance to the Company.

3. Fair Value Measurements

The Company measures and reports certain financial instruments as assets and liabilities at fair value on a recurring basis. The following tables set forth the fair value of the Company's financial assets and liabilities at fair value on a recurring basis based on the three-tier fair value hierarchy (in thousands):

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Financial Assets:				
Money market funds	$ 43,377	$ —	$ —	$ 43,377
U.S. government treasury securities	136,857	—	—	136,857
U.S. government agency securities	—	92,566	—	92,566
Commercial paper	—	119,716	—	119,716
Corporate bonds	—	31,712	—	31,712
Total financial assets	$ 180,234	$ 243,994	$ —	$ 424,228
Liabilities:				
Parapyre Option Obligation	$ —	$ 6,889	$ —	$ 6,889
CVR liability	—	—	42,200	42,200
Total liabilities	$ —	$ 6,889	$ 42,200	$ 49,089

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial Assets:				
Money market funds	$ 150,648	$ —	$ —	$ 150,648
U.S. government treasury securities	32,843	—	—	32,843
U.S. government agency securities	—	16,257	—	16,257
Commercial paper	—	104,141	—	104,141
Corporate bonds	—	33,064	—	33,064
Total financial assets	$ 183,491	$ 153,462	$ —	$ 336,953
Liabilities:				
CVR liability	$ —	$ —	$ 42,700	$ 42,700
Total liabilities	$ —	$ —	$ 42,700	$ 42,700

The Company measures the fair value of money market funds and U.S. government treasury securities on quoted prices in active markets for identical assets or liabilities. The Level 2 assets include U.S. government agency securities, commercial paper and corporate bonds, and are valued based on quoted prices for similar assets in active markets and inputs other than quoted prices that are derived from observable market data. The Company evaluates transfers between levels at the end of each reporting period. There were no transfers between Level 1, Level 2, or Level 3 during the periods presented.

Parapyre Option Obligation

Under the Paragon Agreement, the Company is obligated to issue Parapyre Holding LLC ("Parapyre") an annual equity grant of warrants, on the last business day of each of the years ended December 31, 2023 and December 31, 2024, to purchase 1% of the then outstanding shares of the Company's Common Stock, on a fully diluted basis, during the term of the Paragon Agreement (the "Parapyre Option Obligation"). The Company determined that the 2023 and 2024 grants are two separate grants, as there would be no obligation for the 2024 grant had the Company exercised or terminated all of the options under the Paragon Agreement prior to December 31, 2023. The service inception period for the grant precedes the grant date, with the full award

being vested as of the grant date with no post-grant date service requirement. Accordingly, a liability related to the Parapyre Option Obligation is recorded pursuant to the Paragon Agreement during interim periods. On December 31, 2023, the Company settled its 2023 obligation under the Parapyre Option Obligation by issuing Parapyre 684,407 warrants to purchase the Company's Common Stock, with a $21.52 per share exercise price for each warrant.

The Parapyre Option Obligation is considered a Level 2 liability based on observable market data for substantially the full term of the liability. The Parapyre Option Obligation is measured each period using a Black-Scholes model to estimate the fair value of the option grant. Changes in the fair value of the Parapyre Option Obligation are recorded as stock-based compensation within Research and development expenses for non-employees who provided pre-clinical development services.

CVR Liability

In connection with the Asset Acquisition, a non-transferable CVR was distributed to the Legacy Stockholders, but was not distributed to holders of shares of Common Stock or Series A Preferred Stock issued to the June 2023 Investors or former stockholders of Pre-Merger Spyre in connection with the Transactions. Holders of the CVR will be entitled to receive certain cash payments from proceeds received by the Company for a three-year period, if any, related to the disposition or monetization of the Company's legacy assets for a period of one year following the closing of the Asset Acquisition.

The fair value of the CVR liability was determined using the probability weighted discounted cash flow method to estimate future cash flows associated with the sale of the legacy assets. Analogous to a dividend being declared/approved in one period and paid out in another, the liability was recorded at the date of approval, June 22, 2023, as a Common Stock dividend, returning capital to the Legacy Stockholders. Changes in fair value of the liability will be recognized as a component of Other income (expense) in the consolidated statement of operations and comprehensive loss in each reporting period. The liability value is based on significant inputs not observable in the market such as estimated cash flows, estimated probabilities of regulatory success, and discount rates, which represent a Level 3 measurement within the fair value hierarchy.

The significant inputs used to estimate the fair value of the CVR liability were as follows:

	June 30, 2024
Estimated cash flow dates	02/15/25 - 06/22/26
Estimated probability of success	39% - 100%
Estimated reimbursement rate compared to reimbursement target	81% - 100%
Risk-adjusted discount rates	6.47% - 6.71%

The change in fair value between December 31, 2023 and June 30, 2024 was a $0.9 million increase, and was primarily driven by changes in the risk-adjusted discount rates and the time value of money.

The following table presents changes in the CVR liability for the periods presented (in thousands):

	CVR Liability
Beginning balance as of December 31, 2023	$ 42,700
Changes in the fair value of the CVR liability	930
Payments	(1,430)
Ending Balance as of June 30, 2024	$ 42,200

Forward Contract Liability

In connection with the Asset Acquisition, the Company entered into a contract for the issuance of 364,887 shares of Series A Preferred Stock as part of the consideration transferred. This forward contract was classified as a liability because the underlying preferred shares were contingently redeemable. The forward contract was carried at fair value on the balance sheet, with changes in fair value between the acquisition date and June 30, 2023 recorded in earnings. The liability was settled with the issuance of the Series A Preferred Stock on July 7, 2023.

The fair value of the forward contract as of the acquisition date, June 22, 2023, was $106.2 million. The fair value of the forward contract on June 30, 2023 was $164.4 million. The $58.2 million change in fair value of the forward contract liability between the acquisition date and June 30, 2023, was recorded as Other Income (Expense) in the consolidated statements of operations for the three and six months ended June 30, 2023.

4. Cash Equivalents and Marketable Securities

The following tables summarize the estimated fair value of the Company's cash equivalents and marketable securities and the gross unrealized gains and losses (in thousands):

	June 30, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash equivalents:				
Money market funds	$ 43,377	$ —	$ —	$ 43,377
Total cash equivalents	$ 43,377	$ —	$ —	$ 43,377
Marketable securities:				
Commercial paper	$ 119,844	$ 3	$ (131)	$ 119,716
Corporate bonds	31,797	—	(85)	31,712
U.S. government treasury securities	137,061	65	(269)	136,857
U.S. government agency securities	92,741	13	(188)	92,566
Total marketable securities	$ 381,443	$ 81	$ (673)	$ 380,851

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash equivalents:				
Money market funds	$ 150,648	$ —	$ —	$ 150,648
Commercial paper	24,950	5	—	24,955
U.S. government treasury securities	10,965	1	—	10,966
Total cash equivalents	$ 186,563	$ 6	$ —	$ 186,569
Marketable securities:				
Commercial paper	$ 79,124	$ 62	$ —	$ 79,186
Corporate bonds	32,984	81	(1)	33,064
U.S. government treasury securities	21,846	31	—	21,877
U.S. government agency securities	16,147	110	—	16,257
Total marketable securities	$ 150,101	$ 284	$ (1)	$ 150,384

The following table summarizes the available-for-sale securities in an unrealized loss position for which an allowance for credit losses has not been recorded as of June 30, 2024 and December 31, 2023, aggregated by major security type and length of time in a continuous unrealized loss position:

	June 30, 2024					
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Commercial paper	$ 100,124	$ (131)	$ —	$ —	$ 100,124	$ (131)
Corporate bonds	31,712	(85)	—	—	31,712	(85)
U.S. government treasury securities	93,432	(269)	—	—	93,432	(269)
U.S. government agency securities	83,933	(188)	—	—	83,933	(188)
Total marketable securities	$ 309,201	$ (673)	$ —	$ —	$ 309,201	$ (673)

	December 31, 2023					
	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate bonds	$ 9,907	$ (1)	$ —	$ —	$ 9,907	$ (1)
U.S. government treasury securities	4,831	—	—	—	4,831	—
Total marketable securities	$ 14,738	$ (1)	$ —	$ —	$ 14,738	$ (1)

The Company evaluated its securities for credit losses and considered the decline in market value to be primarily attributable to current economic and market conditions and not to a credit loss or other factors. Additionally, the Company does not intend to sell the securities in an unrealized loss position and does not expect it will be required to sell the securities before recovery of the unamortized cost basis. As of June 30, 2024 and December 31, 2023, an allowance for credit losses had not been recognized. Given the Company's intent and ability to hold such securities until recovery, and the lack of significant change in credit risk of these investments, the Company does not consider these marketable securities to be impaired as of June 30, 2024 and December 31, 2023.

The financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash deposits. Accounts at each of our two U.S. banking institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per depositor. As of June 30, 2024 and December 31, 2023, cash deposits at the Company's U.S. banking institutions exceeded the FDIC limits. Uninsured foreign cash deposits were immaterial for both periods.

There were no realized gains or losses on marketable securities for the three and six months ended June 30, 2024 and 2023. Interest on marketable securities is included in interest income. Accrued interest receivable on available-for-sale debt securities as of June 30, 2024 and December 31, 2023, was $1.8 million and $0.9 million, respectively.

The following table summarizes the contractual maturities of the Company's marketable securities at estimated fair value (in thousands):

	June 30, 2024	December 31, 2023
Due in one year or less	$ 270,799	$ 115,784
Due in 1 - 2 years	110,052	34,600
Total marketable securities	$ 380,851	$ 150,384

The Company may sell investments at any time for use in current operations even if they have not yet reached maturity. As a result, the Company classifies marketable securities, including securities with maturities beyond twelve months as current assets.

5. Accrued and Other Current Liabilities

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

	June 30, 2024	December 31, 2023
Accrued compensation	$ 2,664	$ 4,054
Accrued contracted research and development costs	2,269	7,092
Accrued professional and consulting fees	515	1,474
Accrued other	235	488
Total accrued and other current liabilities	$ 5,683	$ 13,108

6. Asset Acquisition

On June 22, 2023, the Company acquired Pre-Merger Spyre pursuant to the Acquisition Agreement, by and among the Company, Aspen Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of the Company ("First Merger Sub"), Sequoia Merger Sub II, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company ("Second Merger Sub"), and Pre-Merger Spyre. Pursuant to the Acquisition Agreement, First Merger Sub merged with and into Pre-Merger Spyre, pursuant to which Pre-Merger Spyre was the surviving corporation and became a wholly owned subsidiary of the Company (the "First Merger"). Immediately following the First Merger, Pre-Merger Spyre merged with and into Second Merger Sub, pursuant to which Second Merger Sub became the surviving entity. Pre-Merger Spyre was a pre-clinical stage biotechnology company that was incorporated on April 28, 2023 under the direction of Peter Harwin, a Managing Member of Fairmount, for the purpose of holding rights to certain intellectual property being developed by Paragon. Fairmount is a founder of Paragon.

The Company completed the Asset Acquisition of Pre-Merger Spyre, in accordance with the terms of the Acquisition Agreement. Under the terms of the Acquisition Agreement, the Company issued 517,809 shares of Common Stock and 364,887 shares of Series A Preferred Stock to former Pre-Merger Spyre security holders. In addition, outstanding and unexercised stock options to purchase 2,734 shares of common stock were assumed from the Amended and Restated Spyre 2023 Equity Incentive Plan.

At the acquisition date, the Company recorded forward contracts to represent the obligation to issue shares of Common Stock and shares of Series A Preferred Stock, respectively. The forward contract related to the Common Stock was recorded as Additional paid-in capital as the instrument is indexed to the Common Stock. The forward contract related to the Series A Preferred Stock was recorded as a liability, as the underlying stock has a cash redemption feature. On July 7, 2023, both the shares of Common Stock and Series A Preferred Stock were issued and the forward contract liability associated with the Series A Preferred Stock was settled accordingly.

The Company concluded that the arrangement met the definition of an asset acquisition rather than a business combination, as substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable asset, Pre-Merger Spyre's option to exclusively license certain intellectual property rights (the "Option"). The Company determined that the Option was a single asset as the Company's strategy relied on developing the entire portfolio of individual treatments to create combination treatments that simultaneously address different mechanisms of inflammatory bowel disease with a single treatment. The Company also determined that the pipeline candidates within the portfolio were similar in nature and risk profile. In addition, the Company did not obtain any substantive processes, assembled workforce, or employees capable of producing outputs in connection with the Asset Acquisition.

The Company determined that the cost to acquire the asset was $113.3 million which was recorded as acquired in-process research and development ("IPR&D"). The fair value of the consideration issued consisted of the 364,887 shares of Series A Preferred Stock (14,595,480 shares of Common Stock on an as-converted basis) and 517,809 shares of Common Stock, valued at $291.08 per share and $7.277 per share, respectively.

The Asset Acquisition costs are shown on the following table (in millions):

	June 22, 2023
Consideration transferred in Series A Preferred Stock and Common Stock	$ 110.0
Transaction costs incurred by Pre-Merger Spyre	3.2
Fair value of Parapyre Option Obligation assumed by Pre-Merger Spyre	0.1
Total cost to acquire asset	$ 113.3

The allocation of the purchase price to net assets acquired is as a follows:

	June 22, 2023
Acquired in-process research and development	$ 130.5
Cash acquired	3.0
Assumed liabilities	(20.2)
Total cost to acquire asset	$ 113.3

7. Licensing Agreements

On July 12, 2023, December 14, 2023, and June 5, 2024, the Company exercised the Option available under the Paragon Agreement with respect to the SPY001, SPY002, and SPY003 research programs, respectively.

On May 14, 2024, the Company and Paragon entered into (i) a license agreement (the “SPY001 License Agreement”), pursuant to which Paragon granted the Company a royalty-bearing, world-wide, exclusive license to develop, manufacture, commercialize or otherwise exploit certain antibodies and products targeting α4ß7 integrin and (ii) a license agreement (the “SPY002 License Agreement” and, together with the SPY001 License Agreement, the “License Agreements”), pursuant to which Paragon granted the Company a royalty-

bearing, world-wide, exclusive license to develop, manufacture, commercialize or otherwise exploit certain licensed antibodies and products targeting TL1A, respectively.

Under the terms of each License Agreement, the Company is obligated to pay Paragon up to $22.0 million based on specific development, regulatory and clinical milestones for each licensed research program, including a $1.5 million fee for nomination of a development candidate, as applicable, and a further milestone payment of $2.5 million upon the first dosing of a human patient in a Phase 1 trial. In addition, the following summarizes other key terms of each License Agreement:

- Paragon will provide the Company with an exclusive license to its patents covering the related antibody, the method of use and its method of manufacture.
- Paragon will not conduct any new campaigns that generate anti-α4ß7 or anti-TL1A monospecific antibodies for at least 5 years.
- The Company will pay Paragon a low single-digit percentage royalty for single antibody products and a mid single-digit percentage royalty for products containing more than one antibody from Paragon.
- There is a royalty step-down of 1/3rd if there is no Paragon patent in effect during the royalty term.
- The royalty term ends on the later of (i) the last-to-expire licensed patent or Company patent directed to a derived antibody or (ii) 12 years from the date of first sale of a Company product.
- Agreement may be terminated on 60 days' notice by the Company; on material breach without cure; and to the extent permitted by law, on a party's insolvency or bankruptcy.
- With respect to the SPY002 License Agreement only, on a product by product basis, the Company will pay sublicensing fees of up to approximately $20 million upon the achievement of mostly commercial milestones.

The SPY003 license agreement remains under negotiation as of the date of these consolidated financial statements.

The Company recognizes the expense associated with each milestone when the achievement of the milestone is deemed probable. During the three and six months ended June 30, 2024, the Company recognized $5.5 million of expense related to Paragon license milestone payments recorded within Research and development expenses in the accompanying condensed statement of operations for the three and six months ended June 30, 2024. There was no such expense for the three and six months ended June 30, 2023.

For the three and six months ended June 30, 2024, the Company made milestone payments totaling $3.0 million to Paragon. As of June 30, 2024, $2.5 million of Paragon license milestone payments were outstanding and payable to Paragon.

Additionally, the Company recognized and paid $0.1 million related to sublicensing fees and which was recorded as Research and development expenses in the accompanying condensed statement of operations for the three and six months ended June 30, 2024.

8. Related Party Transactions

Paragon and Parapyre each beneficially own less than 5% of the Company's capital stock through their respective holdings of the Company's Common Stock. Fairmount Funds Management LLC ("Fairmount") beneficially owns more than 5% of the Company's capital stock on an as-converted basis, has two seats on the Company's board of directors (the "Board") and beneficially owns more than 5% of Paragon, which is a joint venture between Fairmount and FairJourney Biologics. Fairmount appointed Paragon's board of directors and

has the contractual right to approve the appointment of any executive officers. Parapyre is an entity formed by Paragon as a vehicle to hold equity in Spyre in order to share profits with certain employees of Paragon.

The following is the summary of expenses related to the Paragon Agreement and License Agreements, which were ultimately settled in cash (in millions) and recorded within Research and development in the consolidated statement of operations for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Reimbursable costs under the Paragon Agreement	$ 2.3	$ 1.2	$ 14.0	$ 1.2
License Agreements milestone and sublicensing fees	5.6	—	5.6	—
Total related party expense	$ 7.9	$ 1.2	$ 19.6	$ 1.2

The following is the summary of Related party accounts payable and other current liabilities (in millions):

	June 30, 2024	December 31, 2023
Reimbursable costs under the Paragon Agreement	$ 1.2	$ 16.6
Parapyre warrants liability	6.9	—
License Agreements development milestone liability (see Note 7)	2.5	—
Total related party accounts payable	$ 10.6	$ 16.6

Paragon Agreement

In connection with the Asset Acquisition, the Company assumed the rights and obligations of Pre-Merger Spyre under the Paragon Agreement. Under the Paragon Agreement, Spyre is obligated to compensate Paragon for its services performed under each research program based on the actual costs incurred with mark-up costs pursuant to the terms of the Paragon Agreement. Spyre is also obligated under the Paragon Agreement to issue Parapyre annual equity grants of warrants in accordance with the Parapyre Option Obligation.

For the three and six months ended June 30, 2024, the Company recognized expenses related to services provided by Paragon subsequent to the Asset Acquisition totaling $9.7 million and $26.8 million, respectively, which included $1.5 million and $6.9 million, respectively, of stock-based compensation expense, and were recorded as Research and development expenses in the consolidated statements of operations.

For the three and six months ended June 30, 2024, the Company made payments totaling $11.3 million and $29.5 million respectively, in connection with the Paragon Agreement.

On July 12, 2023, December 14, 2023, and June 5, 2024, the Company exercised the Option available under the Paragon Agreement with respect to the SPY001, SPY002 and SPY003 research programs, respectively. Our Option available under the Paragon Agreement with respect to the SPY004 program remains unexercised. Please refer to Note 7 for additional information on the License Agreements related to the exercised options.

On May 14, 2024, the Company, Paragon and Parapyre entered into a second amended and restated antibody discovery and option agreement that amends and restates that certain amended and restated antibody discovery and option agreement, dated September 29, 2023, by and between Paragon, Parapyre and Spyre Therapeutics, LLC, in order to, among other things, (i) replace the Company's subsidiary with the Company as a party to the agreement and (ii) amend certain terms related to the SPY003 research program, including without limitation, (a) establishing an SPY003 antibody selection process pursuant to which the Company and Paragon shall alternate in turn to select a project antibody to be included and excluded, respectively, from the Company's rights under its option to license certain intellectual property rights related to SPY003 from Paragon until all project antibodies under the SPY003 research program have been selected; (b) reducing the development costs invoiced to the Company for the SPY003 research program incurred from and after April 1, 2024 through completion of the SPY003 antibody selection process by 50%; (c) requiring Paragon to reimburse the Company

for 50% of the development costs for the SPY003 research program incurred prior to April 1, 2024; provided, that Paragon receives rights to at least one SPY003 project antibody following completion of the SPY003 antibody selection process; (d) obligating the Company to exercise its option to license the intellectual property rights to SPY003 project antibodies and technology following the completion of the SPY003 antibody selection process; and (e) establishing a license agreement term sheet for the SPY003 research program with substantially similar milestone payment terms and royalty payment terms as the SPY001 License Agreement. Please refer to Note 7 for additional disclosures.

During the second quarter of 2024, the SPY003 antibody selection process was completed and the Company recognized a $5.9 million receivable and a corresponding reduction in Research and development expenses in its condensed consolidated statements of operations for the three and six ended June 30, 2024. As of June 30, 2024, the $5.9 million receivable was outstanding and included as a reduction to Related party accounts payable and other current liabilities on the Company's consolidated balance sheet.

Parapyre Option Obligation

Pursuant to the Paragon Agreement, the Company agreed to issue Parapyre an annual equity grant of warrants, on the last business day of each of the years ended December 31, 2023 and December 31, 2024, to purchase 1% of the then outstanding shares of the Company's Common Stock, on a fully diluted basis, during the term of the Paragon Agreement.

Paragon License Agreements

See Note 7 for disclosures related to the License Agreements entered into with Paragon.

Mark McKenna Option Grant

On February 1, 2024, the Board appointed Mark McKenna as a Class I director. Mr. McKenna and the Company are parties to a consulting agreement, pursuant to which Mr. McKenna agreed to continue to provide consulting services as an independent contractor to the Company, with an effective date of August 1, 2023 (the “Vesting Commencement Date”). As compensation for Mr. McKenna’s consulting services, on November 22, 2023, he was granted non-qualified stock options to purchase 477,000 shares of the Company’s Common Stock under the 2016 Plan (as defined in Note 8) with an exercise price of $10.39 per share, which vest as to 25% on the one year anniversary of the Vesting Commencement Date and thereafter vest and become exercisable in 36 equal monthly installments, subject to Mr. McKenna’s continued service to the Company through each applicable vesting date. For the three and six months ended June 30, 2024, the Company recognized $0.2 million and $0.5 million, respectively, in stock-based compensation expense related to Mr. McKenna's consulting agreement. There was no such expense for the three and six months ended June 30, 2023.

9. Convertible Preferred Stock and Stockholders’ Equity

Pre-Funded Warrants

In February 2019, April 2020 and May 2022, the Company issued pre-funded warrants to purchase the Company’s Common Stock in underwritten public offerings at the offering price of the Common Stock, less the $0.0025 per share exercise price of each warrant. The warrants were recorded as a component of stockholders’ (deficit) equity within additional paid-in capital and have no expiration date. Per the terms of the warrant agreements, the outstanding warrants to purchase shares of Common Stock may not be exercised if the holder’s ownership of the Company’s Common Stock would exceed 4.99% (“Maximum Ownership Percentage”), or 9.99% for certain holders. By written notice to the Company, each holder may increase or decrease the Maximum Ownership Percentage to any other percentage (not in excess of 19.99% for the majority of such warrants). The revised Maximum Ownership Percentage would be effective 61 days after the notice is received by the Company.

As of June 30, 2024, all pre-funded warrants have been exercised and none remain outstanding.

Parapyre Warrants

The Company settled its 2023 obligations under the Parapyre Option Obligation by issuing Parapyre 684,407 warrants to purchase the Company's Common Stock, with a $21.52 per share exercise price for each warrant. Pursuant to the terms of the warrant agreement, the outstanding warrants to purchase shares of Common Stock may not be exercised if the holder's ownership of the Company's Common Stock would exceed 4.99%. As of June 30, 2024, none of the warrants issued under the Parapyre Option Obligation have been exercised.

Series A Non-Voting Convertible Preferred Stock

On June 22, 2023, the Company filed a Certificate of Designation of Preferences, Rights and Limitations of the Series A Preferred Stock with the Secretary of State of the State of Delaware (the "Series A Certificate of Designation") in connection with the Asset Acquisition and the June 2023 PIPE.

Pursuant to the Series A Certificate of Designation, holders of Series A Preferred Stock are entitled to receive dividends on shares of Series A Preferred Stock equal to, on an as-if-converted-to-Common Stock basis, and in the same form as, dividends actually paid on shares of Common Stock. Except as provided in the Series A Certificate of Designation or as otherwise required by law, the Series A Preferred Stock does not have voting rights. However, as long as any shares of Series A Preferred Stock are outstanding, the Company will not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series A Preferred Stock: (a) alter or change adversely the powers, preferences or rights given to the Series A Preferred Stock, or alter or amend the Series A Certificate of Designation, amend or repeal any provision of, or add any provision to, the Company's Certificate of Incorporation or its Bylaws, or file any articles of amendment, certificate of designations, preferences, limitations and relative rights of any series of preferred stock, if such action would adversely alter or change the preferences, rights, privileges or powers of, or restrictions provided for the benefit of the Series A Preferred Stock, regardless of whether any of the foregoing actions will be by means of amendment to the Certificate of Incorporation or by merger, consolidation, recapitalization, reclassification, conversion or otherwise, (b) issue further shares of Series A Preferred Stock or increase or decrease (other than by conversion) the number of authorized shares of Series A Preferred Stock, (c) prior to the stockholder approval of the conversion of the Series A Preferred Stock into shares of Common Stock in accordance with Nasdaq Stock Market Rules (the "Series A Conversion Proposal") or at any time while at least 30% of the originally issued Series A Preferred Stock remains issued and outstanding, consummate (x) any Fundamental Transaction (as defined in the Series A Certificate of Designation) or (y) any merger or consolidation of the Company with or into another entity or any stock sale to, or other business combination in which our stockholders immediately before such transaction do not hold at least a majority of our capital stock immediately after such transaction or (d) enter into any agreement with respect to any of the foregoing. The Series A Preferred Stock does not have a preference upon any liquidation, dissolution or winding-up of the Company.

On June 26, 2023, the Company completed a private placement of 721,452 shares of Series A Preferred Stock in exchange for gross proceeds of approximately $210.0 million, or net proceeds of $197.3 million, after deducting placement agent and other offering costs.

On July 7, 2023, the Company issued 364,887 shares of Series A Preferred Stock as part of its consideration transferred in connection with the Asset Acquisition that closed on June 22, 2023 which settled the related forward contract liability.

On November 21, 2023, the Company's stockholders approved the Series A Conversion Proposal, among other matters, at a special meeting of stockholders. As a result of the approval of the Series A Conversion Proposal, all conditions that could have required cash redemption of the Series A Preferred Stock were satisfied. Since the Series A Preferred Stock is no longer redeemable, the associated balances of the Series A Preferred Stock were reclassified from mezzanine equity to permanent equity during the fourth quarter of 2023.

Following stockholder approval of the Series A Conversion Proposal, each share of Series A Preferred Stock automatically converted into 40 shares of Common Stock, subject to certain limitations, including that a holder of Series A Preferred Stock is prohibited from converting shares of Series A Preferred Stock into shares

of Common Stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own more than a specified percentage (established by the holder between 0.0% and 19.9%) of the total number of shares of Common Stock issued and outstanding immediately after giving effect to such conversion. 649,302 shares of Series A Preferred Stock automatically converted to 25,972,080 shares of Common Stock; 437,037 shares of Series A Preferred Stock did not automatically convert and remained outstanding following the conversion. This conversion was recorded as a reclassification between Series A Preferred Stock and Common Stock based on the historical per-share contributed capital amount of the Series A Preferred Stock.

On April 23, 2024, in connection with the April 2024 Exchange, the Stockholder agreed to exchange an aggregate of 90,992 shares of Series A Preferred Stock for an aggregate of 3,639,680 shares of the Company's Common Stock. This exchange was recorded as a reclassification between Series A Preferred Stock and Common Stock based on the historical per-share contributed capital amount, inclusive of any forward-contract valuation adjustments, of the Series A Preferred Stock. Following the April 2024 Exchange, 346,045 shares of Series A Preferred Stock remained outstanding.

Series B Non-Voting Convertible Preferred Stock

On December 8, 2023, the Company filed a Certificate of Designation of Preferences, Rights and Limitations of Series B Non-Voting Convertible Preferred Stock with the Secretary of State of the State of Delaware (the “Series B Certificate of Designation”) in connection with the December 2023 PIPE.

Pursuant to the Series B Certificate of Designation, holders of Series B Preferred Stock are entitled to receive dividends on shares of Series B Preferred Stock equal to, on an as-if-converted-to-Common Stock basis, and in the same form as, dividends actually paid on shares of Common Stock. Except as provided in the Series B Certificate of Designation or as otherwise required by law, the Series B Preferred Stock does not have voting rights. However, as long as any shares of Series B Preferred Stock are outstanding, the Company will not, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series B Preferred Stock, alter or change adversely the powers, preferences or rights given to the Series B Preferred Stock, or alter or amend the Series B Certificate of Designation, amend or repeal any provision of, or add any provision to, the Company’s Certificate of Incorporation or its Bylaws, or file any articles of amendment, certificate of designations, preferences, limitations and relative rights of any series of preferred stock, if such action would adversely alter or change the preferences, rights, privileges or powers of, or restrictions provided for the benefit of the Series B Preferred Stock, regardless of whether any of the foregoing actions will be by means of amendment to the Certificate of Incorporation or by merger, consolidation, recapitalization, reclassification, conversion or otherwise. The Series B Preferred Stock does not have a preference upon any liquidation, dissolution or winding-up of the Company.

On December 11, 2023, as part of the December 2023 PIPE, the Company completed a private placement of 150,000 shares of Series B Preferred Stock in exchange for gross proceeds of $90.0 million.

On March 18, 2024, in connection with the March 2024 PIPE, the Company filed a certificate of amendment to its Series B Certificate of Designation to increase the number of authorized shares of Series B Preferred Stock from 150,000 to 271,625.

On March 20, 2024, as part of the March 2024 PIPE, the Company completed a private placement of 121,625 shares of Series B Preferred Stock in exchange for gross proceeds of approximately $180.0 million.

On May 14, 2024, the Company's stockholders approved the issuance of Common Stock upon the conversion of all issued and outstanding Series B Preferred Stock into shares of Common Stock in accordance with the Nasdaq Stock Market Rules (the "Series B Conversion Proposal"), among other matters, at its 2024 annual meeting of stockholders. As a result of the approval of the Series B Conversion Proposal, all conditions that could have required cash redemption of the Series B Preferred Stock were satisfied. Since the Series B Preferred Stock is no longer redeemable, the associated balances of the Series B Preferred Stock were reclassified from mezzanine equity to permanent equity during the second quarter of 2024.

Following stockholder approval of the Series B Conversion Proposal, each share of Series B Preferred Stock automatically converted into 40 shares of the Common Stock, subject to certain limitations, including that a holder of Series B Preferred Stock is prohibited from converting shares of Series B Preferred Stock into

shares of Common Stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own more than a specified percentage (established by the holder between 0.0% and 19.9%) of the total number of shares of Common Stock issued and outstanding immediately after giving effect to such conversion. 254,958 shares of Series B Preferred Stock automatically converted to 10,198,320 shares of Common Stock; 16,667 shares of Series B Preferred Stock did not automatically convert and remain outstanding as of June 30, 2024 due to beneficial ownership limitations. This conversion was recorded as a reclassification between Series B Preferred Stock and Common Stock based on the historical per-share contributed capital amount of the Series B Preferred Stock.

10. Stock-Based Compensation

2015 Equity Incentive Plan

In March 2015, the Company adopted the 2015 Equity Incentive Plan ("2015 Plan"), administered by the board of directors, and provides for the Company to sell or issue share of Common Stock or restricted Common Stock, or to grant incentive stock options or nonqualified stock options for the purchase of Common Stock, to employees, members of the board of directors and consultants of the Company. The Company granted options under the 2015 Plan until April 2016 when it was terminated as to future awards, although it continues to govern the terms of options that remain outstanding under the 2015 Plan.

As of June 30, 2024, a total of 3,029 shares of Common Stock are subject to options outstanding under the 2015 Plan and will become available under the 2016 Equity Incentive Plan ("2016 Plan") to the extent the options are forfeited or lapse unexercised.

2016 Equity Incentive Plan

The 2016 Plan became effective in April 2016 and serves as the successor to the 2015 Plan. Under the 2016 Plan, the Company may grant stock options, stock appreciation rights, restricted stock awards, restricted stock units, performance awards, and stock bonuses. The 2016 Plan, as amended, provides for an automatic increase in the number of shares reserved for issuance thereunder on January 1 of each year for the remaining term of the plan equal to (a) 5.0% of the number of issued and outstanding shares of Common Stock (including such shares issuable pursuant to the exercise or conversion, as applicable, of any outstanding pre-funded warrants and nonvoting convertible preferred stock) on December 31 of the immediately preceding year, or (b) a lesser amount as approved by the board each year (the "Evergreen Provision"). As a result of the Evergreen Provision, on January 1, 2024 and 2023, an additional 3,023,650 and 104,561 shares, respectively, became available for issuance under the 2016 Plan.

As of June 30, 2024, the 2016 Plan had 7,336,181 shares available for future issuance, of which 3,024,766 shares were subject to outstanding option awards.

2018 Equity Inducement Plan

The 2018 Equity Inducement Plan ("2018 Plan") became effective in February 2018.

As of June 30, 2024, the 2018 Plan had 6,028,000 shares available for future issuance, of which 5,682,341 shares were subject to outstanding option awards and restricted unit awards.

Service-based awards granted under the 2018 Plan, 2016 Plan, and 2015 Plan generally vest over four years and expire after ten years, although awards have been granted with vesting terms less than four years. Under the 2016 Plan and 2018 Plan, the Company may grant stock-based awards with service conditions ("service-based" awards), performance conditions ("performance-based" awards), and market conditions ("market-based" awards).

Spyre 2023 Equity Incentive Plan

On June 22, 2023, in connection with the Asset Acquisition, the Company assumed the Amended and Restated Spyre 2023 Equity Incentive Plan and its outstanding and unexercised stock options, which were

converted to options to purchase 2,734 shares of Common Stock. The acquisition-date fair value of these grants will be recognized as an expense on a pro-rata basis over the vesting period.

The following table summarizes the Company's stock awards granted under all equity incentive and inducement plans for each of the periods indicated:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	Grants	Weighted Average Grant Date Fair Value	Grants	Weighted Average Grant Date Fair Value	Grants	Weighted Average Grant Date Fair Value	Grants	Weighted Average Grant Date Fair Value
Stock options	387,695	$ 36.42	2,536,697	$ 7.50	1,432,353	$ 29.19	2,714,317	$ 7.75

Parapyre Option Obligation

As of June 30, 2024, the pro-rated estimated fair value of the options to be granted on December 31, 2024 related to the Parapyre Option Obligation, was approximately $6.9 million. For the three and six months ended June 30, 2024, $1.5 million and $6.9 million was recognized as stock compensation expense related to the Parapyre Option Obligation. For the three and six months ended June 30, 2023, $0.2 million was recognized as stock compensation expense related to the Parapyre Option Obligation. As of June 30, 2024, the unamortized expense related to the Parapyre Option Obligation was $7.0 million.

2016 Employee Stock Purchase Plan

Under the Company's 2016 Employee Stock Purchase Plan ("2016 ESPP"), the Company issued and sold 2,330 and 1,793 shares during the six months ended June 30, 2024 and June 30, 2023, respectively. The aggregate cash proceeds were not material for both periods.

Stock-based Compensation Expense

Total stock-based compensation expense recognized from the Company's equity incentive plans, 2018 Plan, 2016 ESPP and Parapyre Option Obligation during the periods presented was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Research and development [1]	$ 3,451	$ 394	$ 10,308	$ 1,171
General and administrative	5,231	1,517	12,209	2,449
Total stock-based compensation expense [2]	$ 8,682	$ 1,911	$ 22,517	$ 3,620

[1] For the three and six months ended June 30, 2024, $1.5 million and $6.9 million, respectively, was recognized as stock compensation expense related to the Parapyre Option Obligation. For the three and six months ended June 30, 2023, $0.2 million was recognized as stock compensation expense related to the Parapyre Option Obligation.

[2] Of the total $8.7 million and $22.5 million of stock-based compensation expense for the three and six months ended June 30, 2024, $0.7 million and $3.8 million, respectively, is related to legacy Aeglea employees and directors who had been terminated as of the end of the respective period. Of the total $1.9 million and $3.6 million of stock-based compensation expense for the three and six months ended June 30, 2023, $1.8 million and $3.5 million, respectively, is related to legacy Aeglea employees and directors who had been terminated as of the end of the period.

The following table summarizes the weighted-average Black-Scholes option pricing model assumptions used to estimate the fair value of stock options granted under the Company's equity incentive plans, and the shares purchasable under the 2016 ESPP during the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Stock Options Granted				
Expected term (in years)	5.92	6.03	6.00	6.03
Expected volatility	104%	117%	105%	115%
Risk-free interest	4.35%	3.98%	4.01%	3.99%
Dividend yield	—	—	—	—
2016 ESPP				
Expected term (in years)			0.50	0.49
Expected volatility			98%	181%
Risk-free interest			5.31%	4.99%
Dividend yield			—	—

11. Legacy Strategic License Agreements

On March 21, 2021, the Company entered into an exclusive license and supply agreement with Immedica (the "Immedica Agreement"). On July 27, 2023, the Company announced that it had entered into an agreement to sell the global rights to pegzilarginase, an investigational treatment for the rare metabolic disease Arginase 1 Deficiency, to Immedica for $15.0 million in upfront cash proceeds and up to $100.0 million in contingent milestone payments. The sale of pegzilarginase to Immedica superseded and terminated the Immedica Agreement.

The milestone payments are contingent on formal reimbursement decisions by national authorities in key European markets and pegzilarginase approval by the FDA, among other events. In addition to the payment previously made to holders of the Company's CVRs (as defined in Note 1) related to the upfront cash proceeds, any contingent milestone payments under the Immedica Agreement, if paid within the CVR period, will be distributed to holders of the Company's CVRs net of expenses and adjustments pursuant to the contingent value rights agreement we entered into with Equiniti Trust Company LLC (f/k/a American Stock Transfer & Trust Company LLC) as rights agent in connection with the Asset Acquisition.

The Company did not recognize any revenue under the Immedica Agreement for the three and six months ended June 30, 2024. For the three and six months ended June 30, 2023, the Company recognized $0.7 million and $0.9 million, respectively, of development fee revenue in connection with the Immedica Agreement, which was attributable to the PEACE Phase 3 trial and BLA package for pegzilarginase.

For more details on the Immedica Agreement, which was terminated on July 27, 2023, please refer to the Note under Item 1 of Part I, titled "12. Strategic License Agreements" of the Company's Annual Report.

Contract Balances from Customer Contract

The timing of revenue recognition, billings and cash collections results in contract assets and contract liabilities on the Company's balance sheets. The Company recognizes license and development receivables based on billed services, which are derecognized upon reimbursement. When consideration is received, or such consideration is unconditionally due, from a customer prior to transferring goods or services to the customer under the terms of a contract, a contract liability is recorded. Contract liabilities are recognized as revenue after control of the goods or services is transferred to the customer and all revenue recognition criteria have been met.

The Company did not have any contract assets or liabilities as of June 30, 2024 and December 31, 2023.

12. Net Loss Per Share

The Company computes net loss attributable per common stockholder using the two-class method required for participating securities. The Company considers convertible preferred stock to be participating securities. In the event that the Company paid out distributions, holders of convertible preferred stock would participate in the distribution.

The two-class method is an earnings (loss) allocation method under which earnings (loss) per share is calculated for Common Stock and participating security considering a participating security's rights to undistributed earnings (loss) as if all such earnings (loss) had been distributed during the period. The holders of Series A Preferred Stock and Series B Preferred Stock do not have an obligation to fund losses and therefore the Series A Preferred Stock and the Series B Preferred Stock were excluded from the calculation of basic net loss per share.

Basic and diluted net loss per share is computed by dividing the net loss by the weighted-average number of Common Stock and pre-funded warrants outstanding during the period, without consideration of potential dilutive securities. The pre-funded warrants are included in the computation of basic net loss per share as the exercise price is negligible and they are fully vested and exercisable. For periods in which the Company generated a net loss, the Company does not include the potential impact of dilutive securities in diluted net loss per share, as the impact of these items is anti-dilutive. The Company has generated a net loss for all periods presented, therefore diluted net loss per share is the same as basic net loss per share since the inclusion of potentially dilutive securities would be anti-dilutive.

The following weighted-average equity instruments were excluded from the calculation of diluted net loss per share because their effect would have been anti-dilutive for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Options to purchase common stock	5,010,436	654,527	4,526,643	557,515
Unvested restricted stock units	79,870	—	71,368	381
Outstanding Parapyre warrants	684,407	—	684,407	—
Series A Preferred Stock [(1)]	14,801,716	—	16,141,598	—
Series B Preferred Stock [(1)]	351,655	—	175,828	—

[(1)] Assumes each share is converted to 40 shares of Common Stock, in accordance with the terms of the respective certificate of designation without regard to any beneficial ownership limitations.

The following is a reconciliation of the shares used as the denominator for the calculation of basic and diluted net loss per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Weighted average Common Stock	45,214,616	2,711,439	40,738,639	2,663,408
Weighted average pre-funded warrants	101,648	1,111,166	175,824	1,133,291
Total basic and diluted weighted average shares	45,316,264	3,822,605	40,914,463	3,796,699

13. Restructuring Charges

Severance and Stock Compensation

On April 12, 2023, based on the review of the inconclusive interim results from the Company's Phase 1/2 clinical trial of pegtarviliase for the treatment of classical homocystinuria and other business considerations, the Company announced that it had initiated a process to explore strategic alternatives to maximize stockholder value and engaged an independent exclusive financial advisor to support this process.

As a result, the Company implemented a restructuring plan resulting in an approximate 83% reduction of the Company's existing headcount by June 30, 2023. The Company recognized restructuring expenses consisting of cash severance payments and other employee-related costs of $6.4 million during the three and six months ended June 30, 2023, respectively. In addition, the Company recognized $1.0 million in non-cash stock-based compensation expense related to the accelerated vesting of stock-based awards for certain employees. The Company recorded these restructuring charges based on each employee's role to the respective research and development and general and administrative operating expense categories on its condensed consolidated statements of operations and comprehensive loss.

Sale of Assets

During the second quarter of 2023, the Company sold various lab equipment, consumables, and furniture and fixtures for total consideration of $0.5 million. After recording the disposal of all property and equipment net of proceeds, the Company recorded a $0.7 million and $0.2 million loss on disposal of long lived assets which is included in Research and development and General and administrative expenses, respectively.

Lease Right-of-use Asset and Leasehold Improvement Impairment

Effective June 30, 2023, the Company abandoned its leased office space in Austin, Texas. As a result, the Company recognized an impairment loss of $0.9 million related to the operating lease right-of-use asset and $1.7 million related to leasehold improvements. On August 7, 2023, the Company terminated its building lease in Austin, Texas. The negotiated termination agreement obligated the Company to pay the lessor a $2.0 million termination fee in exchange for releasing the Company of all further obligations under the lease.

All charges related to the restructuring activities were recognized during the second quarter of 2023. No further restructuring charges were incurred under the restructuring plan. A summary of the charges related to the restructuring activities is as follows (in thousands):

	Severance Related Expenses	Stock Compensation Expenses	Loss on Disposal of Long Lived Assets	Lease Asset Impairment	Total Restructuring Costs
Research and development	$ 3,182	$ 123	$ 749	$ 1,405	$ 5,459
General and administrative	3,266	870	182	1,175	5,493
Total	$ 6,448	$ 993	$ 931	$ 2,580	$ 10,952

As of December 31, 2023, $1.1 million of restructuring costs remained outstanding and unpaid. As of June 30, 2024, there were no remaining liabilities under the restructuring plan described above.

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

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our unaudited condensed consolidated financial statements and related notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 (this "Quarterly Report") as well as the audited consolidated financial statements and notes and Management's Discussion and Analysis of Financial Condition and Results of Operations, included in our Annual Report on Form 10-K for the year ended December 31, 2023 (the "Annual Report") filed with the Securities and Exchange Commission (the "SEC") on February 29, 2024 and amended on March 1, 2024. This discussion and other parts of this Quarterly Report contain forward-looking statements that involve risks and uncertainties, such as statements regarding our expected results, outcomes, and the timing of these results and outcomes, plans, objectives, expectations and intentions. Our actual results and outcomes could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section of this Quarterly Report entitled "Risk Factors." As used in this Quarterly Report, unless the context suggests otherwise, "we," "us," "our," "the Company," "Aeglea BioTherapeutics, Inc." or "Spyre" refers to Spyre Therapeutics, Inc. and its consolidated subsidiaries, including Spyre Therapeutics, LLC, taken as a whole.

Acquisition of Pre-Merger Spyre

On June 22, 2023, we acquired Pre-Merger Spyre pursuant to that certain Agreement and Plan of Merger (the "Acquisition Agreement"), dated June 22, 2023, by and among us, Aspen Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of the Company, Sequoia Merger Sub II, LLC, a Delaware limited liability company and one of our wholly owned subsidiaries, and Pre-Merger Spyre. Pre-Merger Spyre was a pre-clinical stage biotechnology company that was incorporated on April 28, 2023 under the direction of Peter Harwin, a Managing Member of Fairmount, for the purpose of holding rights to certain intellectual property being developed by Paragon. Fairmount is a founder of Paragon.

Through the Asset Acquisition, we received the option to license certain intellectual property rights related to four research programs (collectively, the "Option"). On July 12, 2023, we exercised the Option with respect to one of these research programs to be granted an exclusive license to all of Paragon's rights, title and interest in and to intellectual property rights, including inventions, patents, sequence information and results, under SPY001, our α4β7 integrin program, to develop and commercialize antibodies and products worldwide in all therapeutics disorders. If this research program is pursued non-provisionally and matures into issued patents, we would expect those patents to expire no earlier than 2044, subject to any disclaimers or extensions. On December 14, 2023, we exercised the Option under the Paragon Agreement to be granted an exclusive license to all of Paragon's rights, title and interest in and to intellectual property rights, including inventions, patents, sequence information and results, under SPY002, our TL1A program, to develop and commercialize antibodies and products worldwide in all therapeutics disorders. If this research program is pursued non-provisionally and matures into issued patents, we would expect those patents to expire no earlier than 2044, subject to any disclaimers or extensions. The License Agreements pertaining to SPY001 and SPY002 between the Company and Paragon were executed in the second quarter of 2024, based on previously agreed terms. On June 5, 2024, we exercised the Option under the Paragon Agreement to be granted an exclusive license to all of Paragon's rights, title and interest in and to intellectual property rights, including inventions, patents, sequence information and results, under SPY003, our IL-23 program, to develop and commercialize antibodies and products worldwide solely in inflammatory bowel disease ("IBD") indications. If this research program is pursued non-provisionally and matures into issued patents, we would expect those patents to expire no earlier than 2045, subject to any disclaimers or extensions. Furthermore, as of the date of this Quarterly Report, the Option remains unexercised with respect to the intellectual property rights related to the last remaining research program under the Paragon Agreement, SPY004.

Overview

Following the Asset Acquisition, we have significantly reshaped the business into a clinical stage biotechnology company focused on developing next generation therapeutics for patients living with IBD, including ulcerative colitis ("UC") and Crohn's disease ("CD"). Through the Paragon Agreement, our portfolio of novel and proprietary monoclonal antibody product candidates has the potential to address unmet needs in IBD

care by improving efficacy, safety, and/or dosing convenience relative to products currently available or product candidates in development. We have engineered our product candidates with the aim to bind potently and selectively to their target epitopes and to exhibit extended pharmacokinetic half-lives through modifications in the Fc domain, which modifications are designed to increase affinity to human FcRn and increase antibody recycling. We anticipate that half-life extension will enable less frequent administration as compared to marketed or development-stage mAbs that do not incorporate half-life extension modifications. In addition to the development of our product candidates as potential monotherapies, we plan to investigate combinations of our proprietary antibodies in nonclinical studies and clinical trials in order to evaluate whether combination therapy (co-administration or co-formulation of multiple monoclonal antibodies) can lead to greater efficacy, as compared to monotherapies in IBD. We also intend to examine patient selection strategies via complementary diagnostics utilized in our clinical trials to evaluate whether patients may be matched to the optimal therapy based on genetic background and/or other biomarker signatures. We intend to deliver our product candidates through convenient, infrequently self-administered, subcutaneous maintenance injections, although the specific delivery mechanism or technology has not been selected given our early stage.

Our Portfolio

We are advancing a pipeline of monoclonal antibodies (“mAbs”) for the treatment of IBD (UC and CD) and plan to develop patient selection approaches for each of our programs. The following table summarizes the programs that have been exercised to date pursuant to the Paragon Agreement:

We have one other early-stage program, SPY004, a monoclonal antibody that targets a novel mechanism of action ("MOA").

We have nominated development candidates for SPY001, SPY002, and SPY003. We executed the License Agreements with Paragon for SPY001 and SPY002 in the second quarter of 2024. We have exercised our Option to license worldwide rights from Paragon for SPY003 and the license agreement remains under negotiation as of this Quarterly Report. The SPY001 and SPY002 licenses are indication agnostic, and we expect the SPY003 license to be restricted to IBD. We additionally have an exclusive option under the agreement for a discovery stage program targeting a novel MOA that also incorporates half-life extension (SPY004). See the section titled “Paragon Agreement” for more information on the Paragon Agreement, including the Option.

The drug and/or device development process is inherently uncertain, our development approach is unproven, the preclinical evidence that supports our proposed development program is preliminary and limited, and we have not yet completed testing of any product candidate in humans. Notwithstanding our efforts to develop safe and effective monotherapies and combination therapies, there can be no guarantee that we will be

able to develop product candidates that will be found to be safe and effective so as to obtain the necessary regulatory approvals to market our product candidates.

For a discussion of the risks associated with our portfolio, see Item 1A, “Risk Factors” included in this Quarterly Report.

SPY001 – anti-α4β7 mAb

Our most advanced product candidate, SPY001, is a highly potent, highly selective, and humanized monoclonal immunoglobulin G1 antibody designed to bind selectively to the α4β7 integrin being developed for the treatment of IBD (UC and CD). The α4β7 integrin is a protein found on the surface of immune cells. This integrin regulates the migration of immune cells to the gut where they contribute to the inflammatory process in IBD. By selectively binding to the α4β7 integrin, SPY001 is designed to prevent the interaction of these immune cells with MAdCAM-1, a molecule expressed on endothelial cells lining the blood vessels in the gut. This interaction is responsible for guiding lymphocytes from the bloodstream into the gut tissue, where they cause inflammation. By blocking the interaction between α4β7 integrin and MAdCAM-1, SPY001 aims to reduce the recruitment of lymphocytes to the gut, leading to a decrease in inflammation. Since it specifically targets the gut immune system, SPY001 is designed to minimize systemic immunosuppressive effects unrelated to IBD pathology.

SPY001 is being developed by us following exclusively licensing the program from our research partners at Paragon. Prior to the closing of the Asset Acquisition, Paragon had sole leadership in conducting *in vitro* and *in vivo* studies for SPY001 clones, including the potency, selectivity, and non-human primate ("NHP") PK data supporting development candidate nomination for the SPY001 program. Following the closing of the Asset Acquisition and the exercise of the Option with respect to the SPY001 program, Spyre and Paragon established a Joint Development Committee (“JDC”) comprised of two employees from Spyre and two employees from Paragon and jointly directed research and development work, for SPY001 and SPY002, with Spyre having final decision rights on the budget for any research program. Since the time that we executed exclusive licenses with Paragon for each of the SPY001 and SPY002 programs, Spyre has taken on sole development responsibility. Additionally, the JDC continues to be the decision-making body for SPY003 and SPY004 prior to the execution of license agreements for each of these programs.

SPY001 preclinical characterization studies were conducted in-house with support from third party vendors. SPY001 demonstrates similar potency and selectivity as vedolizumab in preclinical *in vitro* models including surface plasmon residence (n=5 concentrations, study completed September 2023) and cellular adhesion assays (see Figure 1, n=6 replicates per group, study completed in August 2023). It also incorporates a half-life extending modification resulting in an increase in half-life of >three-fold in Tg276 transgenic mice that express human FcRn (n=5 per group, studies completed in August 2023) and an increase in half-life of >three-fold in NHPs (n=6 per group, studies completed in December 2023), compared to vedolizumab (see Figure 2).

The 28-day GLP toxicity study in NHPs (n=42) for SPY001 was completed with the highest dose level tested determined as the no-observed-adverse-effect-level. The Company initiated a first-in-human ("FIH") Phase 1 trial for SPY001 in June 2024. The SPY001 Phase 1 trial is a double blind, placebo-controlled trial in healthy volunteers and consists of a single-ascending dose (SAD) component and a multi-ascending dose (MAD) component. The trial is expected to enroll approximately 48 healthy adult participants into four SAD cohorts and two MAD cohorts. The primary endpoint is safety, with pharmacokinetics (PK) and Anti-drug Antibodies (ADA) serving as secondary endpoints. We expect interim safety and PK data from this trial by year-end 2024. If successful, SPY001 would then advance to Phase 2 clinical trials and, pending further success, Phase 3 clinical trials to support global regulatory submissions and commercial approval.

Figure 1. Potency and selectivity of SPY001 relative to vedolizumab in cellular assays.

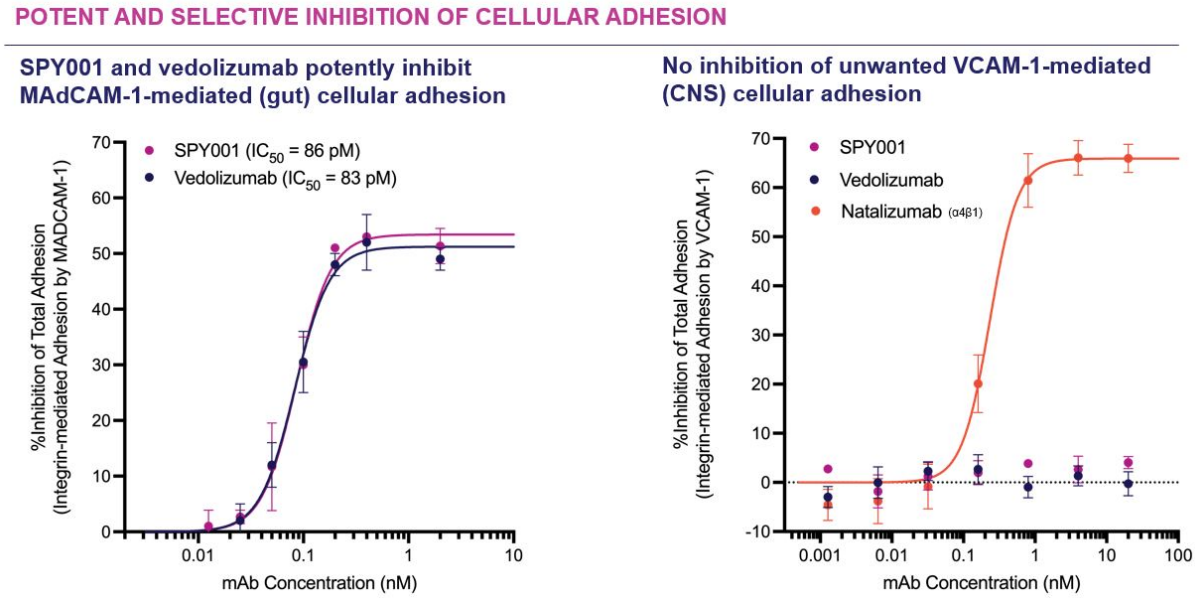
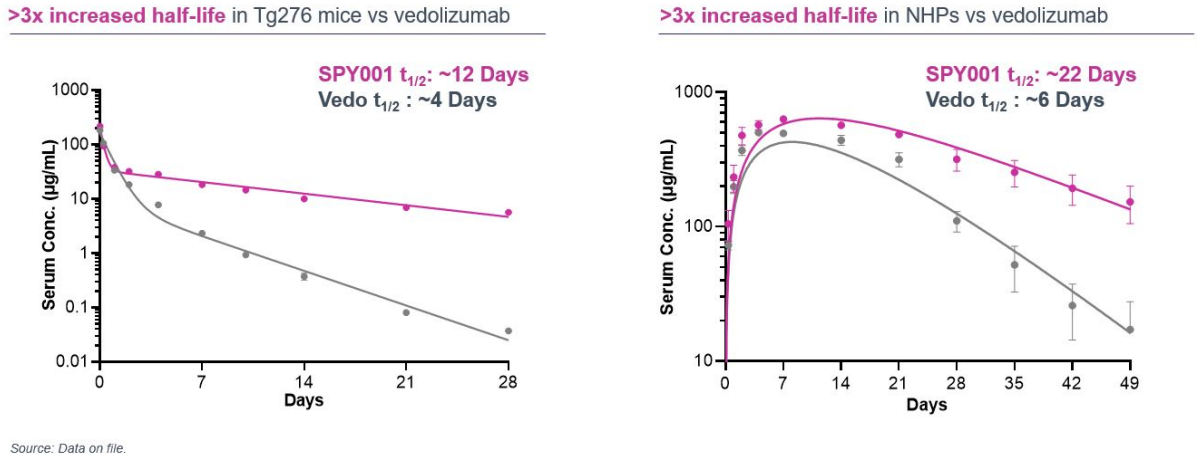


Figure 2. Pharmacokinetic concentration-time curves of SPY001 compared to vedolizumab in Tg276 transgenic mice and non-human primates (n=3-5 per group shown, removing primates that developed anti-drug antibodies).



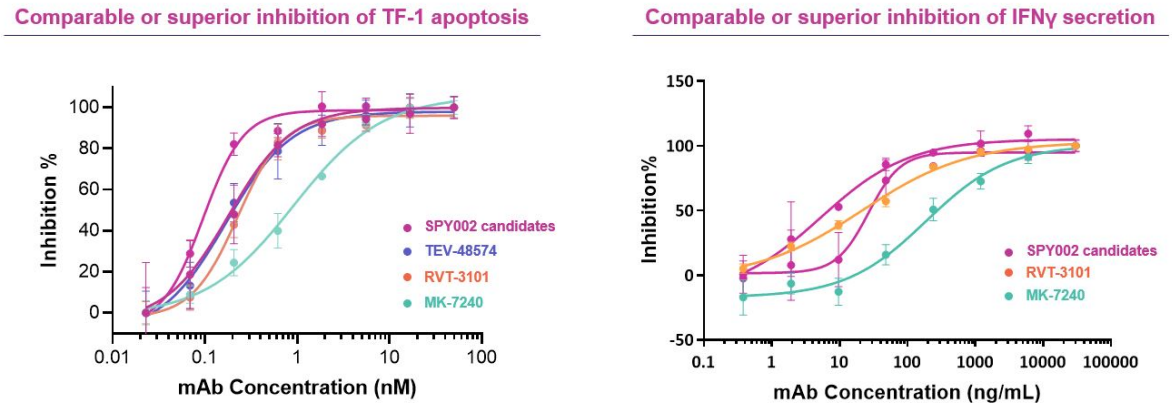
SPY002 – anti-TL1A mAb

For our co-lead program, SPY002, we have nominated two highly potent, highly selective, and fully human mAb candidates designed to bind to tumor necrosis factor-like ligand 1A ("TL1A"), both of which are in preclinical development for the treatment of IBD (UC and CD). TL1A is a protein that plays a role in regulating the immune system and is elevated in the gut tissue of individuals with IBD. TL1A interacts with its receptor, death receptor 3 ("DR3"), which is expressed in various immune cells, including T cells. This interaction triggers signaling pathways that contribute to inflammation and immune system activation, leading to IBD

symptomology. The SPY002 candidates have been designed to block the interaction between TL1A and DR3, and thereby inhibit the downstream signaling events and dampen the inflammatory response. By neutralizing TL1A, we believe SPY002 candidates have the potential to modulate the immune response in IBD patients, potentially reducing disease activity and promoting mucosal healing.

SPY002 preclinical characterization studies were conducted in-house with support from third party vendors. Our extensive discovery campaign has identified two lead candidates which bind TL1A monomers and trimers and have subnanomolar potency in cellular assays (see Figure 3, n=4 replicates per group per study, studies completed in fourth quarter of 2023 and first quarter of 2024). The candidates also exhibited extended pharmacokinetic half-lives of greater than two to three-fold relative to competitor molecules in clinical development that do not incorporate half-life extending modifications, based on head-to-head preclinical studies in NHPs (see Figure 4, n=5 per group, studies completed in fourth quarter of 2023 and first quarter of 2024). SPY002 candidates are currently progressing through IND-enabling studies (CMC scale-up ongoing) and we expect to submit an IND or equivalent foreign regulatory submission and enter a Phase 1 FIH trial in healthy volunteers in the second half of 2024, with one or both of our SPY002 candidates pending additional preclinical data and pending health agency approval. Interim data from the Phase 1 healthy volunteer trial are expected in the first half of 2025. If successful, one SPY002 candidate would then advance to Phase 2 clinical trials and, pending further success, Phase 3 clinical trials to support global regulatory submissions and commercial approval.

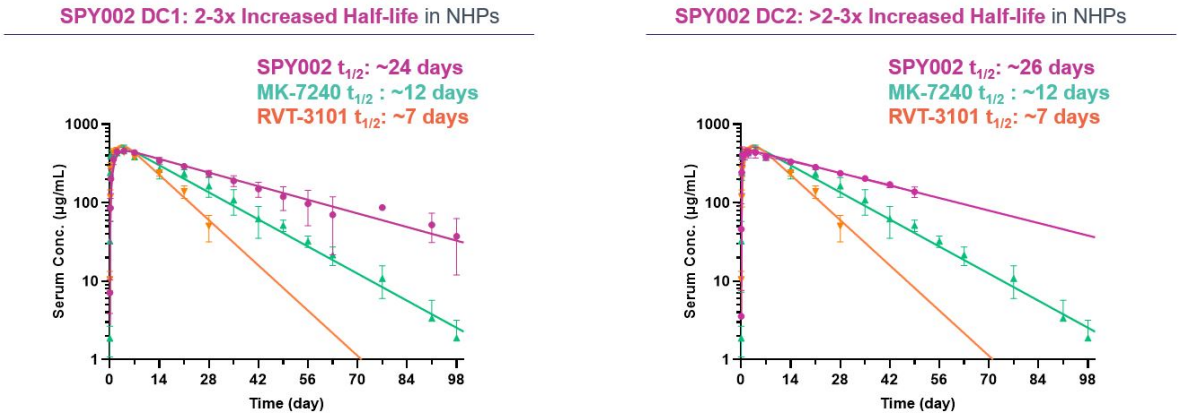
Figure 3. Inhibition of TL1-A induced TF-1 cell apoptosis (left) and IFNγ secretion in primary human whole blood 1 donor of 4 donors profiled (right).



Note: Inhibition of TL1A-induced TF-1 cell apoptosis (left) and IFNg secretion in primary human whole blood 1 donor of 4 donor profiled (right).

Source: Data on file

Figure 4. Pharmacokinetic concentration-time curves of SPY002 candidates compared to competing anti-TL1A molecules in non-human primates.



Source: Data on file.

SPY003 – anti-IL-23 mAb

SPY003 is a discovery-stage program focused on designing antibodies to bind to Interleukin 23 ("IL-23") and incorporates half-life extending modifications. IL-23 is a cytokine that is produced by immune cells and is involved in immune response regulation. IL-23 promotes the survival, expansion, and activity of Th17 cells. Th17 cells produce inflammatory cytokines, such as IL-17, which contribute to the inflammation seen in IBD. IL-23 also helps in the recruitment and activation of other immune cells, such as neutrophils, which further contribute to tissue damage in the gut. We exercised our Option to acquire intellectual property rights for the SPY003 program pursuant to the Paragon Agreement and completed our SPY003 candidate selection process in June 2024. We expect to move into IND-enabling studies in the second half of 2024 and initiate FIH trials in the first half of 2025. We expect the license agreement, which is still being negotiated with Paragon, to be restricted to IBD.

SPY004 – novel MOA mAb

SPY004 has an undisclosed novel MOA and incorporates half-life extension modifications. Upon development candidate nomination, we intend to exercise our Option to acquire intellectual property rights for the SPY004 program pursuant to the Paragon Agreement.

SPY120 - combination, anti-α4β7 and anti-TL1A mAbs

SPY120 combines SPY001 (anti-α4β7) and SPY002 (anti-TL1A) antibodies, pairing two mechanisms studied in third-party clinical trials targeting non-overlapping sites of action. We are currently evaluating SPY120 in nonclinical studies, and plan to initiate combination toxicology studies in 2024. Subject to regulatory feedback, we intend to initiate clinical trials in 2025 that will include SPY120.

SPY130 - combination anti-α4β7 and anti-IL-23 mAbs

SPY130 combines SPY001 (anti-α4ß7) and SPY003 (anti-IL-23) antibodies, pairing two commercially validated mechanisms targeting non-overlapping sites of action. We are currently evaluating SPY130 in nonclinical studies and plan to initiate combination toxicology studies in 2025. Subject to regulatory feedback, we intend to initiate clinical trials in 2025 that will include SPY130.

SPY230 – combination anti-TL1A and anti-IL-23 mAbs

SPY230 combines SPY002 (anti-TL1A) and SPY003 (anti-IL-23) antibodies, pairing two complementary mechanisms of action with potential to address overlapping and non-overlapping triggers of inflammation. We are currently evaluating SPY230 in nonclinical studies and plan to initiate combination toxicology studies in 2025. Subject to regulatory feedback, we intend to initiate clinical trials in 2025 that will include SPY230.

Paragon Agreement

Paragon and Parapyre each beneficially own less than 5% of the Company's capital stock through their respective holdings of the Company's Common Stock. Fairmount Funds Management LLC ("Fairmount") beneficially owns more than 5% of the Company's capital stock on an as-converted basis, has two seats on our board of directors (the "Board") and beneficially owns more than 5% of Paragon, which is a joint venture between Fairmount and FairJourney Biologics. Fairmount appointed Paragon's board of directors and has the contractual right to approve the appointment of any executive officers. Parapyre is an entity formed by Paragon as a vehicle to hold equity in Spyre in order to share profits with certain employees of Paragon.

As a result of the Asset Acquisition, we assumed the rights and obligations of Pre-Merger Spyre under the Paragon Agreement, including the obligation to issue Parapyre an annual equity grant of warrants, on the last business day of each of the years ended December 31, 2023 and December 31, 2024, to purchase 1% of the then outstanding shares of the Company's Common Stock, on a fully diluted basis, during the term of the Paragon Agreement (the "Parapyre Option Obligation"). Pursuant to the Paragon Agreement, on a research program-by-research program basis following the finalization of the research plan for each respective research program, we are required to pay Paragon a nonrefundable fee in cash of $0.8 million.

For the three and six months ended June 30, 2024, we recognized $9.4 million, in Research and development expenses that are due to Paragon under the Paragon Agreement. As of June 30, 2024, $10.6 million was unpaid and owed to Paragon under the Paragon Agreement.

On July 12, 2023, December 14, 2023, and June 5, 2024, we exercised our Option available under the Paragon Agreement with respect to the SPY001, SPY002, and SPY003 research programs, respectively, and we entered into the SPY001 License Agreement and the SPY002 License Agreement on May 14, 2024. We are negotiating a license agreement with respect to SPY003 as of the date of this Quarterly Report. Our Option available under the Paragon Agreement with respect to the SPY004 program remains unexercised.

Following the execution of each of the SPY001 License Agreement and SPY002 License Agreement, we became obligated to pay Paragon up to $22.0 million upon the achievement of specific development, regulatory and clinical milestones for the first product under each agreement, respectively, that achieves such specified milestones. Pursuant to the SPY001 License Agreement, we recognized $4.0 million of license milestone expense during the three and six months ended June 30, 2024, inclusive of a $1.5 million fee for the nomination of a development candidate and $2.5 million upon the first dosing of a human subject in a Phase 1 trial. Pursant to the SPY002 License Agreement, we recognized $1.5 million of milestone expense payable to Paragon during the three and six months ended June 30, 2024, for the nomination of a development candidate, and we expect to recognize an additional $2.5 million of license milestone expense payable to Paragon upon the first dosing of a human subject in a Phase 1 trial. As of June 30, 2024, there was a $2.5 million outstanding liability related to recognized license milestone payments included in Related party accounts payable and other current liabilities. With respect to the SPY002 License Agreement only, on a product by product basis, the Company will pay sublicensing fees of up to approximately $20 million upon the achievement of mostly commercial milestones. With respect to the SPY003 research program and, subject to the execution of the Option, with respect to the SPY004 research program, we expect to be obligated to make similar payments upon and following the execution of license agreements with respect to these research programs, respectively.

Corporate Developments

Board Changes

On February 1, 2024, Alison Lawton resigned from the Board and the Board appointed Mark McKenna as a Class I director. Mr. McKenna and the Company are parties to a consulting agreement, pursuant to which Mr. McKenna agreed to continue to provide consulting services as an independent contractor to the Company, with an effective date of August 1, 2023 (the “Vesting Commencement Date”). As compensation for Mr. McKenna’s consulting services, on November 22, 2023, he was granted non-qualified stock options to purchase 477,000 shares of the Company’s Common Stock under the Company's 2016 Plan with an exercise price of $10.39 per share, which vest as to 25% on the one year anniversary of the Vesting Commencement Date and thereafter vest and become exercisable in 36 equal monthly installments, subject to Mr. McKenna’s continued service to the Company through each applicable vesting date.

On May 14, 2024, the Board appointed Sandra Milligan, M.D., J.D. as a Class III director of the Company and as a member of the Board’s compensation committee and nominating and corporate governance committee. Dr. Milligan will receive cash compensation in accordance with the Company’s non-employee director cash and equity compensation program. In connection with her appointment Dr. Milligan was granted an option to purchase 21,980 shares of Common Stock, with an exercise price per share of $39.29 and a 10-year term. This option will vest and become exercisable in 36 equal monthly installments beginning on the date of the grant until such time as the option is 100% vested, subject to Dr. Milligan’s continued service to the Company through each applicable vesting date. In addition to Dr. Milligan's appointment, Jeffrey Albers succeeded Russell Cox, whose term ended, as Chairman of the Board of Directors.

March 2024 Private Placement

On March 18, 2024, the Company entered into a securities purchase agreement with certain accredited investors, pursuant to which the Company agreed to issue and sell, in a private placement, 121,625 shares of Series B Preferred Stock (convertible on a 40 to 1 basis), par value $0.0001 per share, for $1,480 per share for an aggregate purchase price of $180.0 million (collectively, the “March 2024 PIPE”).

April 2024 Exchange

On April 23, 2024, the Company entered into an exchange agreement with Fairmount Healthcare Fund II L.P. (the “Stockholder”), pursuant to which the Stockholder agreed to exchange an aggregate of 90,992 shares of Series A Preferred Stock for an aggregate of 3,639,680 shares of Common Stock (the “April 2024 Exchange”). The Common Stock issued in connection with the April 2024 Exchange was issued without registration under the Securities Act of 1933, as amended (the “Securities Act”) in reliance on the exemption from registration contained in Section 3(a)(9) of the Securities Act. The April 2024 Exchange closed on April 25, 2024.

Stockholder Approval of Series B Conversion

On May 14, 2024, the Company's stockholders approved the conversion of the Company's Series B Preferred Stock to Common Stock and such shares of Series B Preferred Stock were subsequently converted to Common Stock, subject to beneficial ownership limitations, in accordance with the Series B Certificate of Designation. 254,958 shares of Series B Preferred Stock automatically converted to 10,198,320 shares of Common Stock; 16,667 shares of Series B Preferred Stock did not automatically convert and remain outstanding as of June 30, 2024 due to beneficial ownership limitations.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States. The preparation of our condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. These estimates form the basis for judgments we make about the carrying values of our assets, liabilities and equity and the amount of revenues and expenses, which are not readily apparent from other sources. We base our estimates on historical experience and on various other

assumptions that we believe are reasonable under the circumstances. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ materially from these estimates under different assumptions or conditions.

Our critical accounting policies are those policies which require the most significant judgments and estimates in the preparation of our condensed consolidated financial statements. The most significant estimates and assumptions that management considers in the preparation of our financial statements relate to accrued research and development costs; the valuation of consideration transferred in acquiring IPR&D; the discount rate, probabilities of success, and timing of estimated cash flows in the valuation of the CVR liability; inputs used in the Black-Scholes model for stock-based compensation expense; estimated future cash flows used in calculating the impairment of right-of-use lease assets; and estimated cost to complete performance obligations related to revenue recognition. The consideration transferred in acquiring IPR&D in connection with the acquisition of Pre-Merger Spyre was comprised of shares of our Common Stock and shares of our Series A non-voting convertible preferred stock, par value $0.0001 per share ("Series A Preferred Stock"). To determine the fair value of the equity transferred, we considered the per share value of the private placement we closed in June 2023, which was an over-subscribed financing event involving a group of accredited investors. Our significant accounting policies are more fully described in Note 2 to our condensed consolidated financial statements appearing elsewhere in this Quarterly Report.

Other than the policy noted below, there have been no significant changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in "Management’s Discussion and Analysis of Financial Condition and Operations" included in our Annual Report.

License Agreements Contingent Milestone Payments

The Company’s license agreements include specific development, regulatory, and clinical milestone payments that are payable upon the resolution of a contingency, such as upon the selection of a development candidate, first dosing of a human patient in clinical trials or receipt of the Food Drug and Administration’s (“FDA”) approval of a Spyre drug. The achievement of these milestone payments involves many factors outside of the Company’s control and therefore the associated likelihood can therefore not be considered probable until the related contingency is resolved. Based on the preceding, the Company accrues each milestone payment upon the achievement of the applicable milestone event.

Results of Operations

Comparison of the Three Months Ended June 30, 2024 and 2023

The following table summarizes our results of operations for the three months ended June 30, 2024 and 2023, together with the changes in those items in dollars and as a percentage:

	Three Months Ended June 30,		Dollar Change	% Change
	2024	2023		
	(in thousands)			
Revenue:				
Development fee and royalty	$ —	$ 688	$ (688)	(100)%
Total revenue	—	688	(688)	(100)%
Operating expenses:				
Research and development	32,636	17,386	15,250	88 %
General and administrative	11,511	12,062	(551)	(5)%
Acquired in-process research and development	—	130,486	(130,486)	*
Total operating expenses	44,147	159,934	(115,787)	*
Loss from operations	(44,147)	(159,246)	(115,099)	*
Other income (expense):				
Interest income	5,920	350	5,570	*
Change in fair value of forward contract liability	—	(58,170)	(58,170)	*
Other expense, net	(610)	(8)	602	*
Total other income (expense)	5,310	(57,828)	(63,138)	
Loss before income tax expense	(38,837)	(217,074)	(178,237)	*
Income tax (expense) benefit	—	(7)	(7)	*
Net loss	$ (38,837)	$ (217,081)	$ (178,244)	*

* Percentage not meaningful

Development Fee and Royalty Revenue. For the three months ended June 30, 2024, we did not recognize any revenue in connection with our now terminated exclusive license and supply agreement with Immedica Pharma AB, dated March 21, 2021 (the "Immedica Agreement"). For the three months ended June 30, 2023, we recognized $0.7 million of development fee revenue in connection with the Immedica Agreement, which was attributable to the drug supply and royalties from an early access program in France.

Research and Development Expenses. Research and development expenses increased by $15.2 million, or 88%, to $32.6 million for the three months ended June 30, 2024, from $17.4 million for the three months ended June 30, 2023. The increase was primarily driven by $25.5 million of preclinical and clinical development and manufacturing costs associated with advancing our IBD pipeline, partially offset by a $11.6 million decrease in costs related to the Company's legacy rare disease pipeline.

External research and development expenses include costs associated with third parties contracted to conduct research and development activities on behalf of the Company, including through Paragon, CROs, CMOs, and third-party laboratories. For the three months ended June 30, 2024 and June 30, 2023, external research and development costs were $27.8 million and $10.4 million, respectively. The increase was primarily due to increased costs associated with our IBD pipeline candidates, partially offset by decreased costs related to the Company's legacy rare disease pipeline.

Internal research and development expenses include compensation and related costs associated with our research and development employees, as well as costs associated with the Company's on-premises research laboratory. For the three months ended June 30, 2024 and June 30, 2023, internal research and development costs accounted for $4.9 million and $7.0 million, respectively. The decrease was primarily due to decreased costs associated with our on-premises research laboratory that was decommissioned, including the elimination of related internal roles, in the first half of 2023, partially offset by increased costs associated with our IBD pipeline candidates.

General and Administrative Expenses. General and administrative expenses decreased by $0.6 million, or 5%, to $11.5 million for the three months ended June 30, 2024, from $12.1 million for the three months ended June 30, 2023. The decrease was primarily attributable to a $5.5 million decrease in restructuring costs, partially offset by a $4.6 million increase in non-cash stock based compensation expenses.

Acquired In-process Research and Development Expenses. Acquired in-process research and development expenses were $130.5 million for the three months ended June 30, 2023, as the acquisition of Pre-Merger Spyre was determined by management to be an asset acquisition, in accordance with U.S. GAAP as the product candidates were determined to have no alternative future use. There was no similar expense during the three months ended June 30, 2024.

Interest Income. Interest income was $5.9 million and $0.4 million for the three months ended June 30, 2024 and 2023, respectively. The increase was primarily due to higher investment balances.

Change in Fair Value of Forward Contract Liability. Non-cash expenses associated with the change in fair value of the forward contract liability were $58.2 million for the three months ended June 30, 2023. This expense was due to the change in fair value of the underlying Series A Preferred Stock between June 22, 2023 and June 30, 2023. There was no similar expense during the three months ended June 30, 2024.

Other expense, net. Other expense, net for the three months ended June 30, 2024, totaled $0.6 million primarily driven by a $0.5 million change in fair value of the contingent value right liability. There was no change in fair value of the contingent value right liability expense during the three months ended June 30, 2023.

Comparison of the Six Months Ended June 30, 2024 and 2023

The following table summarizes our results of operations for the six months ended June 30, 2024 and 2023, together with the changes in those items in dollars and as a percentage:

	Six Months Ended June 30,		Dollar Change	% Change
	2024	2023		
	(dollars in thousands)			
Revenue:				
Development fee and royalty	$ —	$ 886	$ (886)	(100)%
Total revenue	—	886	(886)	(100)%
Operating expenses (income):				
Research and development	67,564	31,162	36,402	117 %
General and administrative	24,357	17,290	7,067	41 %
Acquired in-process research and development	—	130,486	(130,486)	*
Total operating expenses	91,921	178,938	(87,017)	*
Loss from operations	(91,921)	(178,052)	(86,131)	*
Other income (expense):				
Interest income	10,352	770	9,582	*
Change in fair value of forward contract liability	—	(58,170)	(58,170)	*
Other expense, net	(1,093)	(80)	1,013	*
Total other income (expense)	9,259	(57,480)	(66,739)	*
Loss before income tax expense	(82,662)	(235,532)	(152,870)	*
Income tax expense (benefit)	(32)	29	61	*
Net loss	$ (82,694)	$ (235,503)	$ (152,809)	*

* Percentage not meaningful

Development Fee and Royalty Revenue. For the six months ended June 30, 2024, we did not recognize any revenue in connection with the Immedica Agreement. For the six months ended June 30, 2023, we recognized $0.9 million of development fee revenue in connection with the Immedica Agreement, which was attributable to the PEACE Phase 3 trial and drug supply and royalties from an early access program in France.

Research and Development Expenses. Research and development expenses increased by $36.4 million, or 117%, to $67.6 million for the six months ended June 30, 2024, from $31.2 million for the six months ended June 30, 2023. The increase was primarily driven by $67.0 million of preclinical and clinical development and manufacturing costs associated with advancing our IBD pipeline, inclusive of $6.8 million in stock based compensation expense associated with the Parapyre Option Obligation, partially offset by a $30.6 million decrease in costs related to the Company's legacy rare disease pipeline.

External research and development expenses include costs associated with third parties contracted to conduct research and development activities on behalf of the Company, including through Paragon, CROs, CMOs, and third-party laboratories. For the six months ended June 30, 2024 and June 30, 2023, external research and development costs accounted for $59.1 million and $18.6 million, respectively. The increase was primarily due to increased costs associated with our IBD pipeline candidates and stock compensation expense related to the Parapyre Option Obligation, partially offset by decreased costs related to the Company's legacy rare disease pipeline.

Internal research and development expenses include compensation and related costs associated with our research and development employees, as well as costs associated with the Company's on-premises research laboratory. For the six months ended June 30, 2024 and 2023, internal research and development

costs accounted for $8.5 million and $12.5 million, respectively. The decrease was primarily due to decreased costs associated with our on-premises research laboratory that was decommissioned, including the elimination of related internal roles, in the first half of 2023, partially offset by an increase in costs associated with advancing our IBD pipeline candidates.

General and Administrative Expenses. General and administrative expenses increased by $7.1 million, or 41%, to $24.4 million for the six months ended June 30, 2024, from $17.3 million for the six months ended June 30, 2023. The increase was primarily due to a $10.8 million increase in stock-based compensation expense, inclusive of a $2.9 million acceleration expense related to legacy Aeglea officers and directors, and a $1.9 million increase in professional service fees primarily related to transaction support, partially offset by a $5.5 million decrease in restructuring costs.

Acquired In-process Research and Development Expenses. Acquired in-process research and development expenses were $130.5 million for the six months ended June 30, 2023, as the acquisition of Pre-Merger Spyre was determined by management to be an asset acquisition, in accordance with U.S. GAAP as the product candidates were determined to have no alternative future use. There was no similar expense during the six months ended June 30, 2024.

Interest Income. Interest income was $10.4 million and $0.8 million for the six months ended June 30, 2024 and 2023, respectively. The increase was primarily due to higher investment balances.

Change in Fair Value of Forward Contract Liability. Non-cash expenses associated with the change in fair value of the forward contract liability were $58.2 million for the six months ended June 30, 2023. This expense was due to the change in fair value of the underlying Series A Preferred Stock between June 22, 2023 and June 30, 2023. There was no similar expense during the six months ended June 30, 2024.

Other expense, net. Other expense, net for the six months ended June 30, 2024 and 2023, totaled $1.1 million and $0.1 million, respectively. The increase in other expense, net was primarily driven by a $0.9 million change in fair value of the contingent value right liability.

Liquidity and Capital Resources

We are a clinical stage biotechnology company with a limited operating history, and due to our significant research and development expenditures, we have generated operating losses since our inception and have not generated any revenue from the commercial sale of any products. There can be no assurance that profitable operations will ever be achieved, and, if achieved, whether profitability can be sustained on a continuing basis.

Since our inception and through June 30, 2024, we have funded our operations by raising an aggregate of approximately $1.1 billion of gross proceeds from the sale and issuance of convertible preferred stock and common stock, pre-funded warrants, the collection of grant proceeds, and the licensing of our product rights for commercialization of pegzilarginase in Europe and certain countries in the Middle East. As of June 30, 2024, we had an accumulated deficit of $847.1 million.

Our primary use of cash is to fund the development of our product candidates, and advance our pipeline. This includes both the research and development costs and the general and administrative expenses required to support those operations. Since we are a clinical stage biotechnology company, we have incurred significant operating losses since our inception and we anticipate such losses, in absolute dollar terms, to increase as we continue to pursue clinical development of our product candidates, prepare for the potential commercialization of our product candidates, and expand our development efforts in our pipeline of nonclinical candidates. Based on current operating plans, we have sufficient resources to fund operations for at least one year from the issuance date of the financial statements included in this Quarterly Report with existing cash, cash equivalents, and marketable securities. We will need to secure additional financing in the future to fund additional research and development, and before a commercial drug can be produced, marketed and sold. If the Company is unable to obtain additional financing or generate license or product revenue, the lack of liquidity could have a material adverse effect on the Company.

Recent sources of liquidity

In June 2023, we sold 721,452 shares of convertible Series A Preferred Stock in a private placement offering for gross proceeds of approximately $210.0 million before deducting approximately $12.7 million of placement agent and other offering expenses.

In December 2023, we sold 6,000,000 shares of Common Stock and 150,000 shares of convertible Series B Preferred Stock for gross proceeds of $180.0 million before deducting approximately $10.9 million of placement agent and other offering expenses.

In March 2024, we sold 121,625 shares of convertible Series B Preferred Stock for gross proceeds of $180.0 million before deducting approximately $11.2 million of placement agent and other offering expenses.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in thousands):

	Six Months Ended June 30,	
	2024	2023
Net cash, cash equivalents, and restricted cash (used in) provided by:		
Operating activities	$ (90,790)	$ (34,277)
Investing activities	(225,481)	24,510
Financing activities	172,525	210,002
Effect of exchange rate on cash, cash equivalents, and restricted cash	(4)	24
Net (decrease) increase in cash, cash equivalents, and restricted cash	$ (143,750)	$ 200,259

Cash Used in Operating Activities

Cash used in operating activities for the six months ended June 30, 2024 was $90.8 million and reflected a net loss of $82.7 million, a $25.7 million decrease in net operating assets and liabilities driven by timing of payments to vendors, and $6.0 million in net accretion of discount on marketable securities, partially offset by stock-based compensation of $22.5 million.

Cash used in operating activities for the six months ended June 30, 2023 was $34.3 million and reflected a net loss of $235.5 million. Our net loss was offset in part by non-cash expenses of $130.5 million for acquired IPR&D, $58.2 million change in fair value of forward contract liability, $3.6 million for stock-based compensation, $2.6 million loss on disposal of long-lived assets, $1.0 million for depreciation and amortization, and $0.9 million loss on lease abandonment. The net change in operating assets and liabilities of $4.6 million primarily related to the continuing wind down of legacy operations.

Cash (Used in) Provided by Investing Activities

Cash used in investing activities for the six months ended June 30, 2024 was $225.5 million and primarily consisted of $331.1 million in purchases of marketable securities, partially offset by $105.6 million in maturities and sales of marketable securities.

Cash provided by investing activities for the six months ended June 30, 2023, was $24.5 million and consisted of $21.0 million in maturities and sales of marketable securities and $3.0 million cash assumed from the Asset Acquisition.

Cash Provided by Financing Activities

Cash provided by financing activities for the six months ended June 30, 2024 was $172.5 million, which primarily consisted of the net proceeds from the issuance of the Series B Preferred Stock in the March 2024

PIPE of $169.1 million and $4.9 million from proceeds from stock option exercises and sales of Common Stock under our 2016 Employee Stock Purchase Plan and the exercise of pre-funded warrants.

Cash provided by financing activities for the six months ended June 30, 2023, was $210.0 million, which primarily consisted of the gross proceeds from the issuance of the Series A Preferred Stock in the June 2023 PIPE.

Contingent contractual obligations

Through the Asset Acquisition, we received the Option to license certain intellectual property rights related to four research programs. The exercise of the Option allows for us to enter into an exclusive license agreement with Paragon for the respective research program. Thus far we have exercised the Option with respect to SPY001, SPY002, and SPY003, and we have entered into license agreements for SPY001 and SPY002. On June 5, 2024, we exercised the Option with respect to the SPY003 research program and, as of the date of this Quarterly Report, are negotiating a license agreement. Upon license execution, we expect to be obligated to pay Paragon up to $22.0 million based on specific development, regulatory and clinical milestones for the SPY003 research program. As of June 30, 2024, none of the $22.0 million obligation was accrued for, because the SPY003 license agreement is currently being negotiated. As of the date of the filing of this Quarterly Report, the Option remains unexercised with respect to the one remaining research program, SPY004, under the Paragon Agreement. Should the Option for SPY004 be exercised and upon entry into a license agreement with respect to SPY004, we expect to be obligated to pay Paragon up to an additional $22.0 million based on certain development, regulatory and clinical milestones.

Recently Adopted Accounting Pronouncements

There were no recent accounting pronouncements that have had a material effect on the Company’s financial position or results of operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of United States interest rates, particularly because our investments are in marketable securities. Our marketable securities are subject to interest rate risk and could fall in value if market interest rates increase. However, we believe that our exposure to interest rate risk is not significant as the majority of our investments are short-term in duration and have a low risk profile. A hypothetical 10% change in interest rates is not expected to have a material effect on the total market value of our investment portfolio. We have the ability to hold our marketable securities until maturity, and therefore, we would not expect our operating results or cash flows to be materially impacted by a change in market interest rates on our investments.

As of June 30, 2024, we held $426.3 in cash, cash equivalents, marketable securities, and restricted cash, predominately all of which was denominated in U.S. dollars, and consisted primarily of investments in money market funds, commercial paper, U.S. government obligations, and corporate bonds.

We are also exposed to market risk related to changes in foreign currency exchange rates as a result of our entering into transactions denominated in currencies other than U.S. dollars. Due to the uncertain timing of expected payments in foreign currencies, we do not utilize any forward exchange contracts. All foreign transactions settle on the applicable spot exchange basis at the time such payments are made. For the three months ended June 30, 2024, a majority of our expenditures were denominated in U.S. dollars. A hypothetical 10% change in foreign exchange rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures. Based on the foregoing evaluation of our disclosure controls and procedures, as of June 30, 2024, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act are 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 us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. – Other Information

Item 1. Legal Proceedings

From time to time, we may become involved in legal proceedings relating to claims arising from the ordinary course of business. Our management believes that there are currently no claims or actions pending against us, the ultimate disposition of which could have a material adverse effect on our results of operations, financial condition or cash flows.

Item 1A. Risk Factors

Investing in our Common Stock involves a high degree of risk. Before you decide to invest in our common stock, you should consider carefully the risks described below, together with the other information contained in this Quarterly Report, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our unaudited condensed financial statements and related notes. We believe the risks described below are the risks that are material to us as of the date of this Quarterly Report. If any of the following risks actually occur, our business, financial condition, results of operations and future growth prospects could be materially and adversely affected. In these circumstances, the market price of our Common Stock could decline, and you may lose all or part of your investment.

Risk Factor Summary

Below is a summary of the material risks to our business, our operations and an investment in our common stock. This summary does not address all of the risks that we face. Risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below and should be carefully considered, together with other information in this Quarterly Report in its entirety before making investment decisions regarding our common stock.

Risks Related to Our Financial Condition and Capital Requirements

- We will not be able to continue as a going concern if we are unable to raise additional capital when needed.
- We have never generated any revenue from product sales and may never be profitable.
- We anticipate that we will continue to incur significant losses for the foreseeable future.
- We may not be able to raise the capital that we need to support our business plans and raising additional capital may cause dilution to our stockholders and restrict our operations.

Risks Related to the Discovery, Development and Commercialization

- We face competition from companies that have developed or may develop competing programs.
- Our programs are in clinical and nonclinical stages of development and may fail or suffer delays.
- We are substantially dependent on the success of the SPY001,SPY002 and SPY003 programs.
- We may fail to achieve our projected development goals in the time frames we announce and expect.
- Any drug delivery device used may have its own regulatory development, supply, and other risks.
- We may not be successful in building a pipeline of product candidates with commercial value.
- Our studies and trials may be insufficient to support regulatory approval of any of our product candidates.
- We have limited experience in developing and commercializing diagnostics.
- Additional time may be required to obtain regulatory approval for our product candidates and future product candidates because of their status as combination products.
- If we are not successful in discovering, developing and commercializing our investigational products to achieve superior outcomes relative to the use of monotherapies or other combination therapies, our ability to achieve our strategic objectives would likely be impaired.
- Development of combination therapies may present more or different challenges than other therapies.
- We may encounter difficulties enrolling participants in our future clinical trials.
- Preliminary or "topline" data from our clinical trials may change as more data becomes available.

- Our current or future clinical trials may reveal significant adverse events or undesirable side effects.
- We may fail to capitalize on more profitable or potentially successful product candidates.
- Our current or future products may not achieve regulatory approval, market acceptance or commercial success.
- Some of our programs may compete with our other programs.
- The FDA may not accept data from clinical trials we conduct at sites outside the United States.

Risks Related to Government Regulation

- FDA and comparable foreign regulatory approval processes are lengthy and time-consuming and we may not be able to obtain or may be delayed in obtaining regulatory approvals for our product candidates.
- We may not be able to meet requirements for chemistry, manufacturing and control of our programs.
- Our product candidates may face competition sooner than anticipated based on rules and regulations that may apply or government decisions with respect to our intellectual property.
- Even if we receive regulatory approval, we will be subject to extensive ongoing regulatory obligations.
- We may face difficulties from healthcare and other legislative reform measures.
- Our operations and arrangements with third-parties are subject to healthcare regulatory laws.
- We may be unable to offer products at competitive prices due to unfavorable regulations and/or policies.
- We may face criminal liability or other consequences if we violate U.S. and foreign trade regulations.
- Foreign governments may impose strict price controls, which may adversely affect our potential revenue.
- Any accelerated review designations we may pursue may not hasten development or regulatory review.

Risks Related to Our Intellectual Property

- Our ability to obtain and protect our patents and other proprietary rights is uncertain.
- We may fail in obtaining or maintaining necessary rights to our programs.
- We may be subject to patent infringement claims or may need to file such claims.
- We may be subject to claims of wrongful hiring of employees or wrongful use of confidential information.
- Our patents and our ability to protect our products may be impaired by changes to patent laws.
- Our patent protection could be reduced or eliminated for non-compliance with legal requirements.
- We may fail to identify or interpret relevant third-party patents.
- We may become subject to claims challenging the inventorship or ownership of our intellectual property.
- Patent terms may be inadequate to protect our competitive position of our programs.
- Our technology licensed from various third-parties may be subject to retained rights.

Risks Related to Our Reliance on Third-Parties

- We may fail to maintain collaborations and licensing arrangements with third-parties that we rely on.
- Third-parties we rely on for the execution of nonclinical studies and clinical trials may fail to carry out their contractual duties.
- We may be unable to use third-party manufacturing sites, our third-party manufacturers may encounter difficulties in production or we may need to switch or create third-party manufacturer redundancies.

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

- We may experience difficulties in managing the growth of our organization.
- We may fail to attract or retain highly qualified personnel.
- Our ability to operate in foreign markets is subject to regulatory burdens, risks and uncertainties.
- Our estimates of market opportunity and forecasts of market growth may be inaccurate and our business may not grow at similar rates, or at all.
- Our employees or third-parties may engage in misconduct or other improper activities.
- We may be impacted by security or data breaches or other improper access to our data.
- Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.
- We may fail to comply with privacy and data security regulations despite compliance efforts.

- We may fail to comply with environmental, health and safety laws and regulations.
- We may be subject to adverse legislative or regulatory tax changes.
- We may fail to realize the benefits of our business or product acquisitions or our strategic alliances.

Risks Related to Our Common Stock

- The market price of our common stock has historically been volatile and may drop in the future.
- Our certificate of incorporation, Delaware law and certain contracts include anti-takeover provisions.
- We do not anticipate paying any dividends in the foreseeable future.
- Future sales of shares by existing stockholders could cause our stock price to decline.
- Future sales and issuances of equity and debt could result in additional dilution to our stockholders.
- Our principal stockholders own a significant percentage of our stock.

General Risk Factors

- We may become exposed to costly and damaging liability claims and our product liability insurance may not cover all damages from such claims.
- Litigation costs and the outcome of litigation could have a material adverse effect on our business.
- We may fail to maintain proper and effective internal controls.
- Our business could be adversely affected by macroeconomic conditions.

Risks Related to Our Financial Condition and Capital Requirements

We will need to raise additional capital, and if we are unable to do so when needed, we will not be able to continue as a going concern.

As of June 30, 2024, we had $426.3 million of cash, cash equivalents, marketable securities, and restricted cash. We will need to raise additional capital to continue to fund our operations and service our debt obligations in the future. If we are unable to raise additional capital when needed, we will not be able to continue as a going concern.

Developing our product candidates requires a substantial amount of capital. We expect our research and development expenses to increase in connection with our ongoing activities, particularly as we advance our product candidates through clinical trials. We will need to raise additional capital to fund our operations and such funding may not be available to us on acceptable terms, or at all, and such funding may become even more difficult to obtain due to rising interest rates and the current downturn in the U.S. capital markets and the biotechnology sector in general. Competition for additional capital among biotechnology companies may be particularly intense during economic downturns. We may be unable to raise capital through public offerings of our common stock and may need to turn to alternative financing arrangements. Such arrangements, if we pursue them, could involve issuances of one or more types of securities, including common stock, Preferred Stock, convertible debt, warrants to acquire common stock or other securities. These securities could be issued at or below the then prevailing market price for our common stock. In addition, if we issue debt securities, the holders of the debt would have a claim to our assets that would be superior to the rights of stockholders until the principal, accrued and unpaid interest and any premium or make-whole has been paid. Interest on any newly-issued debt securities and/or newly-incurred borrowings would increase our operating costs and reduce our net income (or increase our net loss), and these impacts may be material. If the issuance of new securities results in diminished rights to holders of our common stock, the market price of our common stock could be materially and adversely affected.

We do not currently have any products approved for sale and do not generate any revenue from product sales. Accordingly, we expect to rely primarily on equity and/or debt financings to fund our continued operations. Our ability to raise additional funds will depend, in part, on the success of our nonclinical studies and clinical trials and other product development activities, regulatory events, our ability to identify and enter into licensing or other strategic arrangements, and other events or conditions that may affect our value or prospects, as well as factors related to financial, economic and market conditions, many of which are beyond our control. There can be no assurances that sufficient funds will be available to us when required or on acceptable terms, if at all.

If we are unable to raise additional capital when required or on acceptable terms, we may be required to:

- significantly delay, scale back, or discontinue the development or commercialization of our product candidates;
- seek strategic partnerships, or amend existing partnerships, for research and development programs at an earlier stage than otherwise would be desirable or that we otherwise would have sought to develop independently, or on terms that are less favorable than might otherwise be available in the future;
- dispose of technology assets, or relinquish or license on unfavorable terms, our rights to technologies or any of our product candidates that we otherwise would seek to develop or commercialize ourselves;
- pursue the sale of our company to a third-party at a price that may result in a loss on investment for our stockholders; or
- file for bankruptcy or cease operations altogether (and face any related legal proceedings).

Any of these events could have a material adverse effect on our business, operating results and prospects.

Even if successful in raising new capital, we could be limited in the amount of capital we raise due to investor demand restrictions placed on the amount of capital we raise or other reasons.

Additionally, any capital raising efforts are subject to significant risks and contingencies, as described in more detail under the risk factor titled “Raising additional capital may cause dilution to our stockholders, restrict our operations, or require us to relinquish rights.”

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

We have no products approved for commercialization and have never generated any revenue from product sales. Our ability to generate revenue and achieve profitability depends on our ability, alone or with strategic collaborators, to successfully complete the development of, and obtain the regulatory and marketing approvals necessary to commercialize one or more of our product candidates. We do not anticipate generating revenue from product sales for the foreseeable future. Our ability to generate future revenue from product sales depends heavily on our success in many areas, including but not limited to:

- completing research and development of our product candidates;
- obtaining regulatory and marketing approvals for our product candidates for which we complete clinical trials;
- manufacturing product candidates and establishing and maintaining supply and manufacturing relationships with third-parties that are commercially feasible, meet regulatory requirements and our supply needs in sufficient quantities to meet market demand for our product candidates, if approved;
- qualify for adequate coverage and reimbursement by government and third-party payors for any product candidates for which we obtain regulatory and marketing approval;
- marketing, launching, and commercializing product candidates for which we obtain regulatory and marketing approval, either directly or with a collaborator or distributor;
- gaining market acceptance of our product candidates as treatment options;
- addressing any competing products and technological and market developments;
- implementing internal systems and infrastructure, as needed;
- protecting and enforcing our intellectual property rights, including patents, trade secrets, and know-how;
- negotiating favorable terms in any collaboration, licensing, or other arrangements into which we may enter;
- obtaining coverage and adequate reimbursement from third-party payors and maintaining pricing for our product candidates that supports profitability; and
- attracting, hiring, and retaining qualified personnel.

Even if one or more of the product candidates that we develop is approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved product candidate. Our expenses could increase beyond expectations if we are required by regulatory authorities to perform clinical and other studies in addition to those that we anticipate. Even if we are able to generate revenues from the sale of any approved products, we may not become profitable and may need to obtain additional funding to continue operations. Portions of the research programs with respect to which we have signed a license agreement, exercised the Option to acquire intellectual property license rights to or have the Option to acquire intellectual property license rights to pursuant to the Paragon Agreement may be in-licensed from third-parties, which make the commercial sale of such in-licensed products potentially subject to additional royalty and milestone payments to such third-parties. We will also have to develop or acquire manufacturing capabilities or continue to contract with contract manufacturers in order to continue development and potential commercialization of our product candidates. For instance, if the costs of manufacturing our drug product are not commercially feasible, we will need to develop or procure our drug product in a commercially feasible manner in order to successfully commercialize a future approved product, if any. Additionally, if we are not able to generate revenue from the sale of any approved products, we may never become profitable.

We have historically incurred losses, have a limited operating history on which to assess our business, and anticipate that we will continue to incur significant losses for the foreseeable future.

We are a biopharmaceutical company with a limited operating history. Since inception, we have incurred significant operating losses. For the years ended December 31, 2023, 2022 and 2021, we reported a net loss of $338.8 million, $83.8 million and $65.8 million, respectively. As of December 31, 2023, we had an accumulated deficit of $764.4 million. We will need to raise substantial additional capital to continue to fund our operations in the future.

Failure to raise capital as and when needed, on favorable terms or at all, would have a negative impact on our financial condition and our ability to develop our product candidates. Changing circumstances may cause us to consume capital significantly faster or slower than we currently anticipate. If we are unable to acquire additional capital or resources, we will be required to modify our operational plans to complete future milestones and we may be required to delay, limit, reduce or eliminate development or future commercialization efforts of product candidates and/or programs. We have based these estimates on assumptions that may prove to be wrong, and we could exhaust our available financial resources sooner than we currently anticipate. We may be forced to reduce our operating expenses and raise additional funds to meet our working capital needs, principally through the additional sales of our securities or debt financings or entering into strategic collaborations.

We have devoted substantially all of our financial resources to identify, acquire, and develop our product candidates, including conducting nonclinical and clinical development of the legacy rare disease clinical trials conducted by us prior to the Asset Acquisition and the nonclinical and clinical development of our current IBD pipeline, and providing general and administrative support for our operations. To date, we have funded our operations primarily from the sale and issuance of convertible preferred and common equity securities, pre-funded warrants, the collection of grant proceeds, and the licensing of our product rights for commercialization of pegzilarginase in Europe and certain countries in the Middle East. The amount of our future net losses will depend, in part, on the rate of our future expenditures and our ability to obtain funding through equity or debt financings, strategic collaborations, or grants. Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. We expect our losses to increase as our product candidates enter more advanced clinical trials. It may be several years, if ever, before we complete pivotal clinical trials or have a product candidate approved for commercialization. We expect to invest significant funds into the research and development of our current product candidates to determine the potential to advance these product candidates to regulatory approval.

If we obtain regulatory approval to market a product candidate, our future revenue will depend upon the size of any markets in which our product candidates may receive approval, and our ability to achieve sufficient market acceptance, pricing, coverage and adequate reimbursement from third-party payors, and adequate market share for our product candidates in those markets. Even if we obtain adequate market share for our product candidates, because the potential markets in which our product candidates may ultimately receive regulatory approval could be very small, we may never become profitable despite obtaining such market share and acceptance of our products.

We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future and our expenses will increase substantially if and as we:

- continue the nonclinical and clinical development of our product candidates;
- continue efforts to discover and develop new product candidates;
- continue the manufacturing of our product candidates or increase volumes manufactured by third-parties;
- advance our product candidates into larger, more expensive clinical trials;
- initiate additional nonclinical studies or clinical trials for our product candidates;
- seek regulatory and marketing approvals and reimbursement for our product candidates;
- establish a sales, marketing, and distribution infrastructure to commercialize any products for which we may obtain marketing approval and market for ourselves;
- seek to identify, assess, acquire, and/or develop other product candidates;
- make milestone, royalty, or other payments under third-party license agreements;
- seek to maintain, protect, and expand our intellectual property portfolio;
- seek to attract and retain skilled personnel; and
- experience any delays or encounter issues with the development and potential for regulatory approval of our clinical and product candidates such as safety issues, manufacturing delays, clinical trial accrual delays, longer follow-up for planned studies or trials, additional major studies or trials, or supportive trials necessary to support marketing approval.

Further, the net losses we incur may fluctuate significantly from quarter to quarter and year to year, such that a period-to-period comparison of our results of operations may not be a good indication of our future performance.

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

Until such time, if ever, as we can generate substantial revenue from the sale of our product candidates, we expect to finance our cash needs through a combination of equity offerings, debt financings and license and development agreements. To the extent that we raise additional capital through the sale of equity securities or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a holder of common stock. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third-parties, we may be required to relinquish valuable rights to our research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or other arrangements with third-parties when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to third-parties to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

To the extent that we raise additional capital through the sale of equity, including pursuant to any sales under convertible debt or other securities convertible into equity, the ownership interest of our stockholders will be diluted, and the terms of these new securities may include liquidation or other preferences that adversely affect the rights of our stockholders. For instance, in March 2024, we sold an aggregate of 121,625 shares of our Series B Preferred Stock in the March 2024 PIPE to the March 2024 Investors for gross proceeds of approximately $180.0 million. Subject to certain beneficial ownership limitations set by each holder of Series B Preferred Stock, each share of Series B Preferred Stock is convertible into an aggregate of 40 shares of our common stock. Following stockholder approval of the Series B Conversion Proposal, 254,958 shares of Series B Preferred Stock automatically converted to 10,198,320 shares of Common Stock; 16,667 shares of Series B

Preferred Stock did not automatically convert and remain outstanding as of June 30, 2024 due to beneficial ownership limitations.

Debt financing, if available, would likely involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, making additional product acquisitions, or declaring dividends. If we raise additional funds through strategic collaborations or licensing arrangements with third-parties, we may have to relinquish valuable rights to our product candidates or future revenue streams or grant licenses on terms that are not favorable to us. We cannot be assured that we will be able to obtain additional funding if and when necessary to fund our entire portfolio of product candidates to meet our projected plans. If we are unable to obtain funding on a timely basis, we may be required to delay or discontinue one or more of our development programs or the commercialization of any product candidates or be unable to expand our operations or otherwise capitalize on potential business opportunities, which could materially harm our business, financial condition, and results of operations.

Risks Related to Discovery, Development and Commercialization

We face competition from entities that have developed or may develop programs for the diseases addressed by our product candidates.

The development and commercialization of drugs is highly competitive. Our product candidates, if approved, will face significant competition and our failure to effectively compete may prevent us from achieving significant market penetration. We compete with a variety of multinational biopharmaceutical companies, specialized biotechnology companies and emerging biotechnology companies, as well as academic institutions, governmental agencies, and public and private research institutions, among others. Many of the companies with which we are currently competing or will complete against in the future have significantly greater financial resources and expertise in research and development, manufacturing, nonclinical testing, clinical trial conduct, regulatory approvals, and marketing than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industry may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites, recruiting participants for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our product candidates.

Our competitors have developed, are developing or will develop programs and processes competitive with our programs and processes. Competitive therapeutic treatments include those that have already been approved and accepted by the medical community and any new treatments. Our success will depend partially on our ability to develop and commercialize products that have a competitive safety, efficacy, dosing and/or presentation profile. Our commercial opportunity and success will be reduced or eliminated if competing products are safer, more effective, have a more attractive dosing profile or presentation or are less expensive than the products we develop, or if our competitors develop competing products or if biosimilars enter the market more quickly than we do and are able to gain market acceptance. See the section titled “Business – Competition” in our Annual Report on Form 10-K for more discussion about our competitors.

In addition, because of the competitive landscape for inflammatory and immunology ("I&I") indications, we may also face competition for clinical trial enrollment. Clinical trial enrollment will depend on many factors, including if potential clinical trial participants choose to undergo treatment with approved products or enroll in competitors’ ongoing clinical trials for programs that are under development for the same indications as our programs. An increase in the number of approved products for the indications we are targeting with our programs may further exacerbate this competition. Our inability to enroll a sufficient number of participants could, among other things, delay our development timeline, which may further harm our competitive position.

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

We have no products on the market, and all of our product candidates are in clinical or nonclinical stages of development and we have not completed any clinical trials. As a result, we expect it will be many

years before we commercialize any product candidate, if ever. 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, and we cannot guarantee you that we will ever obtain regulatory approval for any of our product candidates. We have not yet demonstrated our ability to complete any clinical trials, obtain regulatory approvals, manufacture a commercial scale product or arrange for a third-party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. Before obtaining regulatory approval for the commercial distribution of our product candidates, we or an existing or future collaborator must conduct extensive nonclinical tests and clinical trials to demonstrate the safety and efficacy in humans of our programs and future product candidates.

We or our collaborators may experience delays in initiating or completing nonclinical or clinical trials. We or our collaborators also may experience numerous unforeseen events during, or as a result of, any current or future nonclinical and clinical trials that we could conduct that could delay or prevent our ability to receive marketing approval or commercialize our current product candidates or any future product candidates, including:

- regulators, such as the FDA, or ethics committees ("ECs")/institutional review boards ("IRBs") may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may experience delays in reaching, or fail to reach, agreement on acceptable terms with prospective trial sites and prospective contract research organizations ("CROs"), the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- clinical trial sites deviating from trial protocol or dropping out of a trial;
- clinical trials of any product candidates may fail to show safety or efficacy, produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional nonclinical studies or clinical trials or we may decide to abandon product development programs;
- the number of subjects required for clinical trials of any product candidates may be larger than we anticipate and enrollment in these clinical trials may be slower than we anticipate or subjects may drop out of these clinical trials or fail to return for post-treatment follow-up at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, or may deviate from the clinical trial protocol or drop out of the trial, which may require that we add new clinical trial sites or investigators;
- we may elect to, or regulators, ECs/IRBs may require that we or our investigators, suspend or terminate clinical research or trials for various reasons, including noncompliance with regulatory requirements or a finding that the participants in our trials are being exposed to unacceptable health risks;
- the cost of clinical trials of any of our programs may be greater than we anticipate;
- the quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be inadequate to initiate or complete a given clinical trial;
- our inability to manufacture sufficient quantities of our product candidates for use in clinical trials;
- reports from clinical testing of other therapies may raise safety or efficacy concerns about our programs;
- our failure to establish an appropriate safety profile for a product candidate based on clinical or nonclinical data for such product candidates as well as data emerging from other therapies in the same class as our product candidates; and
- the FDA or other regulatory authorities may require us to submit additional data such as long-term toxicology studies, additional clinical data or additional manufacturing data or impose other requirements before permitting us to initiate clinical trials or approving any or providing marketing approval/ commercial sales.

Commencing clinical trials in the United States is subject to acceptance by the FDA of an IND or similar application and finalizing the trial design based on discussions with the FDA and other regulatory authorities. In the event that the FDA requires us to complete additional nonclinical studies or we are required to satisfy other

FDA requests prior to commencing future clinical trials, the start of such clinical trials may be delayed. Even after we receive and incorporate guidance from these regulatory authorities, the FDA or other regulatory authorities could disagree that we have satisfied their requirements to commence any future clinical trial or change their position on the acceptability of our trial design or the clinical endpoints selected, which may require us to complete additional nonclinical studies or clinical trials, delay the enrollment of our clinical trials or impose stricter approval conditions than we currently expect. There are equivalent processes and risks applicable to clinical trial applications in other countries, including countries in the EU.

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, our product candidates. We or our current or future collaborators' inability to complete development of, or commercialize our product candidates, or significant delays in doing so, could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We are substantially dependent on the success of our three most advanced programs, SPY001, SPY002 and SPY003 and our current and planned clinical trials of such programs may not be successful.

Our future success is substantially dependent on our ability to timely obtain marketing approval for, and then successfully commercialize, our three most advanced programs, SPY001, SPY002 and SPY003. We exercised our Option with respect to the SPY001, SPY002 and SPY003 programs on July 12, 2023, December 14, 2023, and June 5, 2024, respectively. Additionally, in May 2024, we signed license agreements with Paragon Therapeutics, Inc. for rights to royalty-bearing, world-wide, exclusive licenses to develop, manufacture, commercialize or otherwise exploit certain antibodies and products targeting α4ß7 integrin (SPY001 program) and TL1A (SPY002 program) and are negotiating a license agreement with Paragon for our products targeting IL-23 (SPY003 program). We are investing a majority of our efforts and financial resources into the research and development of these programs. We initiated a Phase 1 clinical trial in healthy volunteers of SPY001 and announced the dosing of our first participant in June 2024. We anticipate initiating Phase 1 clinical trials in healthy volunteers of SPY002 in the second half of 2024 and a Phase 1 clinical trial in healthy volunteers of SPY003 in the first half of 2025, each subject to the filing of an IND or foreign equivalent and regulatory approval. The success of our programs is dependent on observing a longer half-life of our product candidates in humans and comparable or better safety and efficacy profiles than other mAbs currently marketed and in development. We believe this longer half-life has the potential to result in a more favorable dosing schedule for our product candidates, assuming they successfully complete clinical development and obtain marketing approval. This is based in part on the assumption that the longer half-life we have observed in non-human primates ("NHPs") will translate into an extended half-life of our product candidates in humans. To the extent we do not observe this extended half-life with favorable safety and efficacy profiles when we dose humans with our product candidates, it would significantly and adversely affect the clinical and commercial potential of our product candidates.

Our programs will require additional clinical development, evaluation of clinical, nonclinical and manufacturing activities, product development, marketing approval in multiple jurisdictions, substantial investment and significant marketing efforts before we generate any revenues from product sales. We are not permitted to market or promote these programs, or any other programs, before we receive marketing approval from the FDA and comparable foreign regulatory authorities, and we may never receive such marketing approvals.

The success of our product candidates will depend on a variety of factors. We do not have complete control over many of these factors, including certain aspects of clinical development and the regulatory submission process, potential threats to our intellectual property rights and the manufacturing, marketing, distribution and sales efforts of any current or future collaborator. Accordingly, we cannot assure you that we will ever be able to generate revenue through the sale of these product candidates, even if approved. If we are not successful in commercializing SPY001, SPY002 or SPY003, or are significantly delayed in doing so, our business will be materially harmed.

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

From time to time, we estimate the timing of the anticipated accomplishment of various scientific, clinical, regulatory and other product development goals, which we sometimes refer to as milestones. These milestones may include the commencement or completion of nonclinical studies and clinical trials, such as the expected timing for the anticipated completion of our SPY001 Phase 1 clinical trial in healthy volunteers and expected first participant dosing and topline data from our planned Phase 2 clinical trial(s) in IBD, as well as the submission of regulatory filings. From time to time, we may publicly announce the expected timing of some of these milestones. All of these milestones are and will be based on numerous assumptions. The actual timing of these milestones can vary dramatically compared to our estimates, in some cases for reasons beyond our control, including positions that may be taken by or requirements of regulatory authorities. If we do not meet these milestones as publicly announced, or at all, the commercialization of our product candidates may be delayed or never achieved and, as a result, our stock price may decline. Additionally, delays relative to our projected timelines are likely to cause overall expenses to increase, which may require us to raise additional capital sooner than expected and prior to achieving targeted development milestones.

Any drug delivery device that we potentially use to deliver our product candidates may have its own regulatory, development, supply and other risks.

We expect to deliver our product candidates via a drug delivery device, such as an injector or other delivery system. There may be unforeseen technical complications related to the development activities required to bring such a product to market, including primary container compatibility and/or dose volume requirements. Our product candidates may not be approved or may be substantially delayed in receiving approval if the devices that we choose to develop do not gain and/or maintain their own regulatory approvals or clearances. Where approval of the drug product and device is sought under a single application, the increased complexity of the review process may delay approval. In addition, some drug delivery devices are provided by single-source unaffiliated third-party companies. We may be dependent on the sustained cooperation and effort of those third-party companies both to supply the devices and, in some cases, to conduct the studies required for approval or other regulatory clearance of the devices. Even if approval is obtained, we may also be dependent on those third-party companies continuing to maintain such approvals or clearances once they have been received. Failure of third-party companies to supply the devices, to successfully complete studies on the devices in a timely manner, or to obtain or maintain required approvals or clearances of the devices could result in increased development costs, delays in or failure to obtain regulatory approval and delays in product candidates reaching the market or in gaining approval or clearance for expanded labels for new indications.

Our approach to the discovery and development of our programs is unproven, and we may not be successful in our efforts to build a pipeline of programs with commercial value.

Our approach to the discovery and development of the research programs with respect to which we have signed a license agreement, exercised the Option to acquire intellectual property license rights to or have the Option to acquire intellectual property license rights to pursuant to the Paragon Agreement, leverages clinically validated mechanisms of action and incorporates advanced antibody engineering to optimize half-life and other properties designed to overcome limitations of existing therapies. Our programs are purposefully designed to improve upon existing product candidates and products while maintaining the same, well-established mechanisms of action. However, the scientific research that forms the basis of our efforts to develop programs using half-life extension technologies, including YTE and LS amino acid substitutions, is ongoing and may not result in viable programs. We have limited clinical data on product candidates utilizing YTE and LS half-life extension technologies, especially in I&I indications, demonstrating whether they are safe or effective for long-term treatment in humans. The long-term safety and efficacy of these technologies and the extended half-life and exposure profile of our programs compared to currently approved products is unknown.

We may ultimately discover that utilizing half-life extension technologies for our specific targets and indications and any programs resulting therefrom do not possess certain properties required for therapeutic effectiveness. We currently have only nonclinical data regarding the increased half-life properties of our programs and the same results may not be seen in humans. In addition, programs using half-life extension technologies may demonstrate different chemical and pharmacological properties in participants than they do in laboratory studies. This technology and any programs resulting therefrom may not demonstrate the same chemical and pharmacological properties in humans and may interact with human biological systems in unforeseen, ineffective or harmful ways.

In addition, we may in the future seek to discover and develop programs that are based on novel targets and technologies that are unproven. If our discovery activities fail to identify novel targets or technologies for drug discovery, or such targets prove to be unsuitable for treating human disease, we may not be able to develop viable additional programs. We and our existing or future collaborators may never receive approval to market and commercialize any product candidate. Even if we or an existing or future collaborator obtains regulatory approval, the approval may be for targets, disease indications or patient populations that are not as broad as we intended or desired or may require labeling that includes significant use or distribution restrictions or safety warnings. If the products resulting from the research programs with respect to which we have signed license agreements with Paragon, exercised the Option to acquire intellectual property license rights to or have the Option to acquire intellectual property license rights to pursuant to the Paragon Agreement prove to be ineffective, unsafe or commercially unviable, our programs and pipeline would have little, if any, value, which would have a material and adverse effect on our business, financial condition, results of operations and prospects.

Nonclinical and clinical development involves a lengthy and expensive process that is subject to delays and with uncertain outcomes, and results of earlier studies and trials may not be predictive of future clinical trial results. If our nonclinical studies and clinical trials are not sufficient to support regulatory approval of any of our product candidates, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development of such product candidate.

Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, we must complete nonclinical studies and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidate in humans. Our clinical trials may not be conducted as planned or completed on schedule, if at all, and failure can occur at any time during the nonclinical study or clinical trial process. For example, we depend on the availability of NHPs to conduct certain nonclinical studies that we are required to complete prior to submitting an IND or foreign equivalent and initiating clinical development. There is no guarantee that we will always be able to source NHPs for our drug development activities on our preferred timelines. The cost of obtaining NHPs for our future nonclinical development activities could increase significantly if short or long term shortages occur in their availability. If we are unable to source NHPs on our preferred timelines it could result in delays to our development timelines.

Furthermore, a failure of one or more clinical trials can occur at any stage of testing. The outcome of nonclinical studies and early-stage clinical trials may not be predictive of the success of later clinical trials. Moreover, nonclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in nonclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their product candidates. In addition, we expect to rely on participants to provide feedback on measures such as measures of quality of life, which are subjective and inherently difficult to evaluate. These measures can be influenced by factors outside of our control and can vary widely from day to day for a particular participant, and from participant to participant and from site to site within a clinical trial.

We cannot be sure that the FDA, or comparable foreign regulatory authority, as applicable, will agree with our clinical development plan. We plan to use the data from our ongoing and planned Phase 1 trials of our SPY001, SPY002 and SPY003 programs in healthy volunteers to support Phase 2 trials in IBD and other I&I indications. If the FDA and/or comparable foreign regulatory authority requires us to conduct additional trials or enroll additional participants, our development timelines may be delayed. We cannot be sure that submission of an IND, CTA or similar application will result in the FDA or comparable foreign regulatory authorities, as applicable, allowing clinical trials to begin in a timely manner, if at all. Moreover, even if these trials begin, issues may arise that could cause regulatory authorities to suspend or terminate such clinical trials. Events that may prevent successful or timely initiation or completion of clinical trials include: inability to generate sufficient nonclinical, toxicology or other in vivo or in vitro data to support the initiation or continuation of clinical trials; delays in reaching a consensus with regulatory authorities on trial design or implementation of the clinical trials; delays or failure in obtaining regulatory authorization to commence a trial; delays in reaching agreement on acceptable terms with prospective CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical trial sites; delays in identifying, recruiting and training suitable clinical investigators; delays in obtaining required EC/IRB approval at each clinical trial site; delays in manufacturing, testing, releasing, validating or importing/exporting sufficient stable quantities of our product candidates for use in clinical trials or the inability to do any of the foregoing; failure by our CROs, other third-parties or us to adhere to clinical trial protocols; failure to perform in accordance with the

FDA's or any other regulatory authority's good clinical practice requirements ("GCPs") or applicable regulatory guidelines in other countries; changes to the clinical trial protocols; clinical sites deviating from trial protocol or dropping out of a trial; changes in regulatory requirements and guidance that require amending or submitting new clinical protocols; selection of clinical endpoints that require prolonged periods of observation or analyses of resulting data; transfer of manufacturing processes to facilities operated by a contract manufacturing organization ("CMO") and delays or failure by our CMOs or us to make any necessary changes to such manufacturing process; and third-parties being unwilling or unable to satisfy their contractual obligations to us.

We could also encounter delays if a clinical trial is suspended or terminated by us, by the ECs/IRBs of the institutions in which such clinical trials are being conducted, by the Data Monitoring Committee, if any, for such clinical trial or by the FDA or comparable foreign regulatory authorities. Such authorities may suspend or terminate a clinical trial due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical trial protocols, inspection of the clinical trial operations or trial site by the FDA or comparable foreign regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from the programs, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. If we are required to conduct additional clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our product candidates, if the results of these trials are not positive or are only moderately positive or if there are safety concerns, our business and results of operations may be adversely affected and we may incur significant additional costs.

We are researching the potential use of complementary diagnostics in connection with the development of our product candidates, and although we do not currently anticipate such diagnostics would be required for the regulatory approval of any of our product candidates, they may be helpful to maximize the clinical and commercial success of our product candidates and if we fail to develop such complementary diagnostics or obtain regulatory approvals that may be required if they will be used commercially alongside any of our product candidates, our products may not be as competitive or commercially successful as they could be.

A complementary diagnostic is a medical device, often an in vitro device, which provides information that is valuable for the safe and effective use of a corresponding therapeutic drug or biologic product. A complementary diagnostic can be used to identify patients or subsets of patients who are most likely to benefit from the therapeutic product.

A complementary diagnostic is generally developed in conjunction with the clinical program for an associated therapeutic product. The development path of a complementary diagnostic may include additional meetings with regulatory authorities, such as a pre-submission meeting and the requirement to submit an investigational device exemption application. In the U.S., in the case of a complementary diagnostic that is designated as "significant risk device," approval of an investigational device exemption by the FDA and EC/IRB is required before such diagnostic is used in conjunction with the clinical trials for a corresponding product candidate.

To be successful in developing, validating, obtaining approval of and commercializing a complementary diagnostic, we or our collaborators will need to address a number of scientific, technical, regulatory and logistical challenges. We have no prior experience with medical device or diagnostic test development. If we choose to develop and seek FDA or comparable foreign regulatory authority approval for complementary diagnostic tests on our own, we may require additional personnel. We may rely on third-parties for the design, development, testing, validation and manufacture of complementary diagnostic tests for our therapeutic product candidates that may benefit from such tests, the application for and receipt of any required regulatory approvals, and the commercial supply of these complementary diagnostics.

Although we currently plan to focus our complementary diagnostic development program on diagnostics that may help to identity high/better responding patients for our product candidates, we do not believe such complementary diagnostics will be required by regulatory authorities in connection with granting regulatory approval for our product candidates but may aid in clinical trial recruitment, post-approval treatment decisions and maximizing the commercial success of our product candidates. If we or third-parties we engage are unable to successfully develop complementary diagnostics for our product candidates, or experience delays in doing so:

- we may be unable to maximize our potential to identify appropriate patients for enrollment in our clinical trials, which may adversely affect the development of our therapeutic product candidates;
- if the FDA or other regulators determine that the safe and effective use of our therapeutic product candidates, if any, depends on the complementary diagnostics we develop then we would have to expend time and resources to obtain regulatory approval of such complementary diagnostics which could cause delays in the commercial launch or success of our product candidates; and
- we may not realize the full commercial potential of any therapeutics that receive marketing approval.

As a result of any of these events, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We have limited experience in developing and commercializing diagnostics and have never applied for or obtained regulatory clearance or approval for any diagnostic tests.

To be successful in developing and commercializing therapeutic product candidates in combination with diagnostic candidates, we will need to address a number of scientific, technical, regulatory and logistical challenges. We currently anticipate that we or a collaborator may need to obtain marketing authorization from the FDA in order to legally market such diagnostics in the United States. As a company, we have little experience in the development of diagnostic tests and may not be successful in developing appropriate diagnostics to pair with any of our therapeutic product candidates that receive marketing approval, and have never applied for or obtained regulatory clearance or approval of any such diagnostic tests. Given our limited experience in developing diagnostic tests, we may rely in part or in whole on third-parties for their design, development and manufacture of such tests.

Before a new medical device, or a new intended use of, claim for, or significant modification to an existing device, can be marketed in the United States, a company must first submit an application for and receive 510(k) clearance pursuant to a premarket notification submitted under Section 510(k) of the Federal Food, Drug, and Cosmetic Act (“FDCA”), de-novo classification, or PMA approval from FDA, unless an exemption applies. The PMA approval pathway, which we expect to pursue for our complementary diagnostic product candidates, requires an applicant to demonstrate the safety and effectiveness of the product based, in part, on valid scientific evidence, including, but not limited to, technical, nonclinical, and clinical data. The 510(k) pathway requires a FDA finding that the test is substantially equivalent to a legally marketed predicate device. If no legally marketed predicate can be identified to enable use of the 510(k) pathway, the device is automatically classified under the FDCA into Class III, which generally requires PMA approval. However, for low- to moderate-risk novel devices, FDA allows for the possibility of marketing authorization through the “de novo classification” process rather than requiring the device to be subject to PMA approval. Products that are approved through a PMA application generally need prior FDA approval before modifications can be made that affect safety or effectiveness, and certain modifications to a 510(k)-cleared device may also require FDA premarket review before the modified product can be marketed. If we are unable to successfully develop, obtain regulatory clearance for and commercialize diagnostics to pair with our therapeutic product candidates, it could adversely impact our ability to develop and generate revenue from our product candidates.

Additional time may be required to obtain regulatory approval for our product candidates and future product candidates because of their status as combination products.

We may pursue development of combination products that require coordination within the FDA and comparable foreign regulatory authorities for review of its device and biologic components. Although the FDA and comparable foreign regulatory authorities have systems in place for the review and approval of combination products such as ours, we may experience delays in the development and commercialization of our product candidates due to regulatory timing constraints and uncertainties in the product development and approval process. Of note, prior clearance or approval of one component of a combination product does not increase the likelihood that FDA will approve a later product combining the previously cleared product or approved active ingredient with a novel active ingredient.

A key element of our strategy is the development of intra-portfolio combinations. If we are not successful in discovering, developing and commercializing investigational products that take advantage of different mechanisms of action to achieve superior outcomes relative to the use of

monotherapies or other combination therapies, our ability to achieve our strategic objectives would likely be impaired.

A key element of our strategy is to build a broad portfolio of investigational products that will allow for the development of intra-portfolio combinations. We believe that by developing or licensing these investigational products, we can control the combinations we pursue and, if and when approved, maximize the commercial potential of these combinations. However, these combinations have not been tested before and may fail to achieve superior outcomes relative to the use of single agents or other combination therapies, may exacerbate adverse events associated with one of the investigational products when used as monotherapy, may yield new adverse events not observed with either of the monotherapies, or may fail to demonstrate sufficient safety or efficacy in clinical trials to enable us to complete those clinical trials or obtain marketing approval for the combination therapy. In addition, demonstrating that our combinations are superior to our single agents is likely necessary for marketing authorization of the combinations. However, comparing active treatments may be difficult to do in a controlled manner in our clinical trials, and we may be unable to interpret the results of comparisons between our combinations and single agents in a manner that satisfies regulatory requirements.

Even if we are successful in developing combination therapies, competition from other investigational products in the same class which are either already approved or further along in development than ours may prevent us from realizing the commercial potential of our combination therapies and prevent us from achieving our strategic objectives.

Development of combination therapies may present more or different challenges than development of monotherapies.

We plan to pursue development of our investigational products in combination with one or more additional products or investigational products. The development of combination therapies may be more complex than the development of monotherapies and generally requires that sponsors demonstrate the contribution of each investigational product to the claimed effect and the safety and efficacy of the combination as a whole. This requirement may make the design and conduct of clinical trials more complex, requiring more clinical trial subjects and additional time and cost to complete. We also may not be able to meet the FDA's current or future approval standards required for combination therapies or combination products, if we decided to administer or package a combination therapy as a single drug product. For example, under the "combination rule", the FDA may not file or approve a fixed-dose combination product unless each component of a proposed drug product is shown to make a contribution to the claimed effects and the dosage of each component (amount, frequency, duration) is safe and effective for the intended population. To satisfy these requirements, the FDA typically requires a clinical factorial trial, designed to assess the effects attributable to each drug in the combination product. This is particularly true when the ingredients are directed at the same sign or symptom of the disease or condition. The FDA has accepted a variety of approaches to satisfy the combination rule but the FDA has stated that factorial studies may be unethical (e.g., omitting a drug known to improve survival) or impractical (there may be too many components to conduct a factorial trial, meaning the trial cannot be conducted). The FDA has also stated that it may be possible to use other types of clinical and nonclinical data and mechanistic information available to demonstrate the contributions of the individual active ingredients to the effect of the combination. In addition, combination products may require dose selection for each agent in the combination, which may require more and/or larger groups of patients than single agents. Our clinical trial and research efforts may not satisfy regulators' expectations of adequate exploration of dose ranging required for drug approval. Moreover, the applicable requirements for approval of a combination therapy may differ from country to country.

In the event that one of our investigational products were to fail to demonstrate sufficient safety and efficacy data or establish its contribution to the claimed effects of a combination therapy or if we are unable to meet the FDA's current or future approval standards required for combination therapies or combination products in a timely manner, we would need to identify and research alternative monotherapy or combination treatments or run additional trials to produce supportive data. In the event we are unable to do so or are unable to do so on commercially reasonable terms or we are unable to continue development of one or more of investigational products, our business and prospects would be materially harmed.

If we encounter difficulties enrolling participants in our current and future clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

We may experience difficulties in participant enrollment in our current and future clinical trials for a variety of reasons. The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of participants who remain in the trial until its conclusion. The enrollment of participants in current or future trials for any of our programs will depend on many factors, including if participants choose to enroll in clinical trials, rather than using approved products, or if our competitors have ongoing clinical trials for programs that are under development for the same indications as our programs, and participants instead enroll in such clinical trials. Additionally, the number of participants required for clinical trials of our programs may be larger than we anticipate. Even if we are able to enroll a sufficient number of participants for our current or future clinical trials, we may have difficulty maintaining participants in our clinical trials. Our inability to enroll or maintain a sufficient number of participants would result in significant delays in completing clinical trials or receipt of marketing approvals and increased development costs or may require us to abandon one or more clinical trials altogether.

Preliminary, "topline" or interim data from our clinical trials that we announce or publish from time to time may change as more participant data become available and are subject to audit and verification procedures.

From time to time, we may publicly disclose preliminary or topline data from our nonclinical studies and clinical trials, which are 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. We also make assumptions, estimations, calculations and conclusions as part of our analyses of these data without the opportunity to fully and carefully evaluate complete data. As a result, the preliminary or topline 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 or subsequently made subject to audit and verification procedures.

Any preliminary or topline data should be viewed with caution until the final data are available. From time to time, we may also disclose interim data from our nonclinical studies and clinical trials. Interim data are subject to the risk that one or more of the clinical outcomes may materially change as participant enrollment continues and more participant data become available or as participants from our clinical trials continue other treatments. 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 product candidate, the approvability or commercialization of the particular product candidate and our company in general. In addition, the information we choose to publicly disclose regarding a particular nonclinical 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. If the preliminary, topline or interim data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our product candidates may be harmed, which could harm our business, operating results, prospects or financial condition.

Our current and future clinical trials or those of our future collaborators may reveal significant adverse events or undesirable side effects not seen in our nonclinical studies and may result in a safety profile that could halt clinical development, inhibit regulatory approval or limit commercial potential or market acceptance of any of our product candidates.

Results of our clinical trials could reveal a high and unacceptable severity and prevalence of side effects, adverse events or unexpected characteristics. While our nonclinical studies in NHPs have not shown any such characteristics to date, we cannot assure you that the results of our clinical trials will not reveal such characteristics. If significant adverse events or undesirable side effects are observed in any of our current or future clinical trials, we may have difficulty recruiting participants to such trials, participants may drop out of our trials, or we may be required to abandon the trials or our development efforts of one or more programs altogether. We, the FDA or other applicable regulatory authorities, or an EC/IRB, may suspend any clinical trials of any program at any time for various reasons, including a belief that subjects or patients in such trials are being exposed to unacceptable health risks or adverse side effects. Some potential products developed in the biotechnology industry that initially showed therapeutic promise in early-stage studies and trials have later been found to cause side effects that prevented their further development. Other potential products have shown side effects in nonclinical studies, which side effects do not present themselves in clinical trials in humans. Even if

the side effects do not preclude the product candidate from obtaining or maintaining marketing approval, undesirable side effects may inhibit market acceptance of the approved product due to its tolerability versus other therapies. In addition, an extended half-life could prolong the duration of undesirable side effects, which could also inhibit market acceptance. Treatment-emergent adverse events could also affect participant recruitment or the ability of enrolled subjects to complete our clinical trials or could result in potential product liability claims. Potential side effects associated with our product candidates may not be appropriately recognized or managed by the treating medical staff, as toxicities resulting from our product candidates may not be normally encountered in the general patient population and by medical personnel. Any of these occurrences could harm our business, financial condition, results of operations and prospects significantly.

In addition, even if we successfully advance our product candidates or any future product candidates through clinical trials, such trials will only include a limited number of participants and limited duration of exposure to our product candidates. As a result, we cannot be assured that adverse effects of our product candidates will not be uncovered when a significantly larger number of participants are exposed to the product candidate after approval. Further, any clinical trials may not be sufficient to determine the effect and safety consequences of using our product candidates over a multi-year period.

If any of the foregoing events occur or if one or more of the research programs with respect to which we have signed a licensed agreement for or exercised the Option to acquire intellectual property license rights to or have the Option to acquire intellectual property license rights to pursuant to the Paragon Agreement prove to be unsafe, our entire pipeline could be affected, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

We may expend our limited resources to pursue a particular program and fail to capitalize on programs 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 our research and development efforts on certain selected programs. For example, we are initially focused on our most advanced programs, SPY001, SPY002 and SPY003. As a result, we may forgo or delay pursuit of opportunities with other programs 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 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.

Any approved products resulting from our current programs or any future program may not achieve adequate market acceptance among clinicians, patients, healthcare third-party payors and others in the medical community necessary for commercial success and we may not generate any future revenue from the sale or licensing of such products.

Even if regulatory approval is obtained for a product candidate resulting from one of our current or future programs, they may not gain market acceptance among physicians, patients, healthcare payors or the medical community. 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. There are several approved products and product candidates in later stages of development for the treatment of IBD. However, our programs incorporate advanced antibody engineering to optimize the half-life and formulation of antibodies; to date, no such antibody has been approved by the FDA for the treatment of IBD. Market participants with significant influence over acceptance of new treatments, such as clinicians and third-party payors, may not adopt a biologic that incorporates half-life extension for our targeted indications, 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 programs developed by us or our existing or future collaborators. An extended half-life may make it more difficult for patients to change treatments and there is a perception that half-life extension could exacerbate side effects, each of which may adversely affect our ability to gain market acceptance. Market acceptance of our product candidates will depend on many factors, including factors that are not within our control.

Sales of medical products also depend on the willingness of clinicians to prescribe the treatment. We cannot predict whether clinicians, clinicians' organizations, hospitals, other healthcare providers, government agencies or private insurers will determine that our product is safe, therapeutically effective, cost effective or less burdensome as compared with competing treatments. If any current or future product candidate is approved but does not achieve an adequate level of acceptance by such parties, we may not generate or derive sufficient revenue from that product candidate and may not become or remain profitable.

Some of our programs may compete with our other programs, which could negatively impact our business and reduce our future revenue.

We are developing product candidates for the same indication: IBD, and may in the future develop our programs for other I&I indications. Each such program targets a different mechanism of action. However, developing multiple programs for a single indication may negatively impact our business if the programs compete with each other. For example, if multiple programs are conducting clinical trials at the same time, they could compete for the enrollment of participants. In addition, if multiple product candidates are approved for the same indication, they may compete for market share, which could limit our future revenue.

We are conducting and may conduct future clinical trials for our programs at sites outside the United States, and the FDA may not accept data from trials conducted in such locations.

We are conducting our Phase 1 clinical trial for SPY001 in Canada and the United States, and we may choose to conduct one or more of our future clinical trials outside the United States. Although the FDA may accept data from clinical trials conducted outside the United States, acceptance of this data is subject to conditions imposed by the FDA. For example, the clinical trial must be well designed and conducted and performed by qualified investigators in accordance with ethical principles. The trial population must also adequately represent the U.S. population, and the data must be applicable to the U.S. population and U.S. medical practice in ways that the FDA deems clinically meaningful. In addition, while these clinical trials are subject to the applicable local laws, FDA acceptance of the data will depend on its determination that the trials also complied with all applicable U.S. laws and regulations. If the FDA does not accept the data from any trial that we conduct outside the United States, it would likely result in the need for additional trials, which would be costly and time-consuming and would delay or permanently halt our development of the applicable product candidates. Even if the FDA accepted such data, it could require us to modify our planned clinical trials to receive clearance to initiate such trials in the United States or to continue such trials once initiated.

Further, conducting international clinical trials presents additional risks that may delay completion of our clinical trials. These risks include the failure of enrolled participants in foreign countries to adhere to clinical protocol as a result of differences in healthcare services or cultural customs that could restrict or limit our ability to conduct our clinical trials, the administrative burdens of conducting clinical trials under multiple sets of foreign regulations, foreign exchange fluctuations, as well as political and economic risks relevant to foreign countries.

Risks Related to Government Regulation

The regulatory approval processes of the FDA and other comparable foreign regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals for our product candidates, we will not be able to commercialize, or will be delayed in commercializing, our product candidates, and our ability to generate revenue will be materially impaired.

The process of obtaining regulatory approvals, both in the United States and abroad, is unpredictable, expensive and typically takes many years following commencement of clinical trials, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. We cannot commercialize product candidates in the United States without first obtaining regulatory approval from the FDA. Similarly, we cannot commercialize product candidates outside of the United States without obtaining regulatory approval from comparable foreign regulatory authorities. Before obtaining regulatory approvals for the commercial sale of our product candidates, including our most advanced product candidates, SPY001, SPY002 and SPY003, we must demonstrate through lengthy, complex and expensive nonclinical studies and clinical trials that our product candidates are both safe and effective for each targeted indication. Securing regulatory approval also requires the submission of information about the drug

manufacturing process to, and inspection of manufacturing facilities by, the relevant regulatory authority. Further, our product candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval. The FDA and comparable foreign regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional nonclinical, clinical or other data. Our product candidates could be delayed in receiving, or fail to receive, regulatory approval for many reasons, including: the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials; we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a product candidate is safe and effective for its proposed indication; the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval; serious and unexpected drug-related side effects may be experienced by participants in our clinical trials or by individuals using drugs similar to our product candidates; we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks; the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from nonclinical studies or clinical trials; the data collected from clinical trials of our product candidates may not be acceptable or sufficient to support the submission of a BLA or other submission or to obtain regulatory approval in the United States or elsewhere, and we may be required to conduct additional clinical trials; the FDA or the applicable foreign regulatory authority may disagree regarding the formulation, labeling and/or the specifications of our product candidates; the FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

Of the large number of drugs in development, only a small percentage successfully complete the FDA or foreign regulatory approval processes and are commercialized. The lengthy approval process as well as the unpredictability of future clinical trial results may result in our failing to obtain regulatory approval to market our product candidates, which would significantly harm our business, results of operations and prospects.

If we were to obtain approval, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, including failing to approve the most commercially promising indications, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals for our product candidates, we will not be able to commercialize, or will be delayed in commercializing, our product candidates and our ability to generate revenue will be materially impaired.

We may not be able to meet requirements for the chemistry, manufacturing and control of our programs.

In order to receive approval of our products by the FDA and comparable foreign regulatory authorities, we must show that we and our contract manufacturing partners are able to characterize, control and manufacture our drug products and drug delivery devices safely and in accordance with regulatory requirements. This includes manufacturing the active ingredient, developing an acceptable formulation and drug delivery device, manufacturing the drug product and drug delivery device, performing tests to adequately characterize the formulated product, documenting a repeatable manufacturing process, meeting facility, process, testing validation and commercialization requirements, and demonstrating that our drug products meet standards for parenteral administration as well as stability and quality requirements. Meeting these chemistry, manufacturing and control requirements is a complex task that requires specialized expertise. If we are not able to meet the chemistry, manufacturing and control requirements, we may not be successful in getting our products approved.

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

The Patient Protection and Affordable Care Act, as amended by the Healthcare and Education Reconciliation Act (the "ACA"), includes a subtitle called the Biologics Price Competition and Innovation Act of

2009 (“BPCIA”), which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. 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 nonclinical 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 biologics 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 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.

Even if we receive regulatory approval of our product candidates, we will be subject to extensive ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our product candidates.

Any regulatory approvals that we may receive for our product candidates will require the submission of reports to regulatory authorities and surveillance to monitor the safety and efficacy of the product candidate, may contain significant limitations related to use restrictions for specified age groups, warnings, precautions or contraindications, and may include burdensome post-approval trial or risk management requirements. For example, the FDA may require a risk evaluation and mitigation strategy in order to approve our product candidates, which could entail requirements for a medication guide, physician training and communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. In addition, if the FDA or comparable foreign regulatory authorities approve our product candidates, our product candidates and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale, distribution, import and export will be subject to comprehensive regulation by the FDA and other regulatory agencies in the United States and by comparable foreign regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as on-going compliance with current cGMPs, good pharmacovigilance practices (“GVPs”) and GCPs for any clinical trials that we conduct following approval. In addition, manufacturers of drug products and their facilities are subject to continual review and periodic, unannounced inspections by the FDA and other regulatory authorities for compliance with cGMPs.

If we or a regulatory authority discover previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facilities where the product is manufactured, a regulatory authority may impose restrictions on that product, the manufacturing facility or us, including requiring recall or withdrawal of the product from the market or suspension of manufacturing, restrictions on our ability to conduct clinical trials, including full or partial clinical holds on ongoing or planned trials, restrictions on the manufacturing process, warning or untitled letters, civil and criminal penalties, injunctions, product seizures, detentions or import bans, voluntary or mandatory publicity requirements and imposition of restrictions on operations, including costly new manufacturing requirements. The occurrence of any event or penalty described above may inhibit our ability to commercialize our product candidates and generate revenue and could require us to expend significant time and resources in response and could generate negative publicity.

We may face difficulties from healthcare legislative reform measures.

Existing regulatory policies may change, and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in

the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability. Additionally, if the BIOSECURE Act is passed with terms that require us to switch or move development of our product candidates from one CMO to another, we may incur additional development costs or delays in manufacturing product for clinical trials or commercialization. See the section titled "Business – Government Regulation – Healthcare Reform" in our Annual Report on Form 10-K for a more detailed description of healthcare reform measures that may prevent us from being able to generate revenue, attain profitability, or commercialize our product candidates.

Our business operations and current and future arrangements with investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers will be subject to applicable healthcare regulatory laws, which could expose us to penalties.

Our business operations and current and future arrangements with investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations. These laws may constrain the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell and distribute our product candidates, if approved. See the section titled "Business – Government Regulation – Other Healthcare Laws and Compliance Requirements" in our Annual Report on Form 10-K for a more detailed description of the laws that may affect our ability to operate.

Ensuring that our internal operations and future business arrangements with third-parties comply with applicable healthcare laws and regulations will involve substantial costs. If our operations are found to be in violation of any of these laws or any other governmental laws and regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, exclusion from government-funded healthcare programs, integrity oversight and reporting obligations to resolve allegations of non-compliance, disgorgement, individual imprisonment, contractual damages, reputational harm, diminished profits and the curtailment or restructuring of our operations. Further, defending against any such actions can be costly and time-consuming and may require significant personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

Even if we are able to commercialize any product candidates, due to unfavorable pricing regulations and/or third-party coverage and reimbursement policies, we may not be able to offer such product candidates at competitive prices which would seriously harm our business.

We intend to seek approval to market our product candidates in both the United States and in selected foreign jurisdictions. If we obtain approval in one or more foreign jurisdictions for our product candidates, we will be subject to rules and regulations in those jurisdictions. Our ability to successfully commercialize any product candidates that we may develop will depend in part on the extent to which reimbursement for these product candidates and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and other third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. Government authorities and other third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. These entities may create preferential access policies for a competitor's product, including a branded or generic/biosimilar product, over our products in an attempt to reduce their costs, which may reduce our commercial opportunity. Additionally, if any of our product candidates are approved and we are found to have improperly promoted off-label uses of those product candidates, we may become subject to significant liability, which would materially adversely affect our business and financial condition. See the sections titled "Business – Government Regulation – Coverage and Reimbursement" and "Business – Other Government Regulation Outside of the United States – Regulation in the European Union" in our Annual Report on Form 10-K for a more detailed description of the government regulations and third-party payor practices that may affect our ability to commercialize our product candidates.

We are subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws, and anti-money laundering laws and regulations. We can face criminal liability and other serious consequences for violations, which can harm our business.

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

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

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

A breakthrough therapy, fast track, or other expedited designation for our product candidates may not lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that those product candidates will receive marketing approval.

We may seek a breakthrough therapy, fast track, or other designation for appropriate product candidates. Designations such as these are within the discretion of the FDA, or other comparable regulatory authorities. The receipt of a designation for a product candidate may not result in a faster development process, review or approval compared to products considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualify under one of FDA's designation programs, the FDA may later decide that the products no longer meet the conditions for qualification or decide that the time period for FDA review or approval will not be shortened. See the section titled "Business – Government Regulation – Expedited Development and Review Programs" in our Annual Report on Form 10-K for a more detailed description of the process for seeking expedited designations such as fast track or breakthrough therapy designations.

Risks Related to Our Intellectual Property

Our ability to obtain and protect our patents and other proprietary rights is uncertain, exposing us to the possible loss of competitive advantage.

We rely upon a combination of patents, trademarks, trade secret protection, confidentiality agreements and the Paragon Agreement to protect the intellectual property related to our programs and technologies and to prevent third-parties from competing unfairly with us. Our success depends in large part on our ability to obtain and maintain patent protection for our platform technologies, programs and their uses, as well as our ability to operate without infringing on or violating the proprietary rights of others. We own and have licensed rights to pending patent applications and expect to continue to file patent applications in the United States and abroad related to our novel discoveries and technologies that are important to our business. However, we may not be able to protect our intellectual property rights throughout the world and the legal systems in certain countries may not favor enforcement or protection of patents, trade secrets and other intellectual property. Filing, prosecuting and defending patents on programs worldwide would be expensive and our intellectual property rights in some foreign jurisdictions can be less extensive than those in the United States; the reverse may also occur. As such, we may not have patents in all countries or all major markets and may not be able to obtain patents in all jurisdictions even if we apply for them. Our competitors may operate in countries where we do not have patent protection and can freely use our technologies and discoveries in such countries to the extent such technologies and discoveries are publicly known or disclosed in countries where we do have patent protection or pending patent applications.

Our pending and future patent applications may not result in patents being issued. Any issued patents may not afford sufficient protection of our programs or their intended uses against competitors, nor can there be any assurance that the patents issued will not be infringed, designed around, invalidated by third-parties, or effectively prevent others from commercializing competitive technologies, products or programs. Even if these patents are granted, they may be difficult to enforce. Further, any issued patents that we may license or own covering our programs could be narrowed or found invalid or unenforceable if challenged in court or before administrative bodies in the United States or abroad, including the United States Patent and Trademark Office (“USPTO”). Further, if we encounter delays in our clinical trials or delays in obtaining regulatory approval, the period of time during which we could market our product candidates under patent protection would be reduced. Thus, the patents that we may own and license may not afford us any meaningful competitive advantage.

In addition to seeking patents for some of our technology and programs, we may also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. Any disclosure, either intentional or unintentional, by our employees, the employees of third-parties with whom we share our facilities or third-party consultants and vendors that we engage to perform research, clinical trials or manufacturing activities, or misappropriation by third-parties (such as through a cybersecurity breach) of our trade secrets or proprietary information could enable competitors to duplicate or surpass our technological achievements, thus eroding our competitive position in our market. In order to protect our proprietary technology and processes, we rely in part on confidentiality agreements with our collaborators, employees, consultants, outside scientific collaborators and sponsored researchers and other advisors. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. We may need to share our proprietary information, including trade secrets, with future business partners, collaborators, contractors and others located in countries at heightened risk of theft of trade secrets, including through direct intrusion by private parties or state actors and those affiliated with or controlled by state actors. In addition, while we undertake efforts to protect our trade secrets and other confidential information from disclosure, others may independently discover trade secrets and proprietary information, and in such cases, we may not be able to assert any trade secret rights against such party. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

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

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

Because our development programs currently do and may in the future require the use of proprietary rights held by third-parties, the growth of our business may depend in part on our ability to acquire, in-license, or use these third-party proprietary rights. We may be unable to acquire or in-license any compositions, methods of use, processes or other third-party intellectual property rights from third-parties that we identify as necessary

for our programs. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the relevant program, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

While we normally seek to obtain the right to control prosecution, maintenance and enforcement of the patents relating to our programs, there may be times when the filing and prosecution activities for patents and patent applications relating to our programs are controlled by our current and future licensors or collaboration partners. If any of our current and future licensors or collaboration partners fail to prosecute, maintain and enforce such patents and patent applications in a manner consistent with the best interests of our business, including by payment of all applicable fees for patents covering our product candidates, we could lose our rights to the intellectual property or our exclusivity with respect to those rights, our ability to develop and commercialize those product candidates may be adversely affected and we may not be able to prevent competitors from making, using and selling competing products. In addition, even where we have the right to control patent prosecution of patents and patent applications we have licensed to and from third-parties, we may still be adversely affected or prejudiced by actions or inactions of our licensees, our current and future licensors and their counsel that took place prior to the date upon which we assumed control over patent prosecution.

Our current and future licensors may rely on third-party consultants or collaborators or on funds from third-parties such that our current and future licensors are not the sole and exclusive owners of the patents we in-license. If other third-parties have ownership rights to our current and future in-licensed patents, they may be able to license such patents to our competitors, and our competitors could market competing products and technology. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

It is possible that we may be unable to obtain licenses at a reasonable cost or on reasonable terms, if at all. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to redesign our technology, programs, or the methods for manufacturing them or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis. If we are unable to do so, we may be unable to develop or commercialize the affected product candidates, which could harm our business, financial condition, results of operations, and prospects significantly. We cannot provide any assurances that third-party patents do not exist which might be enforced against our current technology, manufacturing methods, programs, or future methods or products resulting in either an injunction prohibiting our manufacture or future sales, or, with respect to our future sales, an obligation on our part to pay royalties and/or other forms of compensation to third-parties, which could be significant.

Disputes may arise between us and our current and future licensors regarding intellectual property subject to a license agreement, including: the scope of rights granted under the license agreement and other interpretation-related issues; whether and the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement; our right to sublicense patents and other rights to third-parties; our right to transfer or assign the license; the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our current and future licensors and us and our partners; and the priority of invention of patented technology.

We may be subject to patent infringement claims or may need to file claims to protect our intellectual property, which could result in substantial costs and liability and prevent us from commercializing our potential products.

Because the intellectual property landscape in the biotechnology industry is rapidly evolving and interdisciplinary, it is difficult to conclusively assess our freedom to operate and guarantee that we can operate

without infringing on or violating third-party rights. If certain of our product candidates are ultimately granted regulatory approval, patent rights held by third-parties, if found to be valid and enforceable, could be alleged to render one or more of our product candidates infringing. If a third-party successfully brings a claim against us, we may be required to pay substantial damages, be forced to abandon any affected product candidate and/or seek a license from the patent holder. In addition, any intellectual property claims (e.g. patent infringement or trade secret theft) brought against us, whether or not successful, may cause us to incur significant legal expenses and divert the attention of our management and key personnel from other business concerns. We cannot be certain that patents owned or licensed by us will not be challenged by others in the course of litigation. Some of our competitors may be able to sustain the costs of complex intellectual property litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise funds and on the market price of our common stock.

Competitors may infringe or otherwise violate our patents, trademarks, copyrights or other intellectual property. To counter infringement or other violations, we may be required to file claims, which can be expensive and time-consuming. Any such claims could provoke these parties to assert counterclaims against us, including claims alleging that we infringe their patents or other intellectual property rights. In addition, in a patent infringement proceeding, a court or administrative body may decide that one or more of the patents we assert is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or refuse to prevent the other party from using the technology at issue on the grounds that our patents do not cover the technology. Similarly, if we assert trademark infringement claims, a court or administrative body may determine that the marks we have asserted are invalid or unenforceable or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In such a case, we could ultimately be forced to cease use of such marks. In any intellectual property litigation, even if we are successful, any award of monetary damages or other remedy we receive may not be commercially valuable.

Further, we may be required to protect our patents through procedures created to attack the validity of a patent at the USPTO. An adverse determination in any such submission or proceeding could reduce the scope or enforceability of, or invalidate, our patent rights, which could adversely affect our competitive position. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third-party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action.

In addition, if our programs are found to infringe the intellectual property rights of third-parties, these third-parties may assert infringement claims against our future licensees and other parties with whom we have business relationships and we may be required to indemnify those parties for any damages they suffer as a result of these claims, which may require us to initiate or defend protracted and costly litigation on behalf of licensees and other parties regardless of the merits of such claims. If any of these claims succeed, we may be forced to pay damages on behalf of those parties or may be required to obtain licenses for the products they use.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or other legal proceedings relating to our intellectual property rights, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation or other proceedings.

We may be subject to claims that we have wrongfully hired an employee from a competitor or that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third-parties.

As is common in the biotechnology industry, in addition to our employees, we engage the services of consultants to assist us in the development of our programs. Many of these consultants, and many of our employees, were previously employed at, or may have previously provided or may be currently providing consulting services to, other biotechnology or pharmaceutical companies including our competitors or potential competitors. Despite our training and compliance efforts, we could in the future be subject to claims that we or our employees have inadvertently or otherwise used or disclosed alleged trade secrets or other confidential information of former employers or competitors. Although we try to ensure that our employees and consultants

do not use the intellectual property, proprietary information, know-how or trade secrets of others in their work for us, we may become subject to claims that we caused an employee to breach the terms of his or her non-competition or non-solicitation agreement, or that we or these individuals have, inadvertently or otherwise, used or disclosed the alleged trade secrets or other proprietary information of a former employer or competitor.

While we may litigate to defend ourselves against these claims, even if we are successful, litigation could result in substantial costs and could be a distraction to management. If our defenses to these claims fail, in addition to requiring us to pay monetary damages, a court could prohibit us from using technologies or features that are essential to our programs, if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. Moreover, any such litigation or the threat thereof may adversely affect our reputation, our ability to form strategic alliances or sublicense our rights to collaborators, engage with scientific advisors or hire employees or consultants, each of which would have an adverse effect on our business, results of operations and financial condition. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

Changes to patent laws in the United States and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our products.

Changes in either the patent laws or interpretation of patent laws in the United States, including patent reform legislation such as the Leahy-Smith America Invents Act (the "Leahy-Smith Act") could increase the uncertainties and costs surrounding the prosecution of our owned and in-licensed patent applications and the maintenance, enforcement or defense of our owned and in-licensed issued patents. The Leahy-Smith Act includes a number of significant changes to United States patent law. These changes include provisions that affect the way patent applications are prosecuted, redefine prior art, provide more efficient and cost-effective avenues for competitors to challenge the validity of patents, and enable third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent at USPTO-administered post-grant proceedings, including post-grant review, inter partes review and derivation proceedings. Assuming that other requirements for patentability are met, prior to March 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent. After March 2013, under the Leahy-Smith Act, the United States transitioned to a first-to-file system in which, assuming that the other statutory requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third-party was the first to invent the claimed invention. As such, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, the patent positions of companies in the development and commercialization of biologics and pharmaceuticals are particularly uncertain. U.S. Supreme Court and U.S. Court of Appeals for the Federal Circuit rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations, including in the antibody arts. For example, the United States Supreme Court in *Amgen, Inc. v. Sanofi (Amgen)* recently held that Amgen's patent claims to a class of antibodies functionally defined by their ability to bind a particular antigen were invalid for lack of enablement where the patent specification provided twenty-six exemplary antibodies, but the claimed class of antibodies covered a "vast number" of additional antibodies not disclosed in the specification. The Court stated that if patent claims are directed to an entire class of compositions of matter, then the patent specification must enable a person skilled in the art to make and use the entire class of compositions. This decision makes it unlikely that we will be granted U.S. patents with composition of matter claims directed to antibodies functionally defined by their ability to bind a particular antigen. Even if we are granted claims directed to functionally defined antibodies, it is possible that a third-party may challenge our patents, when issued, relying on the reasoning in *Amgen* or other recent precedential court decisions. Additionally, there have been proposals for additional changes to the patent laws of the United States and other countries that, if adopted, could impact our ability to enforce our proprietary technology. This combination of events has created uncertainty with respect to the validity and enforceability of patents once obtained. Depending on future actions by the U.S. Congress, the federal courts, the USPTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that could have a material adverse effect on our patent rights and our ability to protect, defend and enforce our patent rights in the future.

Geopolitical instability in the United States and in foreign countries could increase the uncertainties and costs surrounding the prosecution or maintenance of patent applications and the maintenance, enforcement or defense of issued patents. For example, the United States and foreign government actions related to Russia's invasion of Ukraine may limit or prevent filing, prosecution and maintenance of patent applications in Russia. Government actions may also prevent maintenance of issued patents in Russia. These actions could result in abandonment or lapse of patents or patent applications, resulting in partial or complete loss of patent rights in Russia. If such an event were to occur, it could have a material adverse effect on our business. In addition, a decree was adopted by the Russian government in March 2022, allowing Russian companies and individuals to exploit inventions owned by patentees that have citizenship or nationality in, are registered in, or have predominately primary place of business or profit-making activities in the United States and other countries that Russia has deemed unfriendly without consent or compensation. Consequently, we would not be able to prevent third-parties from practicing our inventions in Russia or from selling or importing products made using our inventions in and into Russia. Accordingly, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected. In addition, a European Unified Patent Court ("UPC") entered into force on June 1, 2023. The UPC is a common patent court that hears patent infringement and revocation proceedings effective for member states of the EU. This could enable third-parties to seek revocation of a European patent in a single proceeding at the UPC rather than through multiple proceedings in each of the jurisdictions in which the European patent is validated. Although we do not currently own any European patents or applications, if we obtain such patents and applications in the future, any such revocation and loss of patent protection could have a material adverse impact on our business and our ability to commercialize or license our technology and products. Moreover, the controlling laws and regulations of the UPC will develop over time, and may adversely affect our ability to enforce or defend the validity of any European patents we may obtain. We may decide to opt out from the UPC any future European patent applications that we may file and any patents we may obtain. If certain formalities and requirements are not met, however, such European patents and patent applications could be challenged for non-compliance and brought under the jurisdiction of the UPC. We cannot be certain that future European patents and patent applications will avoid falling under the jurisdiction of the UPC, if we decide to opt out of the UPC.

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

Periodic maintenance fees, renewal fees, annuities fees and various other governmental fees on patents and/or patent applications are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent and/or patent application. The USPTO and various foreign governmental patent agencies also require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our programs, our competitive position would be adversely affected.

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

We cannot guarantee that any of our patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of our product candidates in any jurisdiction. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect. For example, we may incorrectly determine that our products are not covered by a third-party patent or may incorrectly predict whether a third-party's pending application will issue

with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our products.

In addition, because some patent applications in the United States may be maintained in secrecy until the patents are issued, patent applications in the United States and many foreign jurisdictions are typically not published until 18 months after filing, and publications in the scientific literature often lag behind actual discoveries, we cannot be certain that others have not filed patent applications for technology covered by our issued patents or our pending applications, or that we were the first to invent the technology. Our competitors may have filed, and may in the future file, patent applications covering our products or technology similar to ours. Any such patent application may have priority over our patent applications or patents, which could require us to obtain rights to issued patents covering such technologies.

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

We may be subject to claims that former employees, collaborators or other third-parties have an interest in our patents or other intellectual property as an inventor or co-inventor. The failure to name the proper inventors on a patent application can result in the patents issuing thereon being unenforceable. Inventorship disputes may arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third-parties involved in developing our programs or as a result of questions regarding co-ownership of potential joint inventions. Litigation may be necessary to resolve these and other claims challenging inventorship and/or ownership. Alternatively, or additionally, we may enter into agreements to clarify the scope of our rights in such intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

Our current and future licensors may have relied on third-party consultants or collaborators or on funds from third-parties, such as the U.S. government, such that our licensors are not the sole and exclusive owners of the patents we in-licensed. For example, certain intellectual property we license from the University of Texas at Austin includes inventions that were made with U.S. government support. The U.S. government therefore has certain rights in such inventions under the applicable funding agreements and under applicable law. If other third-parties have ownership rights or other rights to our in-licensed patents, they may be able to license such patents to our competitors, and our competitors could market competing products and technology. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Patent terms may be inadequate to protect the competitive position of our product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest United States non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates are obtained, once the patent life has expired, we may be open to competition from competitive products, including generics or biosimilars. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such product candidates might expire before or shortly after such product candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

Our technology licensed from various third-parties may be subject to retained rights.

Our current or future licensors may retain certain rights under the relevant agreements with us, including the right to use the underlying technology for noncommercial academic and research use, to publish general scientific findings from research related to the technology, and to make customary scientific and

scholarly disclosures of information relating to the technology. It is difficult to monitor whether our licensors limit their use of the technology to these uses, and we could incur substantial expenses to enforce our rights to our licensed technology in the event of misuse.

Risks Related to Our Reliance on Third-Parties

We rely on collaborations and licensing arrangements with third-parties, including our arrangement with Paragon. If we are unable to maintain these collaborations or licensing arrangements, or if these collaborations or licensing arrangements are not successful, our business could be negatively impacted.

We currently rely on our collaborations and licensing arrangements with third-parties, including Paragon, for a substantial portion of our discovery capabilities and in-licenses.

Collaborations or licensing arrangements that we enter into may not be successful, and any success will depend heavily on the efforts and activities of such collaborators or licensors. If any of our collaborators or licensors experiences delays in performance of, or fails to perform its obligations under their agreement with us, disagrees with our interpretation of the terms of such agreement or terminates their agreement with us, the research programs with respect to which we have signed licensed agreements for or exercised the Option to acquire intellectual property license rights to or have the Option to acquire intellectual property license rights to pursuant to the Paragon Agreement and development timeline could be adversely affected. If we fail to comply with any of the obligations under our collaborations or license agreements, including payment terms and diligence terms, our collaborators or licensors may have the right to terminate such agreements, in which event we may lose intellectual property rights and may not be able to develop, manufacture, market or sell the products covered by our agreements or may face other penalties under our agreements. Our collaborators and licensors may also fail to properly maintain or defend the intellectual property we have licensed from them, if required by our agreement with them, or even infringe upon, our intellectual property rights, leading to the potential invalidation of our intellectual property or subjecting us to litigation or arbitration, any of which would be time-consuming and expensive and could harm our ability to commercialize our product candidates. In addition, collaborators could independently develop, or develop with third-parties, products that compete directly or indirectly with our programs and products if the collaborators believe that the competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours.

As part of our strategy, we plan to evaluate additional opportunities to enhance our capabilities and expand our development pipeline or provide development or commercialization capabilities that complement our own. We may not realize the benefits of such collaborations, alliances or licensing arrangements. Any of these relationships may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute our existing stockholders or disrupt our management and business.

We may face significant competition in attracting appropriate collaborators, and more established companies may also be pursuing strategies to license or acquire third-party intellectual property rights that we consider attractive. These companies may have a competitive advantage over us due to their size, financial resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. Whether we reach a definitive agreement for a collaboration will depend upon, among other things, our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Collaborations are complex and time-consuming to negotiate, document and execute. In addition, consolidation among large pharmaceutical and biotechnology companies has reduced the number of potential future collaborators. We may not be able to negotiate additional collaborations on a timely basis, on acceptable terms or at all. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our product candidates or bring them to market.

We currently rely, and plan to rely in the future, on third-parties to conduct and support our nonclinical studies and clinical trials. If these third-parties do not properly and successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval of or commercialize our product candidates.

We have utilized and plan to continue to utilize and depend upon independent investigators and collaborators, such as medical institutions, CROs, contract testing labs and strategic partners, to conduct and support our nonclinical studies and clinical trials under agreements with us. We will rely heavily on these third-parties over the course of our nonclinical studies and clinical trials, and we control only certain aspects of their activities. As a result, we will have less direct control over the conduct, timing and completion of these nonclinical studies and clinical trials and the management of data developed through nonclinical studies and clinical trials than would be the case if we were relying entirely upon our own staff. Nevertheless, we are responsible for ensuring that each of our studies and trials is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards, and our reliance on these third-parties does not relieve us of our regulatory responsibilities. We and our third-party contractors and CROs are required to comply with GLP, GCP and GVP regulations, which are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities for all of our programs in clinical development. If we or any of these third-parties fail to comply with applicable GLP, GCP and GVP regulations, the nonclinical and clinical data generated in our nonclinical studies and clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional nonclinical and clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our nonclinical studies and clinical trials comply with GLP, GCP and GVP regulations. In addition, our nonclinical studies and clinical trials must be conducted with products produced under cGMP regulations. Our failure to comply with these regulations may require us to repeat nonclinical studies and clinical trials, which would delay the regulatory approval process. Moreover, our business may be implicated if any of these third-parties violates federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

Any third-parties conducting our nonclinical studies and clinical trials will not be our employees and, except for remedies available to us under our agreements with such third-parties, we cannot control whether they devote sufficient time and resources to our programs. These third-parties may be involved in mergers, acquisitions or similar transactions and may have relationships with other commercial entities, including our competitors, for whom they may also be conducting nonclinical studies, clinical trials or other product development activities, which could negatively affect their performance on our behalf and the timing thereof and could lead to products that compete directly or indirectly with our current or future product candidates. If these third-parties do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our nonclinical and clinical protocols or regulatory requirements or for other reasons, our nonclinical studies and clinical trials may be extended, delayed or terminated and we may not be able to complete development of, obtain regulatory approval of or successfully commercialize our product candidates.

In addition, we currently rely on foreign CROs and CMOs, including WuXi Biologics, and will likely continue to rely on foreign CROs and CMOs in the future. We or the foreign CROs or CMOs we work with may be subject to U.S. legislation, including the proposed BIOSECURE Act, sanctions, trade restrictions and other foreign regulatory requirements which could increase the cost or reduce the supply of material available to us, delay the procurement or supply of such material or have an adverse effect on our ability to secure significant commitments from governments to purchase our potential therapies or disrupt our supply chain. If we are not able to secure supply of our product candidates as a result of the BIOSECURE Act or other applicable legislation, this could result in a material adverse effect on our Company.

For example, the biopharmaceutical industry in China is strictly regulated by the Chinese government. Changes to Chinese regulations or government policies affecting biopharmaceutical companies are unpredictable and may have a material adverse effect on our collaborators in China which could have an adverse effect on our business, financial condition, results of operations and prospects. Evolving changes in China's public health, economic, political, and social conditions and the uncertainty around China's relationship with other governments, such as the United States and the UK, could also negatively impact our ability to manufacture our product candidates for our planned clinical trials or have an adverse effect on our ability to secure government funding, which could adversely affect our financial condition and cause us to delay our clinical development programs.

We currently rely and expect to rely in the future on the use of manufacturing suites in third-party facilities or on third-parties to manufacture our product candidates, and we may rely on third-parties to produce and process our products, if approved. Our business could be adversely affected if we are

unable to use third-party manufacturing suites or if the third-party manufacturers encounter difficulties in production.

We do not currently own any facility that may be used as our clinical or commercial manufacturing and processing facility and must currently rely on CMOs to manufacture our product candidates. We have not yet caused our product candidates to be manufactured on a commercial scale and may not be able to do so for any of our programs, if approved. We currently have a sole source relationship for our supply of the SPY001 and SPY003 programs. If there should be any disruption in such supply arrangement, including any adverse events affecting our sole supplier, it could have a negative effect on the clinical development of our programs and other operations while we work to identify and qualify an alternate supply source. We may not control the manufacturing process of, and may be completely dependent on, our contract manufacturing partners for compliance with cGMP requirements and any other regulatory requirements of the FDA or comparable foreign regulatory authorities for the manufacture of our product candidates. Beyond periodic audits, we have limited control over the ability of our CMOs to maintain adequate quality control, quality assurance and other qualified personnel. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our product candidates or if it withdraws any approval in the future, we may need to find alternative manufacturing facilities, which would require the incurrence of significant additional costs and delays, and materially adversely affect our ability to develop, obtain regulatory approval for or market our product candidates, if approved. Similarly, our failure, or the failure of our CMOs, to comply with applicable regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or drugs, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our product candidates or drugs and harm our business and results of operations.

Moreover, our CMOs may experience manufacturing difficulties due to resource constraints, supply chain issues, proposed or actual legislative changes or requirements, or as a result of labor disputes or unstable political environments. If any CMOs on which we will rely fail to manufacture quantities of our product candidates at quality levels necessary to meet regulatory requirements and at a scale sufficient to meet anticipated demand at a cost that allows us to achieve profitability, our business, financial condition and prospects could be materially and adversely affected. In addition, our CMOs and other third-parties are responsible for transporting temperature-controlled materials that can be inadvertently degraded during transport due to several factors, rendering certain batches unsuitable for trial use for failure to meet, among others, our integrity and purity specifications. We and any of our CMOs may also face product seizure or detention or refusal to permit the import or export of products. Our business could be materially adversely affected by business disruptions to our third-party providers that could materially adversely affect our anticipated timelines, potential future revenue and financial condition and increase our costs and expenses. Each of these risks could delay or prevent the completion of our nonclinical studies and clinical trials or the approval of any of our product candidates by the FDA, resulting in higher costs or adversely impact commercialization of our product candidates. See the section titled “Business – Manufacturing” in our Annual Report on Form 10-K for a more detailed description of our manufacturing plans and assumptions and the factors that may affect the success of our programs.

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

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

We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of nonclinical and clinical drug development, technical operations, clinical operations, regulatory affairs and, potentially, sales and marketing. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial personnel and systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team working together in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel.

We are highly dependent on our key personnel and anticipate hiring new key personnel. If we are not successful in attracting and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

We are a clinical stage biotechnology company with a limited operating history, and, as of June 30, 2024, we had 50 employees. We have been and will continue to be highly dependent on the research and development, clinical and business development expertise of our executive officers, as well as the other principal members of our management, scientific and clinical team. Any such officers and other principal members may terminate their employment with us at any time. We do not maintain "key person" insurance for any of our executives or other employees.

Attracting and retaining qualified personnel will also be critical to our success, including with respect to any strategic transaction that we may pursue. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key personnel may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, facilitate regulatory approval of and commercialize product candidates. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions.

In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our discovery and nonclinical and clinical development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

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 foreign regulatory authority, and 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 fail to comply with the regulatory requirements in international markets and receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed and our business will be adversely affected. Moreover, even 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 reduced protection of intellectual property rights in some foreign countries.

Our estimates of market opportunity and forecasts of market growth may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, our business may not grow at similar rates, or at all.

Our market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates which may not prove to be accurate. Our estimates and forecasts relating to size and expected growth of our target market may prove to be inaccurate. Even if the markets in which we compete meet our size estimates and growth forecasts, our business may not grow at similar rates, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties.

Our revenue will be dependent, in part, upon the size of the markets in the territories for which we gain regulatory approval, the accepted price for the product, the ability to obtain coverage and reimbursement and whether we own the commercial rights for that territory. If the number of our addressable patients is not as significant as we estimate, the indication approved by regulatory authorities is narrower than we expect or the treatment population is narrowed by competition, physician choice or treatment guidelines, we may not generate significant revenue from sales of such products, even if approved.

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

Despite our employee training and compliance programs, we are exposed to the risk that our employees, independent contractors, consultants, commercial collaborators, principal investigators, CROs, CMOs, suppliers and vendors acting for or on our behalf may engage in misconduct or other improper activities. We have adopted a code of conduct and ethics, policies, standard operating procedures and other compliance efforts but it is not always possible to identify and deter misconduct by these parties and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations.

Our internal information technology systems, or those of any of our CROs, manufacturers, other contractors or consultants, third-party service providers, or potential future collaborators, may fail or suffer security or data privacy breaches or other unauthorized or improper access to, use of, or destruction of our proprietary or confidential data, employee data or personal data, which could result in additional costs, loss of revenue, significant liabilities, harm to our brand and material disruption of our operations.

In the ordinary course of our business, we and the third-parties upon which we rely collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) proprietary, confidential, and sensitive data, including personal data, intellectual property, trade secrets, and other sensitive data (collectively, sensitive information).

Despite the implementation of security measures in an effort to protect systems that store our information, given their size and complexity and the increasing amounts of information maintained on our internal information technology systems and those of our third-party CROs, other contractors (including sites performing our clinical trials), third-party service providers and supply chain companies, and consultants, these systems are potentially vulnerable to breakdown or other damage or interruption from service interruptions, system malfunction, natural disasters, terrorism, war and telecommunication and electrical failures, as well as security breaches from inadvertent or intentional actions by our employees, contractors, consultants, business partners and/or other third-parties, or from cyber-attacks by malicious third-parties, which may compromise our system infrastructure or lead to the loss, destruction, alteration or dissemination of, or damage to, our data.

Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, and the third-parties upon which we rely, may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services. In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

To the extent that any disruption or security breach were to result in loss, destruction, unavailability, alteration or dissemination of, or damage to, our data or applications, or for it to be believed or reported that any of these occurred, we could incur liability and reputational damage and the development and commercialization of our product candidates could be delayed. Further, our insurance policies may not be adequate to compensate us for the potential losses arising from any such disruption in, or failure or security breach of, our

systems or third-party systems where information important to our business operations or commercial development is stored.

Our fully-remote workforce may create additional risks for our information technology systems and data because our employees work remotely and utilize network connections, computers, and devices working at home, while in transit and in public locations. Additionally, business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies.

While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We may be unable in the future to detect vulnerabilities in our information technology systems because such threats and techniques change frequently, are often sophisticated in nature, and may not be detected until after a security incident has occurred. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities. Applicable data privacy and security obligations may require us to notify relevant stakeholders of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences.

We rely on third-party service providers and technologies to operate critical business systems to process sensitive information in a variety of contexts. Our ability to monitor these third-parties' information security practices is limited, and these third-parties may not have adequate information security measures in place. If our third-party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third-parties' infrastructure in our supply chain or our third-party partners' supply chains have not been compromised.

If we (or a third-party upon whom we rely) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and/or oversight; restrictions on processing sensitive information (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may cause stakeholders (including investors and potential customers) to stop supporting our platform, deter new customers from products, and negatively impact our ability to grow and operate our business.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

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

Under Section 382 of the Internal Revenue Code of 1986, as amended ("the Code"), if a corporation undergoes an "ownership change," generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards, or NOLs, and other pre-change tax attributes (such as research tax credits) to offset its post-change income or taxes may be limited. Upon certain events since our conversion from a Delaware limited liability company to a Delaware corporation in 2015, it is possible that we may have triggered an "ownership change" limitation. We may also experience ownership changes in the future as a result of subsequent shifts in our stock ownership (some of which are outside of our control). As a result, if we earn net taxable income, our ability to use our pre-change NOLs and other pre-change tax attributes to offset U.S. federal taxable income or taxes may be subject to limitations, which could potentially result in increased future tax liability to us. Our NOLs and other tax attributes arising before our conversion from a Delaware limited liability company to a Delaware

corporation in 2015 also may be limited by the Separate Return Limitation Year rule, which could increase our U.S. federal tax liability. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

We are subject to stringent and changing laws, regulations and standards, and contractual obligations relating to privacy, data protection, and data security. The actual or perceived failure to comply with such obligations could lead to government enforcement actions (which could include civil or criminal penalties), fines and sanctions, private litigation and/or adverse publicity and could negatively affect our operating results and business.

We, and third-parties who we work with are or may become subject to numerous domestic and foreign laws, regulations, and standards relating to privacy, data protection, and data security, the scope of which is changing, subject to differing applications and interpretations, and may be inconsistent among countries, or conflict with other rules. We are or may become subject to the terms of contractual obligations related to privacy, data protection and data security. Our obligations may also change or expand as our business grows. The actual or perceived failure by us or third-parties related to us to comply with such laws, regulations and obligations could increase our compliance and operational costs, expose us to regulatory scrutiny, actions, fines and penalties, result in reputational harm, lead to a loss of customers, result in litigation and liability, and otherwise cause a material adverse effect on our business, financial condition and results of operations. See the section titled “Business – Government Regulation – Data Privacy and Security” in our Annual Report on Form 10-K for a more detailed description of the laws that may affect our ability to operate.

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

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations may involve the use of hazardous and flammable materials, including chemicals and biological and radioactive materials. In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or commercialization efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

We may be subject to adverse legislative or regulatory tax changes that could negatively impact our financial condition.

The rules dealing with U.S. federal, state and local income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect our stockholders or us. We assess the impact of various tax reform proposals and modifications to existing tax treaties in all jurisdictions where we have operations to determine the potential effect on our business and any assumptions we have made about our future taxable income. We cannot predict whether any specific proposals will be enacted, the terms of any such proposals or what effect, if any, such proposals would have on our business if they were to be enacted. For example, the United States enacted the Inflation Reduction Act of 2022, which implements, among other changes, a 1% excise tax on certain stock buybacks. In addition, beginning in 2022, the Tax Cuts and Jobs Act eliminated the previously available option to deduct research and development expenditures and requires taxpayers to amortize them generally over five years for research activities conducted in the United States and over 15 years for research activities conducted outside the United States. The U.S. Congress is considering legislation that would restore the current deductibility of research and development expenditures; however, we have no assurance that the provision will be repealed or otherwise modified. Such changes, among others, may adversely affect our effective tax rate, results of operation and general business condition.

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

We may acquire additional businesses or products, form strategic alliances, or create joint ventures with third-parties that we believe will complement or augment our existing business. If we acquire businesses with promising markets or technologies, we may not be able to realize the benefit of acquiring such businesses if we are unable to successfully integrate them with our existing operations and company culture. We may encounter numerous difficulties in developing, manufacturing and marketing any new product candidates or products resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. There is no assurance that, following any such acquisition, we will achieve the synergies expected in order to justify the transaction, which could result in a material adverse effect on our business and prospects.

We maintain our cash at financial institutions, often in balances that exceed federally-insured limits. The failure of financial institutions could adversely affect our ability to pay our operational expenses or make other payments.

Our cash held in non-interest-bearing and interest-bearing accounts exceeds the Federal Deposit Insurance Corporation ("FDIC") insurance limits. If such banking institutions were to fail, we could lose all or a portion of those amounts held in excess of such insurance limitations. For example, the FDIC took control of Silicon Valley Bank on March 10, 2023. The Federal Reserve subsequently announced that account holders would be made whole. However, the FDIC may not make all account holders whole in the event of future bank failures. In addition, even if account holders are ultimately made whole with respect to a future bank failure, account holders' access to their accounts and assets held in their accounts may be substantially delayed. Any material loss that we may experience in the future or inability for a material time period to access our cash and cash equivalents could have an adverse effect on our ability to pay our operational expenses or make other payments, which could adversely affect our business.

Risks Related to Our Common Stock

The market price of our common stock has historically been volatile, and the market price of our common stock may decline in the future.

The market price of our common stock has been, and may continue to be, subject to significant fluctuations. Market prices for securities of early-stage pharmaceutical, biotechnology, and other life sciences companies have historically been particularly volatile. Some of the factors that may cause the market price of our common stock to fluctuate include:

- our ability to obtain regulatory approvals for our product candidates, and delays or failures to obtain such approvals;
- failure of any of our product candidates, if approved, to achieve commercial success;
- failure to maintain our existing third-party license and supply agreements;
- changes in laws or regulations applicable to our product candidates;
- any inability to obtain adequate supply of our product candidates or the inability to do so at acceptable prices;
- adverse regulatory authority decisions;
- introduction of new products, services, or technologies by our competitors;
- failure to meet or exceed financial and development projections we may provide to the public and the investment community;
- the perception of the pharmaceutical industry by the public, legislatures, regulators, and the investment community;
- announcements of significant acquisitions, strategic collaborations, joint ventures, or capital commitments by us or our competitors;
- disputes or other developments relating to proprietary rights, including patents, litigation matters, and our ability to obtain patent protection for our technologies;
- additions or departures of key personnel;
- significant lawsuits, including patent or stockholder litigation;

- if securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our business and stock;
- changes in the market valuations of similar companies;
- general market or macroeconomic conditions, including global inflationary pressures, rising interest rates, general economic slowdown or a recession, changes in monetary policy, instability in financial institutions and the prospect of a shutdown of the U.S. federal government;
- geopolitical instability, including the ongoing military conflict in Ukraine, conflict in Israel and surrounding areas, and geopolitical tensions in China;
- sales of our common stock by us or our stockholders in the future;
- trading volume of our common stock;
- announcements by commercial partners or competitors of new commercial products, clinical progress or the lack thereof, significant contracts, commercial relationships, or capital commitments;
- the introduction of technological innovations or new therapies that compete with our potential products;
- changes in the structure of health care payment systems; and
- period-to-period fluctuations in our financial results.

Moreover, the capital markets in general have experienced substantial volatility that has often been unrelated to the operating performance of individual companies. These broad market fluctuations may also adversely affect the trading price of our common stock.

In the past, following periods of volatility in the market price of a company's securities, stockholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm our profitability and reputation.

Anti-takeover provisions in our charter documents and under Delaware law and the terms of some of our contracts could make an acquisition of us more difficult and may prevent attempts by our stockholders to replace or remove our management.

Provisions in our Certificate of Incorporation and Bylaws may delay or prevent an acquisition or a change in management. These provisions include a prohibition on actions by written consent of our stockholders and the ability of our board of directors to issue Preferred Stock without stockholder approval. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the DGCL, which prohibits stockholders owning in excess of 15% of our outstanding voting stock from merging or combining with us. Although we believe these provisions collectively will provide for an opportunity to receive higher bids by requiring potential acquirers to negotiate with our board of directors, they would apply even if the offer may be considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove then current management by making it more difficult for stockholders to replace members of the board of directors, which is responsible for appointing the members of management.

In addition, the Series A Certificate of Designation relating to our Series A Preferred Stock may delay or prevent a change in control of our company. At any time while at least 30% of the originally issued Series A Preferred Stock remains issued and outstanding, we may not consummate a Fundamental Transaction (as defined in the Series A Certificate of Designation) or any merger or consolidation of the Company with or into another entity or any stock sale to, or other business combination in which our stockholders immediately before such transaction do not hold at least a majority of our capital stock immediately after such transaction, without the affirmative vote of the holders of a majority of the then outstanding shares of the Series A Preferred Stock. This provision of the Series A Certificate of Designation may make it more difficult for us to enter into any of the aforementioned transactions.

Our Certificate of Incorporation and Bylaws provide that the Court of Chancery of the State of Delaware is the exclusive forum certain types of actions and proceedings that may be initiated by our stockholders, and our Bylaws designate the federal courts of the United States as the exclusive forum

for actions arising under the Securities Act, each of which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our Certificate of Incorporation and Bylaws provide that, unless we consent in writing to an alternative forum, 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, employees or agents to us or our stockholders, any action asserting a claim arising pursuant to any provision of the DGCL, our Certificate of Incorporation or our Bylaws or any action asserting a claim that is governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein and the claim not being one which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery or for which the Court of Chancery does not have subject matter jurisdiction. Any person purchasing or otherwise acquiring any interest in any shares of our capital stock shall be deemed to have notice of and to have consented to this provision of our Certificate of Incorporation and Bylaws.

Our Bylaws provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act (a "Federal Forum Provision"). Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal or state courts will follow the holding of the Delaware Supreme Court or determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court. In addition, investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

These choice of forum provisions will not apply to claims brought to enforce a duty or liability created by the Exchange Act. These choice of forum provisions may limit our stockholders' ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and our directors, officers, employees and agents even though an action, if successful, might benefit our stockholders. Stockholders who do bring a claim in the specified courts could face additional litigation costs in pursuing any such claim. The specified courts may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. Alternatively, if a court were to find these provisions of our governance documents 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 have a material adverse effect on our business, financial condition or results of operations.

We do not anticipate that we will pay any cash dividends in the foreseeable future.

The current expectation is that we will retain our future earnings, if any, to fund the development and growth of our business. As a result, capital appreciation, if any, of our common stock will be your sole source of gain, if any, for the foreseeable future.

Future sales of shares by existing stockholders could cause our stock price to decline.

If our stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market after legal restrictions on resale lapse, the trading price of our common stock could decline. In addition, shares of our common stock that are subject to our outstanding options will become eligible for sale in the public market to the extent permitted by the provisions of various vesting agreements and Rules 144 and 701 under the Securities Act.

Future sales and issuances of equity and debt could result in additional dilution to our stockholders.

We expect that we will need significant additional capital to fund our current and future operations, including to complete potential clinical trials for our product candidates. To raise capital, we may sell common stock, convertible securities, or other equity securities in one or more transactions at prices and in a manner we

determine from time to time. As a result, our stockholders may experience additional dilution, which could cause our stock price to fall.

Pursuant to our equity incentive plans, we may grant equity awards and issue additional shares of our common stock to our employees, directors and consultants, and the number of shares of our common stock reserved for future issuance under certain of these plans will be subject to automatic annual increases in accordance with the terms of the plans. To the extent that new options are granted and exercised, or we issue additional shares of common stock in the future, our stockholders may experience additional dilution, which could cause our stock price to fall.

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

Our directors, officers, 5% stockholders, and their affiliates currently beneficially own a substantial portion of our outstanding voting stock. Therefore, these stockholders have the ability and may continue to have the ability to influence us through this ownership position. These stockholders may be able to determine some or all matters requiring stockholder approval. For example, these stockholders, acting together, may be able to control elections of directors, amendments of 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 you may believe are in your best interest as one of our stockholders.

General Risk Factors

We may become exposed to costly and damaging liability claims, either when testing our programs in the clinic or at the commercial stage, and our product liability insurance may not cover all damages from such claims.

We are exposed to potential product liability and professional indemnity risks that are inherent in the research, development, manufacturing, marketing and use of pharmaceutical products. While we currently have no products that have been approved for commercial sale, the use of our product candidates in clinical trials, and the sale of any approved products in the future, may expose us to liability claims. These claims may be made by participants or patients that use the product candidate or product, healthcare providers, pharmaceutical companies, or others selling such products. Any claims against us, regardless of their merit, could be difficult and costly to defend and could materially and adversely affect the market for our products or any prospects for commercialization of our products. Although we currently maintain adequate product liability insurance for our product candidates, it is possible that our liabilities could exceed our insurance coverage or that in the future we may not be able to maintain insurance coverage at a reasonable cost or obtain insurance coverage that will be adequate to satisfy any liability that may arise. If a successful product liability claim or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims and our business operations could be impaired.

Litigation costs and the outcome of litigation could have a material adverse effect on our business.

From time to time we may be subject to litigation claims through the ordinary course of our business operations regarding, but not limited to, securities litigation, employment matters, security of patient and employee personal information, contractual relations with collaborators and licensors and intellectual property rights. Litigation to defend ourselves against claims by third-parties, or to enforce any rights that we may have against third-parties, could result in substantial costs and diversion of our resources, causing a material adverse effect on our business, financial condition, results of operations or cash flows.

We continue to incur significant costs and demands upon management as a result of complying with the laws and regulations regulating public companies.

As a public company, and particularly after we are no longer a “smaller reporting company,” we will continue to incur significant legal, accounting and other expenses. We incur significant legal, accounting, and other expenses associated with public company reporting requirements. We also incur costs associated with corporate governance requirements, including requirements under the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as rules implemented by the SEC and Nasdaq. In

addition, changing laws, regulations, and standards relating to corporate governance and public disclosure, including those related to climate change and other environmental, social and governance focused disclosures, are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time consuming. These rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costly. These rules and regulations may also make it difficult and expensive for us to obtain directors' and officers' liability insurance. Our management and other personnel will continue to devote a substantial amount of time to these compliance initiatives, and we will continue to incur increased legal and financial compliance costs. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as our executive officers, which may adversely affect investor confidence and could cause our business or stock price to suffer. In addition, the increased costs may require us to reduce costs in other areas of our business or increase the prices of our product candidates, once commercialized. Moreover, 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.

If equity research analysts do not publish research or reports, or publish unfavorable research or reports, about us, our business, or our market, our stock price and trading volume could decline.

The trading market for our common stock is influenced by the research and reports that equity research analysts publish about us and our business. Equity research analysts may elect not to provide research coverage of our common stock and such lack of research coverage may adversely affect the market price of our common stock. In the event we do have equity research analyst coverage, we will not have any control over the analysts or the content and opinions included in their reports. The price of our common stock could decline if one or more equity research analysts downgrade our stock or issue other unfavorable commentary or research. If one or more equity research analysts ceases coverage of us or fails to publish reports on us regularly, demand for our common stock could decrease, which in turn could cause our stock price or trading volume to decline.

If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and the rules and regulations of Nasdaq. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. When we lose our status as a "smaller reporting company" and become an "accelerated filer" or a "large accelerated filer," we will be required to have an audit of the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing, and possible remediation. We must perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting in our annual report filing for that year, as required by Section 404 of the Sarbanes-Oxley Act. This requires that we incur substantial professional fees and internal costs to expand our accounting and finance functions and that we expend significant management efforts. We may experience difficulty in meeting these reporting requirements in a timely manner for each period.

We may or any subsequent testing by our independent registered public accounting firm may discover weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our financial statements. Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act, or if we are unable to maintain proper and effective internal controls, it could result in a material misstatement of our financial statements that would not be prevented or detected on a timely basis, which could require a restatement, cause us to be subject to sanctions or investigations by Nasdaq, the SEC, or other regulatory authorities, cause investors to lose confidence in our financial information, or cause our stock price to decline.

As a public company, we incur significant legal, accounting, insurance, and other expenses, and our management and other personnel have and will need to continue to devote a substantial amount of time to compliance initiatives resulting from operating as a public company.

Our business could be adversely affected by economic downturns, inflation, increases in interest rates, natural disasters, public health crises such as the COVID-19 pandemic, political crises, U.S. elections, international or geopolitical events, such as the conflict between Russia and Ukraine, and Israel and Hamas or other macroeconomic conditions, which could have a material and adverse effect on our results of operations and financial condition.

The global economy, including credit and financial markets, has experienced extreme volatility and disruptions, including, among other things, diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, supply chain shortages, increases in inflation rates, higher interest rates, and uncertainty about economic stability. For example, the COVID-19 pandemic resulted in widespread unemployment, economic slowdown and extreme volatility in the capital markets. The Federal Reserve has raised interest rates multiple times in response to concerns about inflation and it may raise them again. Higher interest rates, coupled with reduced government spending and volatility in financial markets, may increase economic uncertainty and affect consumer spending. Similarly, geopolitical uncertainties and international conflicts, including the ongoing military conflicts between Russia and Ukraine, and Israel and Hamas, and rising tensions with China, have created extreme volatility in the global capital markets and may have further global economic consequences, including disruptions of the global supply chain. Any such volatility and disruptions may adversely affect our business or the third-parties on whom we rely. If the equity and credit markets deteriorate, including as a result of political unrest or war, it may make any necessary debt or equity financing more costly, more dilutive, or more difficult to obtain in a timely manner or on favorable terms, if at all. Increased inflation rates can adversely affect us by increasing our costs, including labor and employee benefit costs.

We may in the future experience disruptions as a result of such macroeconomic conditions, including delays or difficulties in initiating or expanding clinical trials and manufacturing sufficient quantities of materials. Any one or a combination of these events could have a material and adverse effect on our results of operations and financial condition.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Trading Plans

During the fiscal quarter ended June 30, 2024, no director or Section 16 officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (in each case, as defined in Item 408(a) of Regulation S-K), except as described below.

On April 12, 2024, Cameron Turtle, the Company's Chief Executive Officer, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell up to 300,000 shares of Common Stock over a period ending November 19, 2026, subject to certain conditions, all of which shares are to be acquired upon the exercise of employee stock options.

On April 15, 2024, Scott Burrows, the Company's Chief Financial Officer, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell up to 180,000 shares of Common Stock over a period ending November 19, 2026, subject to certain conditions, all of which shares are to be acquired upon the exercise of employee stock options.

On April 16, 2024, Jeffrey Albers, a member of the Company's Board of Directors, and Sessions LLC, an investment company of which Mr. Albers is a managing director and owns 10% or more of the equity interest in or otherwise exercises significant influence over, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell up to 22,500 shares of Common Stock over a period ending April 30, 2025, subject to certain conditions, 7,500 of which shares are to be acquired upon the exercise of director stock options.

Item 6. Exhibits.

The exhibits filed or furnished as part of this Quarterly Report on Form 10-Q are set forth below.

Exhibit Number	Description	Form	File No	Date of Filing	Exhibit No.	Filed Herewith
2.1	Agreement and Plan of Merger, dated June 22, 2023, by and among Aeglea BioTherapeutics, Inc. Aspen Merger Sub I, Inc., Sequoia Merger Sub II, LLC and Spyre Therapeutics, Inc.	S-1	333-276251	12/22/2023	2.1	
3.1	Second Amended and Restated Certificate of Incorporation of the Company, effective as of May 14, 2024	8-K	001-37722	05/15/2024	3.2	
3.2	Amended and Restated Bylaws	S-1/A	333-276251	02/05/2024	3.2	
3.3	Certificate of Designation of Series A Non-Voting Convertible Preferred Stock	S-1	333-276251	12/22/2023	3.3	
3.4	Certificate of Designation of Series B Non-Voting Convertible Preferred Stock	S-1	333-276251	12/22/2023	3.4	
3.5	Certificate of Amendment to Certificate of Designation of Series B Non-Voting Convertible Preferred Stock	8-K	001-37722	03/18/2024	3.2	
10.1	Exchange Agreement, dated April 23, 2024, by and between the Company and Fairmount Healthcare Fund II L.P.	8-K	001-37722	4/25/2024	10.1	
10.2	Amendment No. 1 to Novation Agreement, dated April 25, 2024, by and between Paragon Therapeutics, Inc., the Company and WuXi Biologics (Hong Kong) Limited	10-Q	001-37722	05/09/2024	10.6	
10.3#	α4ß7 (SPY001) License Agreement, dated May 14, 2024, by and between the Company and Paragon Therapeutics, Inc.					X
10.4#	TL1A (SPY002) License Agreement, dated May 14 2024, by and between the Company and Paragon Therapeutics, Inc.					X
10.5#	Second Amended and Restated Antibody Discovery and Option Agreement, dated May 14, 2024, by and between the Company, Paragon Therapeutics, Inc. and Parapyre Holding LLC					X
10.6+	Form of Stock Option Agreement under the Amended and Restated Spyre Therapeutics, Inc. 2016 Equity Incentive Plan					X
10.7+	Form of Restricted Stock Unit Award Agreement under the Amended Spyre Therapeutics, Inc. 2018 Equity Inducement Plan					X
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934					X

Exhibit Number	Description	Form	File No	Date of Filing	Exhibit No.	Filed Herewith
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934					X
32.1(1)	Certification of the 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	The cover page from this Quarterly Report formatted in Inline XBRL and contained in Exhibit 101					

+ Indicates management contract or compensatory plan.

Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

(1) The certifications on Exhibit 32 hereto are deemed furnished and not “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

Signatures

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

Date: August 7, 2024

Spyre Therapeutics, Inc.

By: /s/ Scott Burrows

Scott Burrows

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.3

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE THE INFORMATION (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

LICENSE AGREEMENT

This License Agreement ("**Agreement**") is entered into and effective as of May 14, 2024 (the "**Effective Date**"), by and between Paragon Therapeutics, Inc., a corporation organized under the laws of the State of Delaware ("**Paragon**"), having its principal place of business at 221 Crescent Street, Building 23, Suite 105, Waltham, MA 02453, and Spyre Therapeutics, Inc. ("**Spyre**"), a corporation organized under the laws of the State of Delaware, having its principal place of business at 221 Crescent Street, Building 23, Suite 105, Waltham, MA 02453. Paragon and Spyre are also referred to herein individually as a "**Party**", or collectively as the "**Parties**."

RECITALS

Whereas, Paragon has developed a proprietary platform technology for the discovery and development of antibodies against therapeutically relevant targets;

Whereas, pursuant to that certain Second Amended and Restated Antibody Discovery and Option Agreement by and among Paragon, Spyre Therapeutics, LLC (a wholly-owned subsidiary of Spyre) and Parapyre Holding LLC, a Delaware limited liability company, dated as of May 14, 2024 (as such agreement may be further amended from time to time, the "**Option Agreement**"), Spyre has engaged Paragon to identify, evaluate and develop one or more antibody candidates directed to certain therapeutic targets and has been granted an exclusive option to enter into one or more separate license agreements to develop, manufacture and commercialize the resulting antibodies with respect to a given target;

Whereas, Spyre has exercised such option with respect to the Licensed Target (as defined below), and the Parties desire to memorialize the exclusive license from Paragon to Spyre with respect to such Licensed Target, all on the terms and subject to the conditions set forth in this Agreement.

Now Therefore, in consideration of the foregoing premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

Article 1

DEFINITIONS.

The following initially capitalized terms have the following meanings (and derivative forms of them shall be interpreted accordingly):

1.1 "**Achievement of Development Candidate**" means the first to occur of: (a) nomination by Spyre's Board of Directors of a Spyre Product as a "Development Candidate"; and (b) the initiation by or on behalf of Spyre or its Affiliate or Sublicensee of a toxicology study with respect to a Spyre Product that employs applicable then-current good laboratory practice standards, the results of which are intended to be submitted as part of an IND.

1.2 "**Acquired Program**" has the meaning set forth in Section 2.2(c).

1.3 "**Acquiring Entity**" means, collectively, the Third Party referenced in the definition of Change of Control and such Third Party's Affiliates, other than (a) the applicable Party in the definition of Change of Control, and (b) such Party's Affiliates, determined immediately prior to the closing of such Change of Control ((a) and (b) collectively, the "**Pre-Existing Entities**").

1.4 "**Affiliate**" means any entity controlled by, controlling, or under common control with a Party hereto. For the purpose of this definition, "control" (including, with correlative meaning, the terms "controlled by" or "under common control") means the direct or indirect ownership of more than fifty percent (50%) of the voting interest in, or more than fifty percent (50%) in the equity of, or the right to appoint more than fifty percent (50%) of the directors or management of, such corporation or other business entity. Notwithstanding the foregoing, (a) with respect to either Party, Affiliates of such Party do not include [***] or its Affiliates other than such Party and its subsidiaries, (b) Paragon and its Affiliates, on the one hand, and Spyre and its subsidiaries, on the other hand, shall not be deemed to be Affiliates of each other, and (c) subject to Paragon's obligations under Section 7.3(a), Affiliates of Paragon do not include new entities formed by or on behalf of Paragon for the sole *bona fide* purpose of further developing, manufacturing, commercializing or otherwise exploiting Antibodies and Antibody products (excluding any Licensed Antibody Technology or Other Licensed Technology) using, among other sources, funds from Third Party investors.

1.5 "**Agreement**" has the meaning set forth in the preamble.

1.6 "**Antibody**" means any molecule, including [***].

1.7 "**Anti-Corruption Laws**" has the meaning set forth in Section 7.2(q)(i).

1.8 "**Applicable Law**" means any national, supra-national, federal, state or local laws, rules, guidances, and regulations, in each case, as applicable to the subject matter and the Party at issue.

1.9 "**Bankruptcy Code**" has the meaning set forth in Section 8.4.

1.10 "**Bankruptcy Event**" has the meaning set forth in Section 8.4.

1.11 "**Business Day**" means any day other than Saturday, Sunday or a national holiday in the United States.

1.12 "**Calendar Quarter**" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31.

1.13 "**Calendar Year**" means each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.14 "**Change of Control**" means, with respect to any entity, any of the following: (a) the sale or disposition of all or substantially all of the assets of such entity or its direct or indirect controlling Affiliate to a Third Party; or (b) (i) the acquisition by a Third Party, alone or together with any of its Affiliates, other than an employee benefit plan (or related trust) sponsored or maintained by such entity or any of its Affiliates, of more than fifty percent (50%) of the then-outstanding shares of voting capital stock of such entity or its direct or indirect parent entity that holds, directly or indirectly, beneficial ownership of more than fifty percent (50%) of the then-outstanding shares of voting capital stock of such entity (a "**Parent Entity**"), or (ii) the acquisition, merger or consolidation of such entity or its Parent Entity with or into another entity, other than, in the case of clause (i) or (ii), an acquisition or a merger or consolidation of such entity or its Parent Entity in which the holders of shares of voting capital stock of such entity or its Parent Entity, as the case may be, immediately prior to such acquisition, merger or consolidation will beneficially own, directly or indirectly, at least fifty percent (50%) of the shares of voting capital stock of the acquiring Third Party or the surviving corporation in such acquisition, merger or consolidation, as the case may be, immediately after such acquisition, merger or consolidation, and in each case of (a) or (b), whether through a single transaction or a series of related transactions, but excluding any and all *bona fide* financing transactions or internal reorganizations for tax purposes (including the change of place of incorporation or domicile of such entity).

1.15 "**Claim**" has the meaning set forth in Section 9.3.

1.16 "**COC Program**" has the meaning set forth in Section 2.2(b).

1.17 "**Combination Product**" has the meaning set forth in Section 1.58.

1.18 "**Commercialize**" or "**Commercializing**" means any and all activity to market, promote, distribute, offer for sale, sell, have sold, seek reimbursement, import, have imported, export, have exported, or otherwise commercialize an Antibody or product, including any Licensed Antibody, Derived Antibody, Product, Multispecific Antibody, Multispecific Product, as applicable, and including interacting with Regulatory Authorities following receipt of Regulatory Approval and seeking and maintaining any required Reimbursement Approval. When used as a noun, "**Commercialization**" means any and all activities involved in Commercializing.

1.19 "**Commercially Reasonable Efforts**" means those efforts and resources, including reasonably necessary and qualified personnel, equivalent to the efforts and resources that a reasonable international biopharmaceutical company or a pharmaceutical company, in each case, that is of comparable size and resources to the applicable Party would typically devote as part of an active and continuing program of development and commercialization of a pharmaceutical or biologic product of similar market potential, at a similar stage of its product

life, taking into account the competitiveness of the marketplace and the proprietary position, regulatory status, and relative safety and efficacy of such product. Commercially Reasonable Efforts requires, with respect to an obligation, that the applicable Party (a) assign responsibility for such obligation to specific employees who are held accountable for progress and monitor such progress on an on-going basis, (b) set and seek to achieve reasonable objectives for carrying out such obligation, and (c) make and implement reasonable decisions and allocate resources designed to advance progress with respect to such objectives.

1.20 "**Confidential Information**" of a Party means Know-How and any and all non-public scientific, business, regulatory or technical information that is disclosed or made available by or on behalf of one Party (the "**Disclosing Party**") to the other Party (the "**Receiving Party**") in connection with this Agreement, regardless of whether such information is specifically marked or designated confidential, whether in writing, orally, visually, or otherwise. Notwithstanding any provision of this Agreement to the contrary, the Licensed Antibody Technology shall be the Confidential Information of Spyre.

1.21 "**Control**" (including any variations such as "**Controlled**" and "**Controlling**") means, with respect to any technology (including Know-How) or other Intellectual Property Rights, possession by a Party or one of its Affiliates of the ability (whether by ownership, license or otherwise (other than by a license, sublicense or other right granted pursuant to this Agreement)) to grant a license or a sublicense of or under such technology or Intellectual Property Rights without violating the terms of any agreement or other arrangement with any Third Party; *provided, that* if following the Effective Date (a) Paragon would Control any Patent that would be included in the Licensed Antibody Technology or Other Licensed Patents but for an obligation to pay royalties or other consideration for the Development, Manufacture or Commercialization of a Spyre Product in the Territory in connection with a grant to Spyre of a license under such Patent, and (b) Spyre, pursuant to Section 2.8, consents to being a sublicensee of such Patent and complies with the Reimbursement Obligation, then such Patent shall be deemed Controlled by Paragon. Notwithstanding the foregoing, a Party and its Affiliates shall not be deemed to "Control" any technology or Intellectual Property Rights that (i) prior to the consummation of a Change of Control of such Party is owned or in-licensed, or (ii) after the consummation of a Change of Control of such Party, becomes owned or in-licensed (to the extent such technology or Intellectual Property Rights are developed outside of the scope of the activities conducted hereunder and without use of or reference to any technology or Intellectual Property Rights Controlled by such Party or any Affiliate of such Party immediately before such Change of Control, or any Confidential Information of the other Party), in each case ((i) or (ii)), by a Third Party that becomes an Affiliate of such Party after the Effective Date as a result of such Change of Control or an assignee of such Party after the Effective Date as the result of an assignment of this Agreement in connection with a Change of Control unless prior to the consummation of such Change of Control or assignment, such Party or any of its Affiliates also Controlled such technology or Intellectual Property Rights.

1.22 "**Cover**" or "**Covering**" means, with respect to a particular product, any Patent, that, in the absence of a license granted under, or ownership of, such Patent, the making, using,

selling, importation, or exportation of such product would infringe a valid and unexpired claim of such Patent.

1.23 **"Derived Antibody"** means any Antibody that is created by or on behalf of Spyre (other than an Antibody created by Paragon under the Option Agreement), its Affiliates or its or their licensees and: (a) is derived from or constitutes a modification of a Licensed Antibody, including [***], and (b) [***]. For avoidance of doubt, any Antibody that [***] will be deemed a Derived Antibody, irrespective of origin. Notwithstanding the foregoing, a Derived Antibody shall not include (i) [***], or (ii) [***].

1.24 "**Designated Multispecific Antibody**" has the meaning set forth in Section 2.6(b).

1.25 "**Develop**" or "**Developing**" means any and all activity to discover, evaluate, test (including clinical and non-clinical testing), research, or otherwise develop an Antibody or product, including any Licensed Antibody, Derived Antibody, Product, Multispecific Antibody, or Multispecific Product, as applicable. When used as a noun, "**Development**" means any and all activities involved in Developing.

1.26 "**Directed To**" means, with regard to an Antibody or product, that such Antibody or product is developed or designed to (a) [***], and (b) [***].

1.27 "**Disclosing Party**" has the meaning set forth in Section 1.20.

1.28 "**Dispute**" has the meaning set forth in Section 10.7(a).

1.29 "**Dollar**" means a U.S. dollar, and "$" shall be interpreted accordingly.

1.30 "**Effective Date**" has the meaning set forth in the preamble.

1.31 "**Exclusivity Period**" means the period commencing on the Effective Date and continuing until the [***] anniversary of the Effective Date.

1.32 "**FDA**" means the United States Food and Drug Administration, or a successor federal agency thereto.

1.33 "**Field**" means the prophylaxis, palliation, treatment and diagnosis of human disease and disorders in all therapeutic areas.

1.34 "**First Commercial Sale**" means the first sale of a Spyre Product by Spyre, or one of its Affiliates or its or their Sublicensees, to a Third Party after receipt of all Regulatory Approvals required to market and sell the Spyre Product have been obtained in the country in the Territory in which such Spyre Product is sold. Sales for purposes of testing the Spyre Product and sample purposes shall not be deemed a First Commercial Sale. Furthermore, for purposes of clarity, the term "First Commercial Sale" as used in this Agreement shall not include: (a) [***]; (b) [***]; nor (c) [***].

1.35 "**Force Majeure**" has the meaning set forth in Section 10.2.

1.36 "**Governmental Authority**" means any national, international, federal, state, provincial, or local government, or political subdivision thereof, or any multinational organization or any authority, agency, or commission entitled to exercise any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power, or any court or tribunal (or any department, bureau or division thereof, or any governmental arbitrator or arbitral body).

1.37 "**IND**" means an investigational new drug application or equivalent application that is required to commence clinical trials for a product in the Territory and filed with the applicable Regulatory Authority.

1.38 "**Indemnified Party**" has the meaning set forth in Section 9.3.

1.39 "**Indemnifying Party**" has the meaning set forth in Section 9.3.

1.40 "**Intellectual Property Rights**" means any and all proprietary rights provided under (a) patent law, including any Patents; (b) copyright law; (c) trademark law; or (d) any other applicable statutory provision or common law principle, including trade secret law, that may provide a right in Know-How, or the expression or use thereof.

1.41 "**Inventions**" means all Know-How, and all intellectual property rights therein, that are conceived, reduced to practice, discovered, developed, or made by or on behalf of either Party or any Third Parties acting on their behalf (or any of their Representatives, Affiliates, licensees, or sublicensees) in the course of performing activities under this Agreement.

1.42 "**JAMS Rules**" has the meaning set forth in Section 10.7(a)(ii).

1.43 "**Know-How**" means all technical information and know-how in any tangible or intangible form, including (a) inventions, discoveries, trade secrets, data, specifications, instructions, processes, formulae, materials (including cell lines, vectors, plasmids, nucleic acids and the like), methods, protocols, expertise and any other technology, including the applicability of any of the foregoing to formulations, compositions or products or to their manufacture, development, registration, use or marketing or to methods of assaying or testing them or processes for their manufacture, formulations containing them or compositions incorporating or comprising them, and (b) all data, instructions, processes, formulae, strategies, and expertise, whether biological, chemical, pharmacological, biochemical, toxicological, pharmaceutical, physical, analytical, or otherwise and whether related to safety, quality control, manufacturing or other disciplines. Notwithstanding the foregoing, Know-How excludes any Patents.

1.44 "**Licensed Antibody**" means any and all Antibodies that are Directed To the Licensed Target and that are discovered, generated, identified or characterized by Paragon in the course of performing the Research Program. Notwithstanding the foregoing, the Licensed Antibodies shall not include (a) [***], or (b) [***].

1.45 "**Licensed Antibody Invention**" means (a) any invention or discovery, whether or not patentable, that was discovered or reduced to practice by or on behalf of Paragon under the Research Program that constitutes the composition of matter of, or any method of specifically making or using, any Licensed Antibody; and (b) all Intellectual Property Rights therein, that in each case is Controlled by Paragon or its Affiliates as of the Effective Date or during the Term. Notwithstanding the foregoing, the Licensed Antibody Inventions shall not include (i) [***], or (ii) any Intellectual Property Rights therein.

1.46 "**Licensed Antibody Patents**" means all Patents that Cover the composition of matter of, or any method of specifically making or using, any Licensed Antibody, that in each case are Controlled by Paragon or its Affiliates as of the Effective Date or during the Term, excluding in each case any claims in such Patents that Cover the composition of matter of, or any method of specifically making or using (a) [***], or (b) [***].

1.47 "**Licensed Antibody Technology**" means (a) the Licensed Antibody Inventions; (b) the Licensed Antibody Patents; (c) the Sequence Information; (d) the Results; (e) the Research Program Materials; and (f) all Intellectual Property Rights therein Controlled by Paragon or its Affiliates as of the Effective Date and during the Term.

1.48 "**Licensed Component**" has the meaning set forth in Section 1.58.

1.49 "**Licensed Target**" means α4β7.

1.50 "**Losses**" has the meaning set forth in Section 9.1.

1.51 "**MAA**" means (a) a New Drug Application in the United States, as defined in the United States Federal Food, Drug and Cosmetics Act, and applicable regulations promulgated thereunder by the FDA; (b) a Biologics License Application in the United States, as defined in the United States Public Health Service Act; or (c) any application filed with any Regulatory Authority in a country other than the United States that is equivalent to either of the foregoing.

1.52 "**Major Market Country**" means any of the following: the [***], [***], [***], [***], [***] and the [***].

1.53 "**Manufacture**" or "**Manufacturing**" means any and all activity to make, have made, produce, manufacture, process, fill, finish, package, label, perform quality assurance testing, release, ship or an Antibody or product, including any Licensed Antibody, Derived Antibody, Product, Multispecific Antibody, or Multispecific Product, as applicable, or any component thereof. When used as a noun, "**Manufacture**" or "**Manufacturing**" means any and all activities involved in Manufacturing an Antibody or product, including any Licensed Antibody, Derived Antibody, Product, Multispecific Antibody, or Multispecific Product, as applicable, or any component thereof.

1.54 "**Milestone**" has the meaning set forth in Section 4.1.

1.55 "**Milestone Payment**" has the meaning set forth in Section 4.1.

1.56 "**Multispecific Antibody**" means any Antibody that is comprised of (a) [***], and (b) [***].

1.57 "**Multispecific Product**" means any product that comprises or contains any Multispecific Antibody.

1.58 "**Net Sales**" means the gross amounts received for Spyre Product by Spyre, its Affiliates and Sublicensees for sales or other commercial disposition of such Spyre Product in the Territory to unrelated Third Parties, less the following, in each case related specifically to the Spyre Product and actually incurred, paid or accrued by Spyre, its Affiliates or Sublicensees and not otherwise recovered by or reimbursed to Spyre, its Affiliates or Sublicensees;

(a) [***];

(b) [***];

(c) [***];

(d) [***];

(e) [***]; and

(f) [***].

Net Sales will include [***]. Net Sales will be calculated only once for the first *bona fide* arm's length sale of the Spyre Product by Spyre, its Affiliates or its Sublicensees to a Third Party, and will not include sales between or among [***]. Net Sales shall not include any amounts invoiced for [***] (i) [***], (ii) [***], or (iii) [***].

Net Sales shall be determined from the books and records of Spyre, Affiliates of Spyre or any Sublicensee maintained in accordance with U.S. generally accepted accounting principles (GAAP) consistently applied. Spyre further agrees in determining Net Sales, it (or its applicable Affiliate or Sublicensee) will use Spyre's (or such Affiliate's or Sublicensee's) then current standard procedures and methodology.

If a Spyre Product is sold as a Combination Product (as defined below), the Net Sales of such Combination Product for the purpose of calculating royalties and sales-based milestones owed under this Agreement for sales of such Combination Product, shall be determined as follows: [***]. If any Other Component in the Combination Product is not sold separately, Net Sales shall be calculated by [***]. If both the Licensed Component and any of the Other Components are not sold separately, the adjustment to Net Sales shall be determined by the Parties [***] to reasonably reflect [***] of such Combination Product.

For purposes of this definition, "**Combination Product**" means any pharmaceutical product that contains two (2) or more active ingredients, including (A) one (1) or more Licensed Antibodies, Derived Antibodies or Multispecific Antibodies (the "**Licensed Component**"), and (B) one (1) or more active pharmaceutical or biological ingredients that are not (x) a Licensed Antibody, Derived Antibody or Multispecific Antibody, or (y) an Antibody owned or controlled by Paragon

or its Affiliate, the rights to which have been licensed to Spyre or its Affiliate under a separate agreement ("**Other Component(s)**"), either as a [***], [***] or [***], and [***].

1.59 "**Notice of Dispute**" has the meaning set forth in 10.7(a)(i).

1.60 "**Other Component(s)**" has the meaning set forth in Section 1.58.

1.61 "**Other Licensed Know-How**" means all Know-How Controlled by Paragon or its Affiliates on the Effective Date or during the Term that (a) was used by or on behalf of Paragon in the performance of the Research Program, and (b) is necessary to Develop, Manufacture, Commercialize or otherwise exploit (i) Licensed Antibodies, or (ii) Products, Multispecific Antibodies or Multispecific Products, in each case solely to the extent comprising or containing a Licensed Antibody. For clarity, the Other Licensed Know-How shall exclude (x) the Licensed Antibody Technology, and (y) any Know-How Controlled by Paragon or its Affiliates relating to (1) that [***], or (2) [***].

1.62 "**Other Licensed Patents**" means any Patents other than Licensed Antibody Patents Controlled by Paragon or its Affiliates as of the Effective Date or during the Term that (a) include a claim that expressly recites the sequence of a Licensed Antibody or Derived Antibody, and (b) are necessary to Develop, Manufacture or Commercialize Licensed Antibodies or Derived Antibodies in the Field in the Territory. Notwithstanding the foregoing, the Other Licensed Patents shall not include (i) Paragon Multispecific Patents, (ii) the Paragon Platform Patents (as defined in the Option Agreement), or (iii) any Patents that Cover (x) that [***], or (y) [***].

1.63 "**Other Licensed Technology**" means all (a) Other Licensed Know-How, and (b) Other Licensed Patents.

1.64 "**Paragon Indemnitee**" has the meaning set forth in Section 9.1.

1.65 "**Paragon Multispecific Antibody**" means any Multispecific Antibody that is Developed, Manufactured, Commercialized or otherwise exploited by Paragon or its Affiliate or licensees (other than Spyre and its Affiliates and Sublicensees), excluding in each case any Spyre Multispecific Antibodies.

1.66 "**Paragon Multispecific Patents**" means those Patents that Cover the composition of matter of, or any method of specifically making or using, a Paragon Multispecific Antibody, in each case excluding the Licensed Antibody Patents.

1.67 "**Paragon Patents**" has the meaning set forth in Section 5.2(c).

1.68 "**Paragon Third Party Agreement**" has the meaning set forth in Section 2.8.

1.69 "**Parent Entity**" has the meaning set forth in Section 1.14.

1.70 "**Party**" has the meaning set forth in the Preamble.

1.71 "**Patent Challenge**" has the meaning set forth in Section 5.3(a).

1.72 "**Patent Infringement**" has the meaning set forth in Section 5.3(a).

1.73 "**Patents**" means (a) unexpired patents and patent applications, (b) any and all patent applications filed either from such patent or patent applications or from a patent application claiming priority from any of those, including divisionals, provisionals, continuations, continuations-in-part, and reissues, (c) substitutions, renewals, registrations, re-examinations, revalidations, extensions, supplementary protection certificates and the like of any such patents and patent applications, and (d) any and all foreign equivalents of the foregoing.

1.74 "**Phase I Trial**" means a human clinical trial in any country of the type described in 21 C.F.R. §312.21(a), or the foreign equivalent thereof, regardless of where such clinical trial is conducted.

1.75 "**Phase II Trial**" means a human clinical trial in any country of the type described in 21 C.F.R. §312.21(b), or the foreign equivalent thereof, regardless of where such clinical trial is conducted.

1.76 "**Phase III Trial**" means a human clinical trial in any country of the type described in 21 C.F.R. §312.21(c), or the foreign equivalent thereof, regardless of where such clinical trial is conducted.

1.77 "**Pre-Existing Entities**" has the meaning set forth in Section 1.3.

1.78 "**Product**" means any product that comprises or contains any Licensed Antibody or Derived Antibody other than as part of a Multispecific Antibody or a Multispecific Product.

1.79 "**Prosecute**" or "**Prosecution**" has the meaning set forth in Section 5.2(a).

1.80 "**Publication**" has the meaning set forth in Section 6.6(b).

1.81 "**Receiving Party**" has the meaning set forth in Section 1.20

1.82 "**Regulatory Approval**" means all clearances, approvals (including approval of an MAA as well as any applicable pricing and/or reimbursement approvals), licenses, registrations or authorizations of any Regulatory Authority necessary to commercially distribute, sell and market a pharmaceutical product in a country or territory under this Agreement.

1.83 "**Regulatory Authority**" means any supranational, multinational, federal, national, state, provincial or local regulatory agency, department, bureau or other Governmental Authority with authority over the clinical development, manufacture marketing or sale of a Product or Spyre Product in a country or region, including the FDA in the United States and the EMA in Europe.

1.84 "**Reimbursement Obligation**" has the meaning set forth in Section 2.8.

1.85 "**Remaining Recovery**" has the meaning set forth in Section 5.3(f).

1.86 "**Representatives**" of a Party means such Party's officers, directors, employees, contractors, subcontractors, agents and consultants.

1.87 "**Research Program**" means the Research Program (as defined in the Option Agreement) conducted by the Parties pursuant to the Option Agreement with respect to the Licensed Target.

1.88 "**Research Program Materials**" means the tangible materials resulting from the Research Program that are Controlled by Paragon or its Affiliates as of the Effective Date or during the Term that are listed in Exhibit C attached hereto, as may amended in writing from time to time upon mutual agreement of the Parties. For clarity, Research Program Materials shall not include materials that are consumed or destroyed in the performance of the Research Program or that are not available to be transferred by Paragon to Spyre without violating the terms of any agreement or other arrangement with a Third Party.

1.89 "**Results**" means all data, results, analysis, conclusions, outcomes, information, documentation and reports that are generated by or on behalf of Paragon in performance of the Research Program, excluding in each case any other Licensed Antibody Technology.

1.90 "**Reversion Products**" has the meaning set forth in Section 8.5(c).

1.91 "**Review Period**" has the meaning set forth in Section 6.6(b).

1.92 "**ROFN Information**" has the meaning set forth in Section 2.7(a).

1.93 "**ROFN Negotiation Period**" has the meaning set forth in Section 2.7(c).

1.94 "**ROFN Period**" has the meaning set forth in Section 2.7(a).

1.95 "**Royalty Payments**" has the meaning set forth in Section 4.2.

1.96 "**Royalty Term**" means, on a Spyre Product-by-Spyre Product and country-by-country basis, the period commencing on First Commercial Sale of the applicable Spyre Product in the applicable country in the Territory and ending, with respect to the particular Spyre Product and country at issue on the latest of the following dates: (a) the twelfth (12th) anniversary of the date of First Commercial Sale of such Spyre Product in such country; or (b) the expiration of the last-to-expire Valid Claim of a Licensed Antibody Patent or a Spyre Antibody Patent Covering the Manufacture, use or sale of such Spyre Product in the country at issue.

1.97 "**Sequence Information**" means any files of Paragon containing all Licensed Antibody sequences generated under the Research Program.

1.98 "**Spyre Antibody Patents**" means all Patents that Cover the composition of matter of, or any method of specifically making or using any Licensed Antibody or Derived Antibody that, in each case, are owned or in-licensed by Spyre or its Affiliates or Sublicensees as

of the Effective Date or during the Term, *provided that*, if a Change of Control of Spyre occurs, the Spyre Antibody Patents shall not include any Patents owned or in-licensed by the Acquiring Entity as of the closing of such Change of Control.

1.99 "**Spyre Indemnitee**" has the meaning set forth in Section 9.2.

1.100 "**Spyre Intellectual Property**" means any Patents, Know-How or other Intellectual Property Rights that are Controlled by Spyre and are necessary for, and actually used (or held for use) by Spyre or its Affiliates as of the effective date of termination of this Agreement in the Development, Manufacturing, or Commercialization of Spyre Products.

1.101 "**Spyre Invention**" means (a) any Invention that is owned or Controlled by Spyre, and (b) all Intellectual Property Rights therein, *provided that*, in each case (a) – (b), Spyre Inventions shall not include (i) any Inventions owned or Controlled by Paragon or its Affiliate, the rights to which have been licensed to Spyre or its Affiliate under this Agreement or a separate agreement, or (ii) any Intellectual Property Rights therein.

1.102 "**Spyre Multispecific Antibody**" means any Multispecific Antibody that is Developed, Manufactured, Commercialized or otherwise exploited by Spyre, its Affiliates or Sublicensees, excluding in each case, and subject to Section 2.7, any Paragon Multispecific Antibody.

1.103 "**Spyre Multispecific Patents**" means those Patents that Cover the composition of matter of, or any method of specifically making or using, a Spyre Multispecific Antibody.

1.104 "**Spyre Multispecific Product**" means any product that comprises or contains any Spyre Multispecific Antibody.

1.105 "**Spyre Product**" means, individually or collectively, as applicable, Licensed Antibodies, Derived Antibodies, Products, Spyre Multispecific Antibodies and Spyre Multispecific Products.

1.106 "**Sublicensee**" means any Affiliate of Spyre or any Third Party with respect to Spyre, to whom Spyre grants a sublicense of, or other authorization or permission granted under, the rights granted to Spyre in Section 2.1.

1.107 "**Target**" means a protein molecule that (a) [***], and (b) [***].

1.108 "**Term**" has the meaning set forth in Section 8.1.

1.109 "**Territory**" means worldwide.

1.110 "**Third Party**" means any person or entity other than Paragon or Spyre or an Affiliate of either Paragon or Spyre.

1.111 "**Third Party Claim**" has the meaning set forth in Section 9.1.

1.112 "**Transfer Period**" has the meaning set forth in Section 2.5(c).

1.113 "**US**" or "**United States**" means the United States of America and its possessions and territories, including Puerto Rico.

1.114 "**Valid Claim**" means, with respect to a particular country, a claim (including a process, use or composition of matter claim) of an issued and unexpired patent (or a supplementary protection certificate thereof) that has not (a) irretrievably lapsed or been abandoned, permanently revoked, dedicated to the public or disclaimed, or (b) been held invalid, unenforceable or not patentable by a court, governmental agency, national or regional patent office or other appropriate body that has competent jurisdiction, which holding, finding or decision is final and unappealable or unappealed within the time allowed for appeal.

Article 2

LICENSES; TECHNOLOGY TRANSFER; MULTISPECIFIC ANTIBODIES.

2.1 **License Grants from Paragon**.

(a) Subject to the terms of this Agreement, Paragon hereby grants to Spyre a royalty-bearing, exclusive (even as to Paragon and its Affiliates, subject to Paragon's retained rights under Section 2.4) license, including the right to sublicense through multiple tiers, under the Licensed Antibody Technology to Develop, Manufacture, Commercialize, or otherwise exploit Licensed Antibodies, Derived Antibodies and Products in the Field in the Territory.

(b) Subject to the terms of this Agreement, including Section 2.7, Paragon hereby grants to Spyre a royalty-bearing, non-exclusive right and license, including the right to sublicense through multiple tiers, under the Licensed Antibody Technology to Develop, Manufacture, Commercialize or otherwise exploit Multispecific Antibodies and Multispecific Products in the Field in the Territory.

(c) Subject to the terms of this Agreement, Paragon hereby grants to Spyre a royalty-bearing, non-exclusive license, including the right to sublicense through multiple tiers, under the Other Licensed Patents to Develop, Manufacture, Commercialize or otherwise exploit Licensed Antibodies, Derived Antibodies, Multispecific Antibodies, Products and Multispecific Products in the Field in the Territory.

(d) Subject to the terms of this Agreement, Paragon hereby grants to Spyre a royalty-bearing, non-exclusive license, including the right to sublicense through multiple tiers, under the Other Licensed Know-How to Develop, Manufacture, Commercialize or otherwise exploit (i) Licensed Antibodies, or (ii) Products, Multispecific Antibodies or Multispecific Products, in each case solely to the extent comprising or containing a Licensed Antibody, in the Field in the Territory.

2.2 **Exclusivity**.

(a) Subject to the terms of this Section 2.2, to the maximum extent permissible under Applicable Law, during the Exclusivity Period, Paragon shall not, and shall ensure that its Affiliates do not, directly or indirectly, conduct any activity, either on its own or with, for the benefit of, or sponsored by, any Third Party, including granting any license to any Third Party that would permit such Third Party, to develop, manufacture, commercialize or otherwise exploit any monospecific Antibody that is Directed To the Licensed Target. It will not be a violation of this Section 2.2(a) if Paragon or its Affiliate, directly or through a Third Party, (i) conducts screening activities solely for the purposes of ensuring compliance with this Section 2.2(a), (ii) conducts activities in accordance with the terms of this Agreement, the Option Agreement or any other written agreement between the Parties, or (iii) conducts activities with the prior written consent of Spyre.

(b) Notwithstanding anything herein to the contrary, if a Change of Control occurs with respect to Paragon or its Parent Entity, and the Acquiring Entity (or any of such Acquiring Entity's successors or assigns, other than the relevant Pre-Existing Entities) as of the Change of Control has a program or product (or rights thereto) that would otherwise violate Section 2.2(a) (each, a "**COC Program**"), then (i) Section 2.2(a) shall not apply with respect to such COC Program, and (ii) such Acquiring Entity will be permitted to continue such COC Program after such Change of Control and such continuation will not constitute a violation of Section 2.2(a), *provided, that* the Licensed Antibody Technology and Confidential Information of Paragon and Spyre relating to the Spyre Products is not used in the COC Program.

(c) Notwithstanding anything herein to the contrary, if Paragon or its Parent Entity (i) acquires a Third Party entity that has a program or product (or rights thereto) that would otherwise violate Section 2.2(a), or (ii) acquires asset(s) from a Third Party entity that would otherwise violate Section 2.2(a) (each, an "**Acquired Program**"), then (1) Section 2.2(a) shall not apply with respect to such Acquired Program, and (2) Paragon or its Parent Entity will be permitted to continue such Acquired Program after such acquisition and such continuation will not constitute a violation of Section 2.2(a), *provided, that* the Licensed Antibody Technology and Confidential Information of Paragon and Spyre relating to the Spyre Products is not used in the Acquired Program.

2.3 **Sublicenses**. Spyre shall have the right to grant sublicenses under the rights granted to it in Section 2.1 to its Affiliates and Third Parties; *provided, that* (a) each such sublicense shall be granted in writing and each such relevant sublicense agreement shall be consistent with all relevant terms, conditions and restrictions of this Agreement, (b) Spyre will provide Paragon with a true and complete copy of each sublicense agreement (other than sublicense agreements with Third Party service providers) and any amendments thereto within [***] days following the execution thereof (which sublicense agreement and amendments may be redacted except to the extent necessary for Paragon to determine Spyre's compliance with this Agreement), and (c) Spyre shall remain responsible for all of its payments and other performance obligations due under this Agreement, notwithstanding any license or sublicense that it may grant.

2.4 **No Implied Licenses; Reservation of Rights**. Except as expressly set forth herein, no right or license under any Patents, Know-How or Intellectual Property Right of either Party is granted or shall be granted by implication hereunder. All such rights or licenses are or shall be granted only as expressly provided in this Agreement, and each Party reserves to itself all rights not expressly granted under this Agreement. Notwithstanding anything to the contrary under this Agreement, Paragon retains rights under the Licensed Antibody Technology solely to perform its obligations and exercise its rights under this Agreement and the Option Agreement.

2.5 **Information Transfer and Support to Spyre**.

(a) As soon as possible and within not more than [***] days after the Effective Date, Paragon shall provide Spyre with the Results and Sequence Information in existence as of the Effective Date not already provided to Spyre under the Option Agreement. Additionally, on a continuing basis during the term of the Research Program, as soon as possible and within not more than [***] days after additional Results or Sequence Information come into existence or are identified by Paragon that in each case have not already been provided to Spyre under the Option Agreement, Paragon shall disclose and transfer such additional Results and Sequence Information to Spyre.

(b) Upon the reasonable request of Spyre made from time to time during the Term, Paragon shall promptly disclose and transfer to Spyre tangible embodiments of the Other Licensed Know-How that is the subject of Spyre's request.

(c) The Parties acknowledge and agree that Exhibit C has been agreed by the Parties as of the Effective Date, and that materials that are different than or in addition to the materials set forth on Exhibit C may result from the Research Program to the extent that the Research Program continues to be performed following the Effective Date. Upon the reasonable request of Spyre made at any time prior to the end of the [***] day period following the expiration of the Research Term (as defined in the Option Agreement), the Parties shall update Exhibit C to reflect the tangible materials, including samples, reagents, nucleic acids and Antibodies, resulting from the Research Program that constitute Research Program Materials hereunder. During the period beginning on the Effective Date and ending [***] months after the expiration of the Research Term (the "**Transfer Period**"), at [***] request and expense, Paragon will provide Spyre or a Third Party designated by Spyre with any Research Program Materials, provided that any Third Party recipient of such Research Program Materials shall be bound by the relevant terms of this Agreement and that the Research Program Materials are used solely to further Develop, Manufacture and Commercialize the Spyre Products. For clarity, Spyre shall be responsible for any out-of-pocket costs incurred by Paragon or its Affiliates to store and maintain the Research Program Materials during the Transfer Period.

(d) Each Party shall bear all costs and expenses incurred by such Party in connection with the disclosure and transfer of any Results and Sequence Information as set forth above.

(e) During the [***] day period following completion of the Research Program, in the event Spyre makes any reasonable request for assistance in order to understand

the Licensed Antibody Technology and use the Licensed Antibody Technology to continue the uninterrupted Development of the Licensed Antibodies, Paragon shall provide up to [***] month of additional assistance during such period, at [***] cost and expense at the then current [***] Rate (as defined in the Option Agreement) in the Option Agreement. Paragon shall consider and discuss in good faith any additional requests for assistance made by Spyre, which assistance may be provided upon mutual agreement of the Parties.

2.6 **Paragon Rights with Respect to Multispecific Antibodies**.

(a) Subject to the terms of this Agreement, including Section 2.6(b) below and Section 2.7, Paragon reserves and retains the non-exclusive right under the Licensed Antibody Technology to Develop, Manufacture, Commercialize and otherwise exploit Multispecific Antibodies and Multispecific Products in the Field in the Territory. If Paragon exercises such right, then Paragon shall pay royalties to Spyre in accordance with Article IV, *mutatis mutandis*, with respect to any Multispecific Antibodies and Multispecific Products that are Commercialized by Paragon or its Affiliates or sublicensees (other than Spyre and its Affiliates and Sublicensees) in the Field in the Territory, *provided, that* references to Spyre Antibody Patents in clause (b) of the Royalty Term definition and Section 4.3 shall be disregarded.

(b) Spyre has designated [***] Licensed Antibody or Derived Antibody, as set forth on Exhibit B, as its lead compound, and shall have the right to designate [***] Licensed Antibody or Derived Antibody as its backup compound by providing written notice thereof to Paragon within [***] months of the Effective Date (each such designated Licensed Antibody or Derived Antibody, a "**Designated Multispecific Antibody**"). From and after receipt of Spyre's notice, Paragon's rights under Section 2.6(a) shall expressly exclude the right to Develop, Manufacture, Commercialize or otherwise exploit (i) Multispecific Antibodies that have identical sequence identity within their complementarity-determining regions as a Designated Multispecific Antibody, or (ii) Multispecific Products that comprise or contain any Multispecific Antibody referenced in clause (i). For the avoidance of doubt, if Paragon engages in Development or Manufacture of a Multispecific Antibody that meets the criteria of clause (i) or (ii) above *before* Spyre designates such Multispecific Antibody as a Designated Multispecific Antibody, then Paragon shall not be in breach of this Agreement, *provided that*, Paragon ceases all such Development or Manufacture within [***] days following receipt of Spyre's written notice of designation.

2.7 **Right of First Negotiation**.

(a) Commencing on the Effective Date and continuing until the [***] anniversary thereof (the "**ROFN Period**"), Paragon will promptly notify Spyre in writing if (i) Paragon has developed a descriptive research plan with respect to the Development of a Multispecific Antibody or a plan to license or grant rights in a Multispecific Antibody to a Third Party, or (ii) Paragon enters into good faith negotiations pursuant to an offer to or from any Third Party relating to the foregoing. Together with such notice, Paragon will provide to Spyre all material information and research plans developed by Paragon with respect to such Multispecific Antibody (the "**ROFN Information**"). Spyre will have [***] days from receipt of the ROFN

Information to deliver a written notice to Paragon of Spyre's desire to engage in negotiations for an agreement concerning the Development, or exclusive license or grant of rights to, such Multispecific Antibody.

(b) If Spyre does not provide such written notice to Paragon of its interest to engage in such negotiations within such [***] day period, then (i) Paragon shall be free to enter into an agreement with a Third Party with respect to the grant of a license or other rights to such Multispecific Antibody and corresponding Multispecific Products without further obligation to Spyre under this Section 2.7, and (ii) Spyre's license under Section 2.1(b) shall automatically exclude any right to Develop, Manufacture, Commercialize or otherwise exploit the identical Multispecific Antibodies Developed by or on behalf of Paragon and corresponding Multispecific Products.

(c) If Spyre does provide Paragon such written notice within such [***] day period, the Parties will negotiate [***] on an exclusive basis for a period of up to [***] months from the date of Spyre's notice ("**ROFN Negotiation Period**"), an agreement for the Development, or exclusive license or grant of rights to, such Multispecific Antibody and corresponding Multispecific Products. Prior to and during the ROFN Negotiation Period, Paragon shall not enter into an agreement with respect to such Multispecific Antibody with any Third Party that will prevent Paragon from entering into an agreement with Spyre for the Development, or exclusive license or grant of rights to, such Multispecific Antibody and corresponding Multispecific Products. Unless and until the Parties have entered into an agreement with respect to such Multispecific Antibody and corresponding Multispecific Products, Spyre shall have no rights or license with respect to such Multispecific Antibody and corresponding Multispecific Products except as otherwise expressly provided in Section 2.1. In the event that the Parties have not entered into an agreement with respect to such Multispecific Antibody and corresponding Multispecific Products prior to the expiration of the ROFN Negotiation Period, then (i) Paragon shall be free to enter into an agreement with a Third Party with respect to the grant of a license or other rights to such Multispecific Antibody and corresponding Multispecific Products without further obligation to Spyre under this Section 2.7, and (ii) Spyre's license under Section 2.1(b) shall automatically exclude any right to Develop, Manufacture, Commercialize or otherwise exploit the identical Multispecific Antibodies Developed by or on behalf of Paragon and corresponding Multispecific Products.

2.8 **Third Party In-Licenses**. If Paragon (or its Affiliate) enters into any in-license agreement with a Third Party after the Effective Date with respect to any Patent that would, if Controlled by Paragon, be included within the Licensed Antibody Patents or the Other Licensed Patents (each such agreement, a "**Paragon Third Party Agreement**"), Paragon shall notify Spyre in writing that it entered into such Paragon Third Party Agreement and provide a copy of such Paragon Third Party Agreement to Spyre, which may be redacted solely concerning [***] or other confidential terms not applicable to sublicensees. Spyre shall have the right, by delivery of notice to Paragon, to elect to take a sublicense under such Patents in-licensed by Paragon under such Paragon Third Party Agreement. If Spyre elects to become a sublicensee thereunder pursuant to this Section 2.8, then (a) the applicable Patents under such Paragon Third Party Agreement shall be included within the Licensed Antibody Patents or the Other Licensed

Patents, as applicable, that are licensed to Spyre under Section 2.1, (b) Spyre shall reimburse Paragon for its pro rata share of royalties or other consideration, as mutually agreed by the Parties, for Spyre's Development, Manufacture, Commercialization or other exploitation of a Spyre Product in the Field in the Territory in connection with a grant to Spyre of such Patents (the "**Reimbursement Obligation**"), and (c) Spyre shall comply with the terms of such Paragon Third Party Agreement to the extent applicable to Spyre as a sublicensee of such Patents. In the event of any conflict between the terms of this Agreement and any Paragon Third Party Agreement applicable to a sublicense granted by Paragon to Spyre in accordance with this Section 2.8, the terms of the Paragon Third Party Agreement shall control solely to the extent necessary for the Parties to maintain compliance with such Paragon Third Party Agreement. Spyre shall comply with the Reimbursement Obligation by paying to Paragon any amounts subject to the Reimbursement Obligation within the earlier of (i) [***] days after Spyre's receipt from Paragon of an invoice for such payment, and (ii) the date when such payment is due to the counterparty licensor under the applicable Paragon Third Party Agreement, *provided that* such payment shall not be due prior to the date when such amounts are payable by Paragon to the counterparty licensor under the applicable Paragon Third Party Agreement.

Article 3

DEVELOPMENT, MANUFACTURING & COMMERCIALIZATION.

3.1 **Spyre Responsibilities**.

(a) As between the Parties, Spyre shall be solely responsible for and shall have the sole right to control, all aspects of the Development, Manufacturing, and Commercialization of the Spyre Products in the Field in the Territory during the Term, including distribution, product positioning, product strategy, product branding, core messaging, marketing, promotion, detailing activities and all decisions relating to the setting of prices in the Territory, invoicing and booking sales, establishing all terms of sale, and all regulatory activities.

(b) As between the Parties, Spyre shall be solely responsible for, and shall have the sole right to control, the selection, registration and maintenance of all trademarks associated with the Spyre Products in the Field in the Territory. As between the Parties, Spyre shall solely own such trademarks in the Territory and pay all relevant costs thereof.

3.2 **Regulatory**. As between the Parties, Spyre shall control all regulatory matters, including the regulatory strategy, regulatory filings, regulatory activities (including clinical trials for Spyre Products) and communication with each Regulatory Authority for the Spyre Products in the Field in the Territory. Spyre shall have the right to reference any relevant data included within the Licensed Antibody Technology for the purposes of regulatory filings and safety reporting, including all nonclinical data, pre-approval and post-approval clinical use data, and regulatory data with respect thereto, and Paragon shall cooperate as reasonably requested by Spyre with respect to providing to Spyre when requested, and on a timely basis, any of the foregoing information, data filings or reporting. Spyre or its designee shall be the party to file an application to each applicable Regulatory Authority in the Territory for, and to obtain and

maintain, in its own name, Regulatory Approval for the Spyre Products in each country in the Territory.

3.3 **Diligence; Reporting**. Spyre shall use Commercially Reasonable Efforts (a) to Develop and seek Regulatory Approval for at least one Spyre Product in the Field in the United States and at least one other Major Market Country, and (b) upon receipt of Regulatory Approval for a given Spyre Product in a given country, to Commercialize such Spyre Product in such country, in each case ((a) or (b)) either by itself or through its Affiliates or Sublicensees or its or their respective contractors. Additionally, on or before [***] of each year during the Term, Spyre shall deliver to Paragon a report summarizing its material development efforts with respect to the Spyre Products, including a summary of current and anticipated preclinical and clinical activities, a summary of the status of any regulatory filings and any anticipated regulatory filings, and achievement of any Milestones, during the preceding [***]; *provided, however*, that Spyre may satisfy the reporting obligations set forth in this Section 3.3 by providing Paragon with copies of any annual report or other filings with a securities exchange that include the relevant information. For the avoidance of doubt, if Spyre determines, in its sole discretion, that it is inconsistent with the use of Commercially Reasonable Efforts to pursue Commercialization of a Spyre Product in any country (other than the United States), it will not be considered a material breach of this Agreement to cease Development or Commercialization of such Spyre Product with respect to such country.

Article 4

FINANCIAL TERMS.

4.1 **Milestone Payments**. Spyre shall make the following one-time payments to Paragon (or to such other designee(s), as requested by Paragon in an invoice) (each payment, a "**Milestone Payment**"), based on the achievement of the corresponding milestone (each, a "**Milestone**") by Spyre, its Affiliates, or its Sublicensees with respect to the first Spyre Product to achieve such Milestone. Spyre shall, within [***] Business Days after it or its Affiliates achieve a Milestone, or within [***] Business Days after it learns that its or its Affiliate's Sublicensee has achieved a Milestone, notify Paragon of the achievement of such Milestone in writing. Following receipt of such notice, Paragon shall invoice Spyre for such Milestone Payment, which invoice shall specify whether Paragon or its designee should receive such Milestone Payment and the bank account information into which such Milestone Payment should be paid. Spyre shall make such Milestone Payment to Paragon or Paragon's designee within [***] days after receipt of Paragon's invoice. Each Milestone Payment shall be paid no more than once, and Spyre's total Milestone Payments hereunder shall not exceed Twenty-Two Million Dollars ($22,000,000). For avoidance of doubt, upon achievement of any Milestone, all prior unachieved Milestones shall be deemed thereby achieved and, if the Milestone Payment for any such prior Milestone has not previously been paid, it shall thereupon also be paid at the same time that the Milestone Payment for such subsequent achieved Milestone is paid.

	Milestone	Milestone Payment
#1	Achievement of Development Candidate	One Million Five Hundred Thousand Dollars ($1,500,000)
#2	First dosing of a human patient in a Phase I Trial of a Spyre Product	Two Million Five Hundred Thousand Dollars ($2,500,000)
#3	First dosing of a human patient in a Phase II Trial of a Spyre Product	Three Million Dollars ($3,000,000)
#4	First dosing of a human patient in a Phase III Trial of a Spyre Product	Five Million Dollars ($5,000,000)
#5	Receipt of Regulatory Approval from the FDA of a Spyre Product	Ten Million Dollars ($10,000,000)

4.2 **Royalties**. During the applicable Royalty Term (which shall be measured on a country-by-country and Spyre Product-by-Spyre Product basis), Spyre shall pay royalties to Paragon (or to such other designee(s), as requested by Paragon) equal to [***] percent ([***]%) of Net Sales of all Spyre Products sold by Spyre, its Affiliates or its Sublicensees in the Field in the Territory ("**Royalty Payments**"). If any Spyre Product contains (a) a combination of more than one Licensed Antibody, Derived Antibody and/or Multispecific Antibody, or (b) a combination of (i) one or more Licensed Antibodies, Derived Antibodies or Multispecific Antibodies, and (ii) one or more other Antibodies owned or Controlled by Paragon or its Affiliates, the rights to which have been licensed to Spyre or its Affiliates under a separate agreement, then, in each case (a) or (b), the royalty rate for the Royalty Payments payable to Paragon with respect to such Spyre Product shall be increased to [***] percent ([***]%) of Net Sales of such Spyre Product. For clarity, (x) any Net Sales of Spyre Product made in a given country after the expiration of the Royalty Term for such Spyre Product in such country will not be royalty-bearing; and (y) in the event that the Royalty Payment is increased to [***] percent ([***]%) of Net Sales of any Spyre Product pursuant to clause (b) above, then the maximum aggregate royalty payable pursuant to this Agreement and such separate agreement referenced in clause (b)(ii) above will exceed not [***] percent ([***]%).

4.3 **Royalty Reductions for No Valid Claim**. If, during any Calendar Quarter during the Royalty Term for a particular Spyre Product in a particular country, no Valid Claim of a Licensed Antibody Patent Covers the Manufacture or Commercialization of such Spyre Product in such country, then the royalty rate for the Royalty Payments set forth in Section 4.2 for such Calendar Quarter shall be reduced to (a) [***] percent ([***]%) for any Spyre Product in such country that was otherwise subject to a royalty rate of [***] percent ([***]%), and (b) [***] percent ([***]%) for any Spyre Product in such country that was otherwise subject to a royalty rate of [***] percent ([***]%).

4.4 **Payment Reports**. Within [***] days after the end of the [***], Spyre shall provide to Paragon a written report, on a [***] basis, stating [***]; [***], [***]; and [***]. All Royalty Payments described in such written report shall be made by Spyre at the same time it submits such written report to Paragon. All such Royalty Payments shall be paid to Paragon or Paragon's designee, *provided that* in the case of payment to a designee, Paragon has notified Spyre in writing [***] days prior to the due date for any Royalty Payment of the designee to be paid and the bank account information for such designee.

4.5 **Payment Method**. All payments due under this Agreement to Paragon shall be made in U.S. Dollars by bank wire transfer in funds to an account designated by Paragon from time to time reasonably in advance of any payment due date.

4.6 **Taxes**. The Parties agree to cooperate with one another and use reasonable efforts to minimize obligations for any and all income or other taxes required by Applicable Law to be withheld or deducted from any Royalty Payments, Milestone Payments or other payments made by Spyre to Paragon or its designee(s) under this Agreement, including by completing all procedural steps, and taking all reasonable measures, to ensure that any withholding tax is reduced or eliminated to the extent permitted under Applicable Law, including income tax treaty provisions and related procedures for claiming treaty relief. To the extent that Spyre is required to deduct and withhold taxes on any payment to Paragon or its designee(s), Spyre shall: (i) deduct such taxes from such payment to Paragon or its designee(s), (ii) pay the amounts of such taxes to the proper Governmental Authority in a timely manner, and (iii) promptly submit to Paragon an official tax certificate or other available evidence of such withholding sufficient to enable Paragon or its designee(s) to claim such payment of taxes. For the avoidance of doubt, Spyre's remittance of such withheld amounts to the appropriate Governmental Authority, together with payment to Paragon or its designee(s) of the remaining amount owed, shall constitute full satisfaction of the applicable payment due to Paragon. Spyre shall provide Paragon with any reasonably requested tax forms or certificates available to Spyre in order to allow Paragon or its designee(s) to recover, as permitted by Applicable Law, withholding taxes, value added taxes or similar obligations resulting from payments made hereunder or to obtain the benefit of any present or future treaty against double taxation which may apply to such payments. Paragon shall promptly provide Spyre with any requested tax forms that may be reasonably necessary in order for Spyre to not withhold tax or to withhold tax at a reduced rate under an applicable bilateral tax income treaty.

4.7 **Foreign Exchange**. If any currency conversion shall be required in connection with the calculation of amounts payable hereunder, such conversion shall be made using the exchange rates reported on the [***] Business Day prior the payment due date for the purchase and sale of Dollars, as reported by the *Wall Street Journal (East Coast Edition)*.

4.8 **Late Payments**. Any amount owed by Spyre to Paragon under this Agreement that is not paid within the applicable time period set forth herein will accrue interest at the per annum rate of [***] percentage point above the then-applicable United States prime rate as quoted in the *Wall Street Journal (East Coast Edition)* (or if it no longer exists, a similarly

authoritative source), calculated on a [***] basis, or, if lower, the highest rate permitted under Applicable Law.

4.9 **Blocked Currency**. If by Applicable Law of a country in which Net Sales occurred, conversion of funds into Dollars or transfer of funds from such country to the United States is restricted, forbidden or delayed for more than [***] days, then Spyre can elect, at its sole discretion, that the amounts accrued in such country and owed by Spyre to Paragon under this Agreement shall be paid to Paragon in such country in local currency by deposit in a local bank designated by Paragon, unless the Parties otherwise agree in writing.

4.10 **Records; Inspection**.

(a) Spyre shall, and shall cause its applicable Affiliates to, create and keep complete and accurate records of its sales and other dispositions of all Spyre Products, including all records that are reasonably necessary for the purposes of calculating all payments due under this Agreement.

(b) Upon reasonable advance written notice to Spyre, Paragon shall have the right to retain a nationally recognized (in the US) independent certified public accounting firm to perform on behalf of Paragon an audit, conducted in accordance with U.S. generally accepted accounting principles (GAAP), of such books and records of Spyre or its applicable Affiliates as may be reasonably necessary to verify the accuracy of any reports provided pursuant to Section 4.4 hereunder for any Calendar Quarter ending not more than [***] calendar months prior to the date of such request. Such audits shall be conducted during normal business hours, shall not occur more frequently than [***] in each Calendar Year and shall not be conducted more than [***] with respect to any reporting period, in each case other than for cause. All information disclosed or observed during any audit pursuant to this Section 4.10 shall be the Confidential Information of Spyre, and Paragon shall cause the accounting firm to retain all such information as Confidential Information, including, if requested by Spyre, by requiring such accounting firm to enter into a customary confidentiality agreement with Spyre prior to the initiation of any such audit.

(c) Upon completion of any audit hereunder, the accounting firm shall provide both Spyre and Paragon a written report disclosing whether the reports submitted by Spyre are correct or incorrect, whether the amounts paid are correct or incorrect, and in each case, the specific details concerning any discrepancies. No other information regarding Spyre's records shall be provided to Paragon.

(d) Paragon shall bear its internal expenses and the out-of-pocket costs for engaging such accounting firm in connection with performing such audits; *provided, however*, that if any such audit uncovers an underpayment by Spyre that exceeds [***] percent ([***]%) of the total owed for such payment or payment period, as applicable, then Spyre shall reimburse Paragon or its designee(s) for the amounts actually paid to such accounting firm for performing such audit.

(e) If such accounting firm concludes that Spyre has in aggregate underpaid amounts owed to Paragon during the audited period, Spyre shall pay Paragon or its designee(s) the amount of the discrepancy within [***] days of the date Paragon delivers to Spyre such accounting firm's written report and an invoice for such amounts. If such accounting firm concludes that Spyre has in aggregate overpaid amounts owed to Paragon during the audited period, then Spyre may, at its election, either credit such overpaid amount against any future payment obligation to Paragon or require Paragon to refund such amounts within [***] days.

Article 5

INTELLECTUAL PROPERTY.

5.1 **Ownership**. As between the Parties (a) Paragon solely owns the Licensed Antibody Technology and the Other Licensed Patents, (b) Spyre solely owns the Spyre Inventions, including any Derived Antibodies and Spyre Multispecific Antibodies to the extent they constitute Spyre Inventions, (c) each Party solely owns all Intellectual Property Rights owned or Controlled by such Party as of the Effective Date or that come into the ownership or control of such Party during the Term outside the scope of this Agreement, and (d) ownership of Inventions shall be determined in accordance with U.S. laws of inventorship. Other than rights granted to Spyre under this Agreement with respect to the Licensed Antibody Technology and the Other Licensed Patents, nothing in this Agreement shall affect Paragon's rights in any Patents, Know-How or other Intellectual Property Rights owned or controlled by Paragon or its Affiliates, now or in the future. Other than rights granted to Paragon under Section 8.5(c) of this Agreement with respect to the Spyre Intellectual Property, nothing in the Agreement shall affect Spyre's rights in any Patents, Know-How or other Intellectual Property Rights owned or controlled by Spyre or its Affiliates, now or in the future.

5.2 **Patent Prosecution**.

(a) **Prosecution Generally**. For the purpose of this Article V, "**Prosecute**" and "**Prosecution**" shall include any patent interference, opposition, pre-issuance Third Party submission, *ex parte* re-examination, post-grant review, *inter partes* review or other similar proceeding, appeals or petitions to any board of appeals in a patent office, appeals to any court for any patent office decisions, reissue proceedings and applications for patent term extensions and the like.

(b) **Prosecution of Licensed Antibody Patents**.

(i) As between the Parties, Spyre shall have the first right to prepare, file, Prosecute and maintain the Licensed Antibody Patents, in each case, at Spyre's sole expense. Spyre shall provide Paragon with copies of all material correspondence from and to any patent office relating to such Licensed Antibody Patents, and Spyre shall provide Paragon with drafts of all proposed filings to any patent office with respect to such Licensed Antibody Patents before submission of such filings, with reasonably adequate time for Paragon's review and comment. Spyre will take into consideration Paragon's reasonable comments prior to submitting

such filings. At Spyre's request, Paragon will sign all documents and take any other actions required for filing, maintenance and grant of Licensed Antibody Patents.

(ii) Spyre shall notify Paragon of any decision not to prepare or file, or to abandon, cease Prosecution or not maintain any Licensed Antibody Patent anywhere in the Territory. Spyre shall provide such notice at least [***] days prior to any filing or payment due date, or any other due date that requires action, in connection with such Licensed Antibody Patent. In such event, Paragon shall have a backup right, but not the obligation, to prepare, file, or continue Prosecution or maintenance of, such Licensed Antibody Patent, at Paragon's expense.

(iii) Each Party shall cooperate with the other Party in the preparation, filing, Prosecution and maintenance of Licensed Antibody Patents, including in each case by providing the prosecuting Party with data and other information as appropriate and executing all necessary affidavits, assignments and other paperwork.

(c) **Prosecution by Paragon**. Except with respect to Licensed Antibody Patents (which are addressed in Section 5.2(b)), Paragon shall be solely responsible for, and have sole discretion over, preparing, filing, Prosecuting and maintaining any Patents (including the Other Licensed Patents and Paragon Multispecific Patents) that it owns in whole or in part or otherwise Controls (the "**Paragon Patents**"). Paragon's Prosecution of any Paragon Patents shall be at Paragon's sole expense. Notwithstanding the foregoing, in Prosecuting any Paragon Multispecific Patents, Paragon hereby agrees that during the Term, neither Paragon nor any of its Affiliates or licensees will file, or assist any Third Party in filing, any Patent that includes a claim that expressly recites the sequence of a Licensed Antibody or Derived Antibody other than as part of a Paragon Multispecific Antibody.

(d) **Patent Prosecution Costs Prior to the Effective Date**. No later than [***] days after the Effective Date, Spyre shall reimburse Paragon for any actual costs and expenses incurred by Paragon that are related to the Prosecution of any Licensed Antibody Patents prior to the Effective Date and that have not already been paid by Spyre. Spyre will promptly reimburse Paragon for any future Prosecution costs and expenses incurred by Paragon with respect to the Licensed Antibody Patents.

(e) **CREATE Act**. Notwithstanding anything to the contrary in this Agreement, each Party will have the right to invoke the Cooperative Research and Technology Enhancement Act of 2004, 35 U.S.C. § 103(c)(2)-(c)(3) (the "**CREATE Act**") when exercising its rights under Article V of this Agreement, without the prior written consent of the other Party. Where such Party intends to invoke the CREATE Act, it will notify the other Party and the other Party will cooperate and coordinate its activities with such Party with respect to any submissions, filings or other activities in support thereof. The Parties acknowledge and agree that this Agreement is a joint research agreement (JRA) as defined in the CREATE Act.

(f) **Disclosure of Spyre Antibody Patents**. Upon the request of Paragon, Spyre shall deliver to Paragon a list of the then-existing Spyre Antibody Patents.

5.3 **Patent Enforcement and Defense**.

(a) **Notice of Patent Infringement and Patent Challenge**. Each Party shall give the other Party notice of any known or suspected infringement by a Third Party of any Licensed Antibody Patent ("**Patent Infringement**") and any known or suspected challenge by a Third Party against the validity or enforceability of any such Patents ("**Patent Challenge**") within [***] days after such Patent Infringement or Patent Challenge comes to such Party's attention.

(b) **Spyre's First Right to Enforce or Defend**. Spyre shall have the first right, but not the obligation, to bring and control any legal action, including by declaratory judgment action, patent litigation or similar proceeding, in connection with any Patent Infringement or Patent Challenge with respect to the Licensed Antibody Patents in the Territory at its own expense and discretion as it reasonably determines appropriate. Spyre shall keep Paragon informed and reasonably consult with Paragon in the course of such legal action. Paragon shall have the right to be represented in any such legal action by counsel of its choice at its own expense.

(c) **Paragon's First Right to Enforce or Defend**. Paragon shall have the sole right, but not the obligation, to bring and control any legal action, including by declaratory judgment action, patent litigation or similar proceeding, in connection with any Patent Infringement or Patent Challenge with respect to the Paragon Patents in the Territory at its own expense and discretion as it reasonably determines appropriate.

(d) **Settlement**. In connection with any such legal action or proceeding, Spyre shall not enter into any settlement admitting the invalidity or unenforceability of Licensed Antibody Patents without the prior written consent of Paragon (such consent not to be unreasonably conditioned, withheld, or delayed).

(e) **Paragon's Backup Right to Enforce or Defend**. If Spyre does not initiate a legal action for Patent Infringement or Patent Challenge with respect to any Licensed Antibody Patent within [***] days after a notice from Paragon under Section 5.3(a), then Paragon shall have a backup right, but not the obligation, to initiate such legal action at its own expense.

(f) **Allocation of Recoveries**. Any recoveries resulting from such legal action initiated by Spyre or Paragon hereunder relating to Patent Infringement or Patent Challenge, including pursuant to a settlement, shall be applied as follows: (i) first to reimburse [***] of each of the Parties in such action; and (ii) second, any amounts remaining after paying the amounts due each Party under clause (i) (the "**Remaining Recovery**") shall be allocated as follows: (1) [***]; or (2) [***].

(g) **Cooperation with Patent Enforcement**. At the request of the enforcing Party (and at the requesting Party's expense), the other Party shall reasonably cooperate and provide any information or assistance in connection with any legal action under this Section 5.3,

including executing reasonably appropriate documents, cooperating in discovery and, if required by Applicable Law, joining as a party to the legal action at its own expense.

5.4 **Third Party Patent Proceedings**.

(a) **Spyre's First Right to Challenge Third Party Patents**. Spyre shall have the sole and exclusive right, but not the obligation, to bring and control any legal action to challenge any Patents controlled by a Third Party, including by declaratory judgment action, patent interference, opposition, pre-issuance submission, *ex parte* re-examination, post-grant review, *inter partes* review, patent litigation or similar proceeding, in each case that are necessary or useful to Develop, Manufacture, Commercialize or otherwise exploit any Spyre Product.

(b) **Cooperation by Paragon**. At the request of Spyre, Paragon shall cooperate and provide any information or assistance in connection with any legal action under this Section 5.4, including executing reasonably appropriate documents, cooperating in discovery and, if required by Applicable Law, joining as a party to the action at Spyre's cost and expense.

5.5 **Common Interest Agreement**. At the request of either Party to conduct the activities under this Article V, the Parties shall cooperate in good faith to enter into a customary, mutually-agreed common-interest agreement intended to preserve attorney-client privilege with respect to disclosures and communications by or on behalf of either Party or its Affiliates in connection with such activities.

Article 6

PROTECTION OF CONFIDENTIAL INFORMATION.

6.1 **Confidentiality**. Except to the extent expressly authorized by this Agreement, the Receiving Party agrees that, during the Term, for [***] years thereafter, and, with respect to any Know-How that constitutes a trade secret, for long as such Know-How constitutes a trade secret, it shall keep confidential and shall not publish or otherwise disclose to any Third Party, and shall not use for any purpose other than as expressly provided for in this Agreement, any Confidential Information of the Disclosing Party. The Receiving Party may disclose Confidential Information of the Disclosing Party to those of the Receiving Party's Representatives who have a need for such information, *provided that* the Receiving Party shall advise such Representatives of the confidential nature thereof, shall ensure that each such Representative is bound in writing by obligations of confidentiality and non-use at least as stringent as those contained in this Agreement, and shall be responsible for the compliance of its Representatives with the terms of this Agreement. The Receiving Party shall use at least the same standard of care as it uses to protect proprietary or confidential information of its own (but in no event less than reasonable care) to ensure that its Representatives do not disclose or make any unauthorized use of the Confidential Information of the Disclosing Party. The Receiving Party shall promptly notify the Disclosing Party upon discovery of any unauthorized use or disclosure of the Confidential Information of the Disclosing Party.

6.2 **Exceptions**. The Receiving Party's obligations under Section 6.1 shall not apply to any Confidential Information of the Disclosing Party that the Receiving Party can prove by competent evidence: (a) is now, or hereafter becomes, through no act or failure to act on the part of the Receiving Party in breach of this Agreement, generally known or available; (b) is known by the Receiving Party at the time of receiving such information from the Disclosing Party; (c) is hereafter furnished to the Receiving Party by a Third Party, as a matter of right and without restriction on disclosure; or (d) is independently discovered or developed by the Receiving Party, without the aid, use or application of any Confidential Information of the Disclosing Party.

6.3 **Authorized Disclosure**. Notwithstanding the provisions of this Article VI, the Receiving Party may disclose Confidential Information of the Disclosing Party, without violating its obligations under this Agreement, to the extent the disclosure is:

(a) required by a valid order of a court or other Governmental Authority of competent jurisdiction or as otherwise required by Applicable Law, rule, regulation (including securities laws), government requirement, or as may be required in connection with any filings made with, or by the disclosure policies of, a stock exchange (including, for clarity, any such disclosures required to be made by Paragon or its Affiliates or licensees in connection with the Development, Manufacture, Commercialization or other exploitation of Multispecific Antibodies), *provided that* the Receiving Party shall give reasonable prior written notice to the Disclosing Party of such required disclosure and, at the [***] request and expense, shall cooperate with the Disclosing Party's efforts to contest such requirement, to obtain a protective order requiring that the Confidential Information so disclosed be used only for the purposes for which the order was issued or the law required, or to obtain other confidential treatment of such Confidential Information;

(b) reasonably necessary to file or Prosecute patent applications, Prosecute or defend litigation or otherwise establish rights or enforce obligations under this Agreement, or obtain or maintain approval to conduct clinical trials or Regulatory Approvals, in each case, in accordance with this Agreement (including, for clarity, any such disclosures that are reasonably necessary to made by Paragon or its Affiliates or licensees in connection with the Development, Manufacture, Commercialization or other exploitation of Multispecific Antibodies); or

(c) under appropriate confidentiality provisions substantially equivalent to those in this Agreement (but of shorter duration if customary in the case of subclause (ii)): (i) in connection with the performance of its obligations or as reasonably necessary or useful in the exercise of its rights under this Agreement, including the right to grant licenses or sublicenses as permitted hereunder and the right to Develop, Manufacture, Commercialize and otherwise exploit Antibodies and products (including Multispecific Antibodies and Multispecific Products) to which it has rights hereunder, or (ii) to actual or *bona fide* potential licensees, acquirers, merger partners, assignees, collaborators, investment bankers, investors or lenders.

6.4 **Use of Names**. Except as set forth in Section 6.6(b), neither Party shall use the other Party's name or trademarks in any advertising, sales, or promotional material or in any publication without the prior written consent of the other Party.

6.5 **Confidentiality of this Agreement**. This Agreement and its terms are considered Confidential Information of both Parties, and each Party shall keep confidential and shall not publish or otherwise disclose the terms of this Agreement without the prior written consent of the other Party, except as expressly permitted by Section 6.3, and except that both Parties may disclose this Agreement and its terms to its legal, financial and investment banking advisors; *bona fide* potential and actual investors, acquirers, merger partners, assignees, collaborators, investment bankers, lenders, licensees, sublicensees or strategic partners in connection with license or partnering transactions, due diligence or similar investigations by such Third Parties or in confidential financing documents; and counsel or other advisors for the foregoing; *provided*, in each case, that any such Third Party agrees to be bound by obligations of confidentiality and non-use at least as restrictive as those set forth in this Article VI (*provided that* the confidentiality term applicable to such Third Party may be shorter so long as it is commercially reasonable).

6.6 **Publicity**.

(a) Subject to Section 6.6(b), neither Party will generate or allow any publicity regarding this Agreement or the transactions contemplated hereunder without the other Party first approving such press release or publication in writing, except for any public disclosure by or on behalf of a Party that is, in the opinion of such Party's counsel, required by Applicable Law or the rules of a stock exchange on which the securities of such Party are listed (or to which an application for listing has been submitted) and except that a Party may, once a press release or other public written statement is approved in writing by both Parties, make subsequent public disclosure of the information contained in such press release or other public written statement without the further approval of the other Party.

(b) The Parties shall collaborate and cooperate [***] to devise a Publication (as defined below) strategy for the Spyre Products that is mutually acceptable to both Parties. Prior to publicly presenting or publishing any data, results or analyses relating to a Spyre Product generated by or on behalf of Spyre pursuant to this Agreement (each such proposed presentation or publication, a "**Publication**"), Spyre will provide Paragon with a copy of such proposed Publication to review, discuss, and determine whether to approve at least [***] days (or such shorter period of time as is reasonably practicable) prior to the earlier of its presentation or intended submission for publication (such applicable period, the "**Review Period**"), provided that the Review Period for any poster or other presentation presented at a conference or other industry event shall be at least [***] days. Spyre will not submit or present any Publication until (i) Paragon has approved (not to be unreasonably withheld, conditioned or delayed) such Publication or provided written comments thereon, in each case, during such Review Period, or (ii) the applicable Review Period has elapsed without approval or written comments from Paragon, in which case Spyre may proceed and the Publication will be considered approved in its entirety. If Spyre receives written comments from Paragon on any Publication during the applicable Review Period, then it will incorporate such comments where appropriate, *provided, that* upon Paragon's request, (1) Spyre shall remove any Confidential Information of Paragon from such Publication, and (2) Spyre shall delay such Publication for up to [***] days to enable filing of Patents. Paragon will not publicly present or publish any Publication including

Confidential Information of Spyre relating specifically to the Licensed Antibodies or Derived Antibodies without Spyre's prior written consent, which consent may be withheld for any reason or no reason; *provided, that* the foregoing shall not limit Paragon's right to publicly present or publish any Publication relating to Multispecific Antibodies. Each Publication shall include proper attribution, including the use of such Party's trademarks and name, to the non-publishing Party, as applicable, and each non-publishing Party expressly authorizes the inclusion of such reference in the applicable Publication and licenses the use of such trademarks and name solely for inclusion in any such Publication.

6.7 **Return of Confidential Information**. Promptly after the termination or expiration of this Agreement for any reason, each Party will return to the other Party or destroy, as such other Party will direct, all tangible manifestations of such other Party's Confidential Information at that time in the possession of the receiving Party, subject to the receiving Party's right to maintain one copy of such tangible manifestations of such other Party's Confidential Information solely for purposes of monitoring its compliance with this Agreement.

Article 7

REPRESENTATIONS, WARRANTIES AND COVENANTS.

7.1 **Mutual Representations**. Each Party represents and warrants to the other Party that:

(a) it is duly organized and validly existing under the laws of its jurisdiction of incorporation or formation, and has full corporate or other power and authority to enter into this Agreement and to carry out the provisions hereof;

(b) it is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder;

(c) no consent, approval, permit, governmental order, declaration or filing with, or notice to, any Governmental Authority or any Third Party is required by or with respect to such in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby; and

(d) this Agreement is legally binding upon it, enforceable in accordance with its terms, and does not and will not conflict with any agreement, instrument, or understanding, oral or written, to which it is or may become a party or by which it may be or become bound.

7.2 **Representations of Paragon**. Paragon hereby represents and warrants to Spyre as of the Effective Date that:

(a) Paragon has set forth in Exhibit A a true, correct and complete list of all the Licensed Antibody Patents and Other Licensed Patents existing as of the Effective Date (including title, all inventors, owners, assignees, filing date, grant date, expiration date and status);

(b) Unless otherwise set forth in Exhibit A, Paragon exclusively owns all Licensed Antibody Patents and Other Licensed Patents;

(c) There are no licenses or sublicenses pursuant to which Paragon licenses as of the Effective Date any of the Licensed Antibody Technology or Other Licensed Technology from any Third Party, nor, to Paragon's actual knowledge, are any such licenses necessary to Develop, Manufacture and Commercialize the Licensed Antibodies;

(d) Paragon has the right under the Licensed Antibody Technology and the Other Licensed Technology to grant to Spyre the licenses and other rights set forth in this Agreement, and it has not granted any license or other right under the Licensed Antibody Technology that is inconsistent with the licenses and other rights granted to Spyre hereunder;

(e) There is no pending or, to Paragon's knowledge, threatened litigation, nor has Paragon received any written notice from any Third Party, asserting or alleging that the development, manufacture or commercialization of the Licensed Antibody Technology or Other Licensed Technology prior to the Effective Date infringed or misappropriated the intellectual property rights of such Third Party;

(f) To Paragon's knowledge, Paragon has not withheld from Spyre any information with respect to the Licensed Antibody Technology or the Other Licensed Know-How that would reasonably be expected to be materially adverse to Spyre's Development, Manufacture, or Commercialization of any Product in the Territory as contemplated under this Agreement;

(g) To Paragon's knowledge, Paragon has, and any of Paragon's Affiliates involved in the Research Program have, (i) conducted all research and development under the Research Program in accordance with Research Plan (as defined in the Option Agreement), and (ii) conducted the Research Program in compliance with all Applicable Laws;

(h) To Paragon's knowledge, Paragon has provided true, correct and complete copies of all Results developed under the Research Program and all other deliverables required under the Research Program have been provided or delivered to Spyre and are true, correct and complete in all material respects;

(i) Paragon has properly filed, Prosecuted and maintained all Licensed Antibody Patents and Other Licensed Patents;

(j) Paragon has complied with all duties of disclosure and has not engaged in any inequitable conduct with respect to all Licensed Antibody Patents and Other Licensed Patents that were filed prior to the Effective Date;

(k) All Licensed Antibody Patents and Other Licensed Patents listed in Exhibit A that have been issued as of the Effective Date are in full force and effect and are, to Paragon's knowledge, valid and enforceable;

(l) Other than the Patents listed in Exhibit A, as of the Effective Date, neither Paragon nor any of its Affiliates own or have any rights in, to or under any Patents Covering the composition of matter of, or any method of specifically making or using, any Licensed Antibody;

(m) There are no judgments against or awards or settlements against Paragon or any of its Affiliates, and there are no claims, actions, or proceedings pending or, to Paragon's knowledge, threatened, nor to Paragon's knowledge are there any formal inquiries initiated or written notices received that are reasonably likely to lead to the institution of any such legal proceedings, in each case (i) relating to any Licensed Antibodies, Derived Antibodies, Other Licensed Technology or Licensed Antibody Technology or alleging that any Third Party has any right to or under any Products, Licensed Antibodies, Derived Antibodies, Licensed Antibody Technology or Other Licensed Know-How that would conflict with the rights granted in this Agreement; or (ii) alleging that any Licensed Antibody Patent is unpatentable, invalid, unenforceable or infringed;

(n) (i) Each Representative employe or engaged by Paragon or its Affiliate to conduct the activities under the Research Program have assigned or licensed, or are under contractual obligations to assign or license, to Paragon all inventions conceived, reduced to practice or otherwise related to Licensed Antibodies, Derived Antibodies and Licensed Antibody Technology; (ii) to Paragon's knowledge, no Representative employed by Paragon or its Affiliate that conducts activities under a Research Program has any obligations under agreements or Applicable Law to assign any interest in any such inventions to any Third Party; and (iii) each Representative employed or engaged by Paragon or its Affiliate to conduct the activities under a Research Program have existing obligations under agreements or Applicable Law to maintain as confidential Paragon's Confidential Information as well as confidential information of other parties (including of Spyre and its Affiliates);

(o) None of Paragon, its Representatives, or any other person used by Paragon in the performance of the Research Program or otherwise in connection with this Agreement has been or is (i) debarred, convicted, or is subject to a pending debarment or conviction, pursuant to section 306 of the United States Food Drug and Cosmetic Act, 21 U.S.C. § 335a, (ii) listed by any government or regulatory agencies as ineligible to participate in any government healthcare programs or government procurement or non-procurement programs (as that term is defined in 42 U.S.C. § 1320a-7b(f)), or excluded, debarred, suspended or otherwise made ineligible to participate in any such program, or (iii) convicted of a criminal offense related to the provision of healthcare items or services, or is subject to any such pending action. Paragon agrees to inform Spyre in writing promptly if Paragon or any person who is performing activities on its behalf under the Agreement is subject to the foregoing, or if any action, suit, claim, investigation, or proceeding relating to the foregoing is pending or threatened;

(p) No funding, facilities, or personnel of any Governmental Authority or any public or private educational or research institutions were used to develop or create any Licensed Antibody Technology or Other Licensed Technology (to the extent that such Other Licensed Technology is owned by Paragon or its Affiliates), and neither Paragon nor any of its Affiliates has entered into a government funding relationship that would result in rights to any Products,

Licensed Antibodies, Derived Antibodies, Licensed Antibody Technology or Other Licensed Technology (to the extent that such Other Licensed Technology is owned by Paragon or its Affiliates) residing in the U.S. Government, the National Institutes of Health, or other agency, and the licenses granted hereunder are not subject to overriding obligations to the U.S. Government as set forth in Public Law 96-517 (35 U.S.C. §§ 200-204), or any similar obligations under the laws of any other country in the Territory; and

(q) To the [***] knowledge [***] of Paragon, with respect to this Agreement and the Option Agreement, neither Paragon nor any of its directors, officers, employees, distributors, consultants, agents, representatives, sales intermediaries, or other Third Parties acting on behalf of Paragon or any of its Affiliates:

(i) has taken any action in violation of any applicable anti-corruption laws, anti-money laundering laws or laws restricting or regulating global trade (collectively, "**Anti-Corruption Laws**");

(ii) has conducted or initiated any internal investigation with respect to any alleged act or omission arising under or relating to any potential noncompliance with any Anti-Corruption Law, or been the subject of current, pending, or threatened investigation, formal or informal inquiry, enforcement proceedings, or received any notice, request, or citation for alleged violations of such laws;

(iii) has engaged in any direct or indirect dealings or transactions in or with a person, entity or country found on the Specially Designated Nationals and Blocked Persons List maintained by the U.S. Office of Foreign Assets Control, or engaged in any direct or indirect dealings with Sudan, individuals ordinarily resident in Sudan, or entities incorporated under the laws of Sudan prior to October 12, 2017; or

(iv) has offered, paid, given, promised to pay or give, or authorized the payment or gift of, received, or solicited anything of value, directly or indirectly, to any public official, for the purposes of: influencing any act or decision of any public official in his or her official capacity; inducing any public official to do or omit to do any act in violation of his or her lawful duty; securing any improper or undue advantage; or inducing any public official to use his or her influence with a government, Governmental Authority, or commercial enterprise owned or controlled by any government (including state-owned or controlled veterinary, laboratory or medical facilities) in obtaining or retaining any business whatsoever.

7.3 **Covenants of Paragon**. Paragon hereby covenants to Spyre during the Term that:

(a) Paragon will not grant a Third Party any license or other right in the Licensed Antibody Technology or the Other Licensed Technology that would conflict with the rights and licenses granted to Spyre hereunder with respect to such Licensed Antibody Technology;

(b) Paragon will, and will direct each Affiliate of Paragon and subcontractor conducting activities under this Agreement to, conduct all such activities in compliance with Applicable Laws, including all applicable Anti-Corruption Laws and U.S. sanctions;

(c) Paragon will comply with the terms of each Paragon Third Party Agreement, will maintain each Paragon Third Party Agreement, will not amend a Paragon Third Party Agreement in a manner that (i) adversely effects Spyre in any material respect, or (ii) increases any financial obligations under a Paragon Third Party Agreement that will result in an increase in Spyre's Reimbursement Obligation, in each case of (i) and (ii) without Spyre's prior written consent, and will not take any actions that could reasonably cause any Paragon Third Party Agreement to lapse or terminate; and

(d) Paragon will, and will direct each applicable Affiliate of Paragon to, execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to enable Spyre to exercise its rights and obligations under Sections 5.2, 5.3 and 5.4.

7.4 **Compliance with Laws**. Each Party shall, and shall ensure that its Affiliates and its and its Affiliates' Representatives and sublicensees, comply with Applicable Laws in all material respects in the performance of its obligations and the exercise of its rights under this Agreement.

7.5 **DISCLAIMER OF WARRANTIES**. EXCEPT AS EXPRESSLY SET FORTH HEREIN, EACH PARTY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF DESIGN, MERCHANTABILITY, DURABILITY, MERCHANTABLE QUALITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES, OR ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICES.

Article 8

TERM; TERMINATION.

8.1 **Term**. The term of this Agreement shall commence on the Effective Date and shall expire on a country-by-country and Spyre Product-by-Spyre Product basis on the expiration of the Royalty Term for such Spyre Product in such country, in each case, unless earlier terminated by a Party as set forth below in this Article VIII (the "**Term**"). Upon expiration (but not termination) of the Agreement, the licenses granted in Section 2.1 shall survive and become royalty-free, fully paid-up, perpetual and irrevocable with respect to the applicable Spyre Product in the applicable country.

8.2 **Termination by Spyre**. Spyre shall have the right to terminate this Agreement in its entirety or on a country-by-country or Spyre Product-by-Spyre Product basis for any or no reason upon [***] days' prior written notice to Paragon.

8.3 **Material Breach**. Either Party may terminate this Agreement in its entirety for the material breach of this Agreement by the other Party, if such material breach remains uncured [***] days (or [***] days with respect to any failure to make any payments owing to a Party hereunder) following notice from the non-breaching Party to the breaching Party specifying such breach, *provided that*, in the event of a dispute regarding the existence or cure of a material breach, no termination shall become effective until such dispute is finally resolved pursuant to Section 10.7 in favor of the non-breaching Party and the breaching Party fails to cure such material breach within [***] days thereafter.

8.4 **Insolvency**. Each Party will have the right to terminate this Agreement in the event of a Bankruptcy Event with respect to the other Party. "**Bankruptcy Event**" means the occurrence of any of the following: (a) the institution of any bankruptcy, receivership, insolvency, reorganization or other similar proceedings by or against a Party under any bankruptcy, insolvency, or other similar law now or hereinafter in effect, including any section or chapter of the United States Bankruptcy Code, as amended or under any similar laws of the United States or any state thereof (the "**Bankruptcy Code**"), where in the case of involuntary proceedings such proceedings have not been dismissed or discharged within [***] days after they are instituted, (b) the insolvency or making of an assignment for the benefit of creditors or the admittance by a Party of any involuntary debts as they mature, (c) the institution of any reorganization, arrangement or other readjustment of debt plan of a Party not involving the Bankruptcy Code, (d) appointment of a receiver for all or substantially all of a Party's assets, or (e) any corporate action taken by the board of directors of a Party in furtherance of any of the foregoing actions.

8.5 **Effect of Termination of this Agreement**. If this Agreement terminates for any reason (excluding expiration under Section 8.1), whether with respect to a particular Spyre Product, particular country or in its entirety, then the following shall apply:

(a) All licenses and other rights granted by Paragon under this Agreement with respect to the terminated Spyre Product(s) and terminated country(ies) shall terminate, except as required for Spyre, its Affiliates and/or its Sublicensees to perform any of its obligations that survive termination, including to continue to complete or wind down (at [***] expense in the event of a termination by Spyre under Section 8.3) any ongoing clinical trials for any Spyre Product, as may be required by Applicable Law or ethical principles.

(b) No later than [***] days after the effective date of such termination, each Party shall return or cause to be returned to the other Party, or destroy, all Confidential Information received from the other Party and all copies thereof related to the terminated Spyre Product(s) in the terminated country(ies); *provided, however*, that each Party may retain any Confidential Information reasonably necessary for such Party's ongoing obligations and rights under this Agreement which do not terminate, and each Party may keep one (1) copy of Confidential Information received from the other Party in its confidential files for record purposes and such copy shall remain subject to Article VI of this Agreement.

(c) Upon Paragon's written request to Spyre (which must be provided to Spyre within [***] days after the effective date of termination), Paragon and Spyre shall [***]

discuss [***], for a period of up to [***] days following such written request, terms and conditions under which Spyre may be willing to grant to Paragon [***], [***] license under the Spyre Intellectual Property to Develop, Manufacture, Commercialize or otherwise exploit the terminated Spyre Products in the Field in the terminated countries that were the subject of any Development, Manufacturing or Commercialization activities performed by Spyre or its Affiliates under this Agreement prior to such termination, ("**Reversion Products**"), as well as the potential transfer of materials, ongoing clinical trials, and applicable regulatory filings and relevant data generated by Spyre with respect to the Reversion Products and necessary for the continued Development, Manufacture, Commercialization and exploitation of such Reversion Products, such agreement to include commercially reasonable financial and other terms, which terms shall take into consideration Spyre's contributions made in the Development, Manufacture, Commercialization and other exploitation of the Reversion Products, provided, that Spyre is under no obligation to enter into such license.

8.6 **Survival of Sublicenses**. Upon termination of this Agreement, at the written request of any Sublicensee who is not then in breach of its sublicense agreement, such sublicense agreement will survive such termination of this Agreement, and Paragon will negotiate [***] the terms and conditions of a direct license with such Sublicensee that is consistent with the terms of this Agreement (as adjusted for the scope of license, products, field of use and other provisions of the original sublicense). Each sublicense that may be amended to become a direct license between Paragon and a Sublicensee shall ensure that any and all economic rights, payments or benefits due to Spyre will be preserved and payable to Spyre and will designate Spyre a third-party beneficiary to enforce such rights. In each such instance, Spyre will have the right to review and approve the terms of such agreement between Paragon and such Sublicensee as related to Spyre's economic rights, which approval shall not be unreasonably withheld, conditioned or delayed.

8.7 **Accrued Rights; Survival**. The expiration or termination of this Agreement for any reason shall not release either Party from any liability or obligation that, at the time of such expiration or termination, has already accrued to the other Party or that is attributable to a period prior to such expiration or termination, nor will expiration or any termination of this Agreement preclude either Party from pursuing all rights and remedies it may have under this Agreement, or at law or in equity, with respect to breach of this Agreement. In the event of expiration or any termination of this Agreement, the following provisions of this Agreement shall survive such expiration or termination in accordance with their respective terms and conditions: Article I (Definitions); Section 2.1 (License Grant from Paragon) (upon expiration (but not termination) of this Agreement as set forth in Section 8.1 (Term)); Section 2.3 (Sublicenses) (with respect to any payments or other performance obligations prior to conversion (if any) to a direct license pursuant to Section 8.6); Section 2.4 (No Implied Licenses; Reservation of Rights); Section 4.1 (Milestone Payments) (with respect to any outstanding payment obligations incurred prior to the date of termination or expiration); Section 4.2 (Royalties) (with respect to any outstanding payments accrued prior to the effective date of termination); Section 4.4 (Payment Reports) (with respect to the last Calendar Quarter of the Term to the extent not already reported and any outstanding payment obligation with respect to any royalty payments accrued prior to the date of termination or expiration); Section 4.5 (Payment Method) to 4.9 (Blocked Currency) (for the

duration of any outstanding payment obligations under this Agreement); Section 4.10 (Records; Inspection) (for the duration set forth therein); Section 5.1 (Ownership); Section 7.5 (Disclaimer of Warranties); Article VI (Protection of Confidential Information) (for the duration set forth therein); Section 8.5 (Effect of Termination of this Agreement); Section 8.6 (Survival of Sublicenses); Section 8.7 (Accrued Rights; Survival); Article IX (Indemnification); and Article X (Miscellaneous).

Article 9

INDEMNIFICATION.

9.1 **By Spyre**. Spyre hereby agrees to defend, indemnify and hold harmless Paragon, its Affiliates and its or their Representatives (each, an "**Paragon Indemnitee**") from and against any and all losses, damages, liabilities, expenses and costs, including reasonable legal expense and attorneys' fees (collectively, "**Losses**"), to which any Paragon Indemnitee may become subject (a) as a result of any claim, demand, action, or other proceeding by any Third Party ("**Third Party Claim**") to the extent such Losses result from: (i) the gross negligence, recklessness or willful misconduct of any Spyre Indemnitee in the performance of this Agreement; (ii) Spyre's breach of any of its representations, warranties or covenants under this Agreement; or (iii) Spyre's Development, Manufacture and Commercialization of the Spyre Products; and (b) to the extent such Losses result from the termination, suspension, revocation or other loss of any Licensed Antibody Patents as a result of any negligence or breach of this Agreement by Spyre, its Affiliates or Sublicensees, in each case ((a) to (b)), except in each case to the extent that any Losses are attributable to the breach of this Agreement by, or the negligence, recklessness or willful misconduct of, or otherwise indemnifiable by, any Paragon Indemnitee.

9.2 **By Paragon**. Paragon hereby agrees to defend, indemnify, and hold harmless Spyre, its Affiliates, and its or their Representatives (each, a "**Spyre Indemnitee**") from and against any and all Losses to which any Spyre Indemnitee may become subject (a) as a result of any Third Party Claim to the extent such Losses result from: (i) the gross negligence, recklessness or willful misconduct of any Paragon Indemnitee in the performance of this Agreement; or (ii) Paragon's breach of any of its representations, warranties or covenants under this Agreement; and (b) to the extent such Losses result from: (i) the termination, suspension, revocation or other loss of any Licensed Antibody Patents as a result of any negligence or breach of this Agreement by Paragon or its Affiliates; or (ii) any claim or demand from any employee or contractor of Paragon or its Affiliates who is an inventor of any Licensed Antibody Patents with respect to ownership thereof, in each case ((a) to (b)), except to the extent that any Losses are attributable to the breach of this Agreement by, or the negligence, recklessness or willful misconduct of, or otherwise indemnifiable by, any Spyre Indemnitee.

9.3 **Indemnification Procedures**. The Party claiming indemnity under this Article IX (the "**Indemnified Party**") will give written notice to the Party from whom indemnity is being sought (the "**Indemnifying Party**") promptly after learning of the Third Party Claim for which indemnity is being sought ("**Claim**"). The Indemnifying Party's obligation to defend,

indemnify and hold harmless pursuant to Section 9.1 or Section 9.2, as applicable, will be reduced to the extent the Indemnified Party's delay in providing notification pursuant to the previous sentence results in material prejudice to the Indemnifying Party; *provided, however,* that the failure by an Indemnified Party to give such notice or otherwise meet its obligations under this Section 9.3 will not relieve the Indemnifying Party of its indemnification obligation under this Agreement. At its option, the Indemnifying Party may assume the defense and have exclusive control, at its own expense, of any Claim for which indemnity is being sought by giving written notice to the Indemnified Party within [***] days after receipt of the notice of the Claim. The Indemnified Party will provide the Indemnifying Party with reasonable assistance, at the Indemnifying Party's expense, in connection with the defense. The Indemnified Party may participate in and monitor such defense with counsel of its own choosing at its sole expense; *provided, however,* the Indemnifying Party will have the right to assume and conduct the defense of the Claim with counsel of its choice. The Indemnifying Party will not settle any Claim without the prior written consent of the Indemnified Party, not to be unreasonably withheld, unless the settlement involves only the payment of money. The Indemnified Party will not settle any such Claim without the prior written consent of the Indemnifying Party. If the Indemnifying Party does not assume and conduct the defense of the Claim as provided above, (i) the Indemnified Party may defend against, and consent to the entry of any judgment or enter into any settlement with respect to the Claim in any manner the Indemnified Party may deem reasonably appropriate, *provided, that* the Indemnified Party reasonably consults with the Indemnifying Party prior to entering into any settlement, and (ii) the Indemnified Party reserves any right it may have under this Article IX to obtain indemnification from the Indemnifying Party.

9.4 **Limitation of Liability**. EXCEPT FOR LIABILITY FOR BREACH OF ARTICLE VI, FOR BREACH OF SECTIONS 2.1 OR 2.2, FOR BREACH OF ANY INTELLECTUAL PROPERTY RIGHTS HELD BY A PARTY, FOR THE FRAUD OR WILLFUL MISCONDUCT OF A PARTY OR FOR INDEMNIFICATION CLAIMS UNDER THIS ARTICLE IX, IN NO EVENT SHALL EITHER PARTY BE ENTITLED TO RECOVER FROM THE OTHER PARTY ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT, EVEN IF THE OTHER PARTY HAD NOTICE OF THE POSSIBILITY OF SUCH DAMAGES.

9.5 **Insurance**. During the Term and for a period of [***] years thereafter, each Party shall maintain at its expense insurance coverage consistent with normal business practices and adequate to cover the risks associated with its performance of any activities hereunder. Each Party hereby expressly acknowledges and agrees that the maintenance of such insurance coverage shall not relieve it of its obligations under this Agreement.

Article 10

MISCELLANEOUS.

10.1 **Independent Contractor Relationship**. Paragon's relationship with Spyre is that of an independent contractor, and nothing in this Agreement should be construed to create a partnership, joint venture, or employer-employee relationship. Neither Party is an agent of the

other Party or authorized to make any representation, contract, or commitment on behalf of the other Party.

10.2 **Force Majeure**. Neither Party will be charged with any liability for delay or failure in performance of an obligation under this Agreement (other than any obligation to pay monies when due) to the extent such delay or failure is due to a cause beyond the reasonable control of the affected Party, such as war, riots, labor disturbances, epidemic, pandemic, fire, explosion, and compliance in good faith with any Applicable Law (in each case, a "**Force Majeure**"). In addition, a Force Majeure event may include reasonable measures affirmatively taken by a Party or its Affiliates to respond to the COVID-19 pandemic or any other pandemic (or other Force Majeure event), such as requiring employees to stay home, closures of facilities, delays of clinical trials, or cessation of activities in response to the pandemic. The Party affected by a Force Majeure will give prompt written notice to the other Party of the nature of the cause of any material delay or failure to perform, its anticipated duration and any action being taken to avoid or minimize the effect. The Party affected will use its diligent efforts to avoid or remove such causes of delay or failure to perform and to mitigate the effect of such occurrence, and will continue performance in accordance with the terms of this Agreement whenever such causes are removed. The Party affected will give prompt written notice to the other Party of such resumed performance. If any such failure or delay in a Party's performance hereunder continues for more than [***] days, the other Party may terminate this Agreement upon written notice to the affected Party.

10.3 **Entire Agreement; Amendment**. This Agreement and the Option Agreement, together with all Exhibits attached hereto, constitutes the final, complete, and exclusive agreement of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous understandings and agreements, relating to its subject matter. This Agreement (including its Exhibits) may not be changed, modified, amended, or supplemented except by a written instrument signed by both Parties.

10.4 **Non-Waiver**. The failure of a Party to insist upon strict performance of any provision of this Agreement or to exercise any right arising out of this Agreement shall neither impair that provision or right nor constitute a waiver of that provision or right, in whole or in part, in that instance or in any other instance. Any waiver by a Party of a particular provision or right shall be in writing, shall be as to a particular matter and, if applicable, for a particular period of time and shall be signed by such Party.

10.5 **Severability**. Should one or more of the provisions of this Agreement become void or unenforceable as a matter of Applicable Law, then this Agreement shall be construed as if such provision were not contained herein and the remainder of this Agreement shall be in full force and effect, and the Parties will use their best efforts to substitute for the invalid or unenforceable provision a valid and enforceable provision which conforms as nearly as possible with the original intent of the Parties.

10.6 **Assignment**. Neither this Agreement nor any rights or obligations hereunder may be assigned by either Party without the prior written consent of the other Party (which consent shall not be unreasonably withheld); *provided, however*, that (a) Paragon may assign to an

Affiliate or a Third Party financing source its rights to receive some or all of the payments payable hereunder together with the right to receive Confidential Information of Spyre, *provided* Paragon shall not be permitted to share Spyre Confidential Information unless and except to the extent necessary to obtain Affiliate or Third-Party financing, *provided, further, that* any such Affiliate or Third Party agrees to be bound by obligations of confidentiality and non-use at least as restrictive as those set forth in Article VI; and (b) either Party may assign this Agreement and its rights and obligations hereunder without the other Party's consent to (i) its Affiliates or (ii) its successor to all or substantially all of the business of such Party to which this Agreement relates, whether by merger, sale of stock, sale of assets or otherwise. The assigning Party shall provide the other Party with prompt written notice of any such assignment set forth in clauses (a) and (b) above. Except for an assignment pursuant to clause (a) above, the rights and obligations of the Parties under this Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Parties, and the name of a Party appearing herein will be deemed to include the name of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this section. Any assignment not in accordance with this Agreement shall be void.

10.7 **Dispute Resolution**.

(a) The Parties recognize that a *bona fide* dispute as to certain matters may arise from time to time during the Term relating to either Party's rights or obligations hereunder or otherwise relating to the validity, enforceability or performance of this Agreement, including disputes relating to alleged breach or termination of this Agreement but excluding any disputes relating to Article VI or disputes relating to the determination of the validity, scope, infringement, enforceability, inventorship or ownership of the Parties' respective Intellectual Property Rights (hereinafter, a "**Dispute**"). In the event of the occurrence of any Dispute, the Parties will follow the following procedures in an attempt to resolve the dispute or disagreement:

(i) The Party claiming that such a Dispute exists will give notice in writing (a "**Notice of Dispute**") to the other Party of the nature of the Dispute. The Dispute will be referred to the then Chief Executive Officer of Paragon and the then Chief Executive Officer of Spyre (or, if no Chief Executive Officer of Spyre has been appointed, the Chief Operating Officer of Spyre) who will meet no later than [***] days following the initial receipt of the Notice of Dispute and use reasonable endeavors to resolve the Dispute.

(ii) If, within [***] days of initial receipt of the Notice of Dispute, the Dispute has not been resolved, or if, for any reason, the meeting described in Section 10.7(a)(ii) hereof has not been held within [***] days of initial receipt of the Notice of Dispute, then the Parties agree that such Dispute will be finally resolved through binding arbitration to be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules (the "**JAMS Rules**"), as specifically modified by the provisions of this Section 10.7(a)(iii) and Section 10.7(a)(iv).

(iii) The arbitration will be conducted by a panel of three arbitrators. Within [***] days after the initiation of the arbitration, each Party will nominate one person to act as arbitrator, and the two arbitrators so named will then jointly appoint the third arbitrator

within [***] days of their appointment, who will serve as chairman of the panel. All three arbitrators must be independent Third Parties having at least [***] years of dispute resolution experience (which may include judicial experience) or legal or business experience in the biotech or pharmaceutical industry. If either Party fails to nominate its arbitrator, or if the arbitrators selected by the Parties cannot agree on a person to be named as chairman within such [***]-day period, JAMS will make the necessary appointments for such arbitrator(s) or the chairman. Once appointed by a Party, such Party will have no *ex parte* communication with its appointed arbitrator.

(iv) Notwithstanding the provisions of Section 10.7(a)(ii), in the event that the Dispute involves an amount in question of less than $[***], then the arbitration will be conducted by one arbitrator, selected in accordance with the JAMS Rules.

(v) The place of arbitration will be in Boston, Massachusetts or such other venue as the Parties may mutually agree. The arbitration proceedings and all communications with respect thereto will be in English. Any written evidence originally in another language will be submitted in English translation accompanied by the original or a true copy thereof. The arbitrator(s) shall have the power to decide all matters in Dispute, including any questions of whether or not such matters are subject to arbitration hereunder. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. §§1 *et seq.,* and judgment upon the award rendered by the arbitrators may be entered in any court having competent jurisdiction thereof. The existence, content and results of any arbitration proceedings pursuant to this Section 10.7 will be deemed the Confidential Information of both Parties.

(b) Notwithstanding any provision of this Agreement to the contrary, either Party may immediately initiate litigation in any court of competent jurisdiction seeking any remedy at law or in equity, including the issuance of a preliminary, temporary or permanent injunction, to preserve or enforce its rights under this Agreement.

(c) The Parties agree that any disputes relating to Article VI or disputes relating to the determination of the validity, scope, infringement, enforceability, inventorship or ownership of the Parties' respective Intellectual Property Rights shall be subject to the exclusive jurisdiction of the state and federal courts in Boston, Massachusetts and each Party hereby submits to such jurisdiction.

10.8 **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without reference to conflicts of laws principles.

10.9 **Notices**. Any notice to be given under this Agreement must be in writing and delivered either in person, by internationally recognized express courier, by email, or by facsimile, to the Party to be notified at its address(es) given below, or at any address such Party has previously designated by prior written notice to the other. Notice shall be deemed sufficiently given for all purposes upon the earliest of: (a) the date of actual receipt; (b) if delivered by express courier, the next Business Day the express courier regularly makes deliveries; or (c) if delivered by email, upon the date upon which the receipt of such email is

confirmed by return email. Together with any notice provided by a Party to the other Party in accordance with this Section 10.9, the Party shall send a copy of such notice by email to the other Party.

If to Paragon: Paragon Therapeutics, Inc.
221 Crescent Street
Building 23, Suite 105
Waltham, MA 02453
Attn: Chief Operating Officer
Email: [***]

If to Spyre: Spyre Therapeutics, Inc.
221 Crescent Street
Building 23, Suite 105
Waltham, MA 02453
Attn: Chief Executive Officer
Email: [***]

10.10 **Interpretation**. Except where the context expressly requires otherwise, (a) the use of any gender herein shall be deemed to encompass references to either or both genders, and the use of the singular shall be deemed to include the plural (and vice versa), (b) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (c) the word "will" shall be construed to have the same meaning and effect as the word "shall", (d) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (e) any reference herein to any person or entity shall be construed to include such person's or entity's successors and assigns, (f) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to Sections or Exhibits shall be construed to refer to Sections or Exhibits of this Agreement, and references to this Agreement include all Exhibits hereto, (h) the word "notice" means notice in writing (whether or not specifically stated) and shall include notices, consents, approvals and other written communications contemplated under this Agreement, (i) provisions that require that a Party, the Parties or any committee hereunder "agree," "consent" or "approve" or the like shall require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail and instant messaging), (j) references to any specific law, or article, section or other division thereof, shall be deemed to include the then-current amendments thereto or any replacement or successor law thereof, and (k) the term "or" shall be interpreted in the inclusive sense commonly associated with the term "or." The headings of clauses contained in this Agreement preceding the text of the sections, subsections and paragraphs hereof are inserted solely for convenience and ease of reference only and shall not constitute any part of this Agreement or have any effect on its interpretation or construction. Ambiguities and uncertainties in this Agreement, if any, shall not be interpreted against either Party, irrespective of which Party may be deemed to have caused the

ambiguity or uncertainty to exist. This Agreement has been prepared in the English language, and the English language shall control its interpretation. In addition, all notices required or permitted to be given hereunder, and all written, electronic, oral, or other communications between the Parties regarding this Agreement shall be in the English language. To the extent there is any inconsistency or conflict between the terms and conditions of this Agreement and any Exhibit, the terms and conditions of this Agreement will prevail.

10.11 **No Third-Party Rights**. The provisions of this Agreement are for the exclusive benefit of the Parties and their successors and permitted assigns, and no other person shall have any right or claim against any Party by reason of these provisions or be entitled to enforce any of these provisions against any Party.

10.12 **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original document, and all of which, together with this writing, shall be deemed one instrument. This Agreement may be executed by facsimile or PDF signatures, which signatures shall have the same force and effect as original signatures.

10.13 **Expenses**. Each Party shall pay its own costs, charges and expenses incurred in connection with the negotiation, preparation and completion of this Agreement.

10.14 **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors and permitted assigns.

10.15 **Construction**. The Parties hereto acknowledge and agree that: (a) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (c) the terms and provisions of this Agreement shall be construed fairly as to all Parties hereto and not in a favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

10.16 **Cumulative Remedies**. No remedy referred to in this Agreement is intended to be exclusive unless explicitly stated to be so, but each shall be cumulative and in addition to any other remedy referred to in this Agreement or otherwise available under law.

10.17 **Performance by Affiliates**. A Party may perform some or all of its obligations under this Agreement through Affiliate(s) or may exercise some or all of its rights under this Agreement through Affiliates, subject to the terms of this Agreement. However, each Party shall remain responsible and be guarantor of the performance by its Affiliates and shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance as if such Party were performing such obligations itself, and references to a Party in this Agreement shall be deemed to also reference such Affiliate. In particular and without limitation, all Affiliates of a Party that receive Confidential Information of the other Party pursuant to this Agreement shall be governed and bound by all obligations set forth in Article VI, and shall be subject to the intellectual property provisions of Article V as if they were the original Party to this Agreement (and be deemed included in the actual Party to this Agreement for purposes of all

intellectual property-related definitions). A Party and its Affiliates shall be jointly and severally liable for their performance under this Agreement.

[*Remainder of Page Left Intentionally Blank; Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have by duly authorized persons executed this Agreement as of the Effective Date.

Paragon Therapeutics, Inc.

By: /s/ K. Evan Thompson
Name: K. Evan Thompson
Title: Chief Operating Officer

Spyre Therapeutics, Inc.

By: /s/ Cameron Turtle
Name: Cameron Turtle
Title: Chief Executive Officer

Exhibit 10.4

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE THE INFORMATION (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

LICENSE AGREEMENT

This License Agreement ("**Agreement**") is entered into and effective as of May 14, 2024 (the "**Effective Date**"), by and between Paragon Therapeutics, Inc., a corporation organized under the laws of the State of Delaware ("**Paragon**"), having its principal place of business at 221 Crescent Street, Building 23, Suite 105, Waltham, MA 02453, and Spyre Therapeutics, Inc. ("**Spyre**"), a corporation organized under the laws of the State of Delaware, having its principal place of business at 221 Crescent Street, Building 23, Suite 105, Waltham, MA 02453. Paragon and Spyre are also referred to herein individually as a "**Party**", or collectively as the "**Parties**."

RECITALS

Whereas, Paragon has developed a proprietary platform technology for the discovery and development of antibodies against therapeutically relevant targets;

Whereas, pursuant to that certain Second Amended and Restated Antibody Discovery and Option Agreement by and among Paragon, Spyre Therapeutics, LLC (a wholly-owned subsidiary of Spyre) and Parapyre Holding LLC, a Delaware limited liability company, dated as of May 14, 2024 (as such agreement may be further amended from time to time, the "**Option Agreement**"), Spyre has engaged Paragon to identify, evaluate and develop one or more antibody candidates directed to certain therapeutic targets and has been granted an exclusive option to enter into one or more separate license agreements to develop, manufacture and commercialize the resulting antibodies with respect to a given target;

Whereas, Spyre has exercised such option with respect to the Licensed Target (as defined below), and the Parties desire to memorialize the exclusive license from Paragon to Spyre with respect to such Licensed Target, all on the terms and subject to the conditions set forth in this Agreement.

Now Therefore, in consideration of the foregoing premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

Article 1

DEFINITIONS.

The following initially capitalized terms have the following meanings (and derivative forms of them shall be interpreted accordingly):

1.1 "**Achievement of Development Candidate**" means the first to occur of: (a) nomination by Spyre's Board of Directors of a Spyre Product as a "Development Candidate";

and (b) the initiation by or on behalf of Spyre or its Affiliate or Sublicensee of a toxicology study with respect to a Spyre Product that employs applicable then-current good laboratory practice standards, the results of which are intended to be submitted as part of an IND.

1.2 "**Acquired Program**" has the meaning set forth in Section 2.2(c).

1.3 "**Acquiring Entity**" means, collectively, the Third Party referenced in the definition of Change of Control and such Third Party's Affiliates, other than (a) the applicable Party in the definition of Change of Control, and (b) such Party's Affiliates, determined immediately prior to the closing of such Change of Control ((a) and (b) collectively, the "**Pre-Existing Entities**").

1.4 "**Affiliate**" means any entity controlled by, controlling, or under common control with a Party hereto. For the purpose of this definition, "control" (including, with correlative meaning, the terms "controlled by" or "under common control") means the direct or indirect ownership of more than fifty percent (50%) of the voting interest in, or more than fifty percent (50%) in the equity of, or the right to appoint more than fifty percent (50%) of the directors or management of, such corporation or other business entity. Notwithstanding the foregoing, (a) with respect to either Party, Affiliates of such Party do not include [***] or its Affiliates other than such Party and its subsidiaries, (b) Paragon and its Affiliates, on the one hand, and Spyre and its subsidiaries, on the other hand, shall not be deemed to be Affiliates of each other, and (c) subject to Paragon's obligations under Section 7.3(a), Affiliates of Paragon do not include new entities formed by or on behalf of Paragon for the sole *bona fide* purpose of further developing, manufacturing, commercializing or otherwise exploiting Antibodies and Antibody products (excluding any Licensed Antibody Technology or Other Licensed Technology) using, among other sources, funds from Third Party investors.

1.5 "**Agreement**" has the meaning set forth in the preamble.

1.6 "**[***]**" means [***].

1.7 "**[***] IP**" means the [***] Licensed Patents and the [***] Licensed Know-How.

1.8 "**[***] License Agreement**" means that certain License Agreement dated [***], between Paragon and [***], as amended by First Amendment to License Agreement dated [***], as such agreement may be amended or restated from time to time, subject to the terms of this Agreement. A copy of the [***] License Agreement as of the Effective Date is attached hereto as Exhibit D, which shall be updated from time to time in the event of any amendment to or restatement of the [***] License Agreement becoming effective or executed after the Effective Date.

1.9 "**[***] Licensed Know-How**" means the Know-How (as defined in the [***] License Agreement) that (a) is licensed by [***] to Paragon under Section 2.1(a)(ii) of the [***] License Agreement, and (b) is reasonably necessary or useful for the Development, Manufacture, Commercialization or other exploitation of the (i) Licensed Antibodies and Derived Antibodies that are "Partnered Antibodies" under the [***] License Agreement, and (ii) Products, Multispecific Antibodies and Multispecific Products that contain or comprise Licensed Antibodies and Derived Antibodies described in clause (i) of this Section 1.9, in each case (i) and (ii) in the Field in the Territory.

1.10 "**[***] Licensed Patents**" means the Patent Rights (as defined in the [***] License Agreement) that are (a) licensed by [***] to Paragon under Section 2.1(a)(ii) of the [***] License Agreement, and (b) reasonably necessary or useful for the Development, Manufacture, Commercialization or other exploitation of the (i) Licensed Antibodies and Derived Antibodies that are "Partnered Antibodies" under the [***] License Agreement, and (ii) Products, Multispecific Antibodies and Multispecific Products that contain or comprise Licensed Antibodies and Derived Antibodies described in clause (i) of this Section 1.10, in each case (i) and (ii) in the Field in the Territory.

1.11 "**Antibody**" means any molecule, including [***].

1.12 "**Anti-Corruption Laws**" has the meaning set forth in Section 7.2(x)(i).

1.13 "**Applicable Law**" means any national, supra-national, federal, state or local laws, rules, guidances, and regulations, in each case, as applicable to the subject matter and the Party at issue.

1.14 "**Bankruptcy Code**" has the meaning set forth in Section 8.4.

1.15 "**Bankruptcy Event**" has the meaning set forth in Section 8.4.

1.16 "**Business Day**" means any day other than Saturday, Sunday or a national holiday in the United States.

1.17 "**Calendar Quarter**" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31.

1.18 "**Calendar Year**" means each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.19 "**Change of Control**" means, with respect to any entity, any of the following: (a) the sale or disposition of all or substantially all of the assets of such entity or its direct or indirect controlling Affiliate to a Third Party; or (b) (i) the acquisition by a Third Party, alone or together with any of its Affiliates, other than an employee benefit plan (or related trust) sponsored or maintained by such entity or any of its Affiliates, of more than fifty percent (50%) of the then-outstanding shares of voting capital stock of such entity or its direct or indirect parent entity that holds, directly or indirectly, beneficial ownership of more than fifty percent (50%) of the then-outstanding shares of voting capital stock of such entity (a "**Parent Entity**"), or (ii) the acquisition, merger or consolidation of such entity or its Parent Entity with or into another entity, other than, in the case of clause (i) or (ii), an acquisition or a merger or consolidation of such entity or its Parent Entity in which the holders of shares of voting capital stock of such entity or its Parent Entity, as the case may be, immediately prior to such acquisition, merger or consolidation will beneficially own, directly or indirectly, at least fifty percent (50%) of the shares of voting capital stock of the acquiring Third Party or the surviving corporation in such acquisition, merger or consolidation, as the case may be, immediately after such acquisition, merger or consolidation, and in each case of (a) or (b), whether through a single transaction or a series of related transactions, but excluding any and all *bona fide* financing transactions or internal reorganizations for tax purposes (including the change of place of incorporation or domicile of such entity).

1.20 "**Claim**" has the meaning set forth in Section 9.3.

1.21 "**COC Program**" has the meaning set forth in Section 2.2(b).

1.22 "**Combination Product**" has the meaning set forth in Section 1.63.

1.23 "**Commercialize**" or "**Commercializing**" means any and all activity to market, promote, distribute, offer for sale, sell, have sold, seek reimbursement, import, have imported, export, have exported, or otherwise commercialize an Antibody or product, including any Licensed Antibody, Derived Antibody, Product, Multispecific Antibody, Multispecific Product, as applicable, and including interacting with Regulatory Authorities following receipt of Regulatory Approval and seeking and maintaining any required Reimbursement Approval. When used as a noun, "**Commercialization**" means any and all activities involved in Commercializing.

1.24 "**Commercially Reasonable Efforts**" means those efforts and resources, including reasonably necessary and qualified personnel, equivalent to the efforts and resources that a reasonable international biopharmaceutical company or a pharmaceutical company, in each case, that is of comparable size and resources to the applicable Party would typically devote as part of an active and continuing program of development and commercialization of a pharmaceutical or biologic product of similar market potential, at a similar stage of its product life, taking into account the competitiveness of the marketplace and the proprietary position, regulatory status, and relative safety and efficacy of such product. Commercially Reasonable Efforts requires, with respect to an obligation, that the applicable Party (a) assign responsibility for such obligation to specific employees who are held accountable for progress and monitor such progress on an on-going basis, (b) set and seek to achieve reasonable objectives for carrying out such obligation, and (c) make and implement reasonable decisions and allocate resources designed to advance progress with respect to such objectives.

1.25 "**Confidential Information**" of a Party means Know-How and any and all non-public scientific, business, regulatory or technical information that is disclosed or made available by or on behalf of one Party (the "**Disclosing Party**") to the other Party (the "**Receiving Party**") in connection with this Agreement, regardless of whether such information is specifically marked or designated confidential, whether in writing, orally, visually, or otherwise. Notwithstanding any provision of this Agreement to the contrary, the Licensed Antibody Technology shall be the Confidential Information of Spyre.

1.26 "**Control**" (including any variations such as "**Controlled**" and "**Controlling**") means, with respect to any technology (including Know-How) or other Intellectual Property Rights, possession by a Party or one of its Affiliates of the ability (whether by ownership, license or otherwise (other than by a license, sublicense or other right granted pursuant to this Agreement)) to grant a license or a sublicense of or under such technology or Intellectual Property Rights without violating the terms of any agreement or other arrangement with any Third Party; *provided, that* if following the Effective Date (a) Paragon would Control any Patent that would be included in the Licensed Antibody Technology or Other Licensed Patents but for an obligation to pay royalties or other consideration for the Development, Manufacture or Commercialization of a Spyre Product in the Territory in connection with a grant to Spyre of a license under such Patent, and (b) Spyre, pursuant to Section 2.8, consents to being a sublicensee of such Patent and complies with the Reimbursement Obligation, then such Patent shall be deemed Controlled by Paragon. Notwithstanding the foregoing, a Party and its Affiliates shall

not be deemed to "Control" any technology or Intellectual Property Rights that (i) prior to the consummation of a Change of Control of such Party is owned or in-licensed, or (ii) after the consummation of a Change of Control of such Party, becomes owned or in-licensed (to the extent such technology or Intellectual Property Rights are developed outside of the scope of the activities conducted hereunder and without use of or reference to any technology or Intellectual Property Rights Controlled by such Party or any Affiliate of such Party immediately before such Change of Control, or any Confidential Information of the other Party), in each case ((i) or (ii)), by a Third Party that becomes an Affiliate of such Party after the Effective Date as a result of such Change of Control or an assignee of such Party after the Effective Date as the result of an assignment of this Agreement in connection with a Change of Control unless prior to the consummation of such Change of Control or assignment, such Party or any of its Affiliates also Controlled such technology or Intellectual Property Rights.

1.27 "**Cover**" or "**Covering**" means, with respect to a particular product, any Patent, that, in the absence of a license granted under, or ownership of, such Patent, the making, using, selling, importation, or exportation of such product would infringe a valid and unexpired claim of such Patent.

1.28 **"Derived Antibody"** means any Antibody that is created by or on behalf of Spyre (other than an Antibody created by Paragon under the Option Agreement), its Affiliates or its or their licensees and: (a) is derived from or constitutes a modification of a Licensed Antibody, including [***], and (b) is [***]. For avoidance of doubt, any Antibody that [***] will be deemed a Derived Antibody, irrespective of origin. Notwithstanding the foregoing, a Derived Antibody shall not include (i) [***], or (ii) [***].

1.29 "**Designated Multispecific Antibody**" has the meaning set forth in Section 2.6(b).

1.30 "**Develop**" or "**Developing**" means any and all activity to discover, evaluate, test (including clinical and non-clinical testing), research, or otherwise develop an Antibody or product, including any Licensed Antibody, Derived Antibody, Product, Multispecific Antibody, or Multispecific Product, as applicable. When used as a noun, "**Development**" means any and all activities involved in Developing.

1.31 "**Directed To**" means, with regard to an Antibody or product, that such Antibody or product is developed or designed to (a) [***], and (b) [***].

1.32 "**Disclosing Party**" has the meaning set forth in Section 1.25.

1.33 "**Dispute**" has the meaning set forth in Section 10.7(a).

1.34 "**Dollar**" means a U.S. dollar, and "$" shall be interpreted accordingly.

1.35 "**Effective Date**" has the meaning set forth in the preamble.

1.36 "**Exclusivity Period**" means the period commencing on the Effective Date and continuing until the [***] anniversary of the Effective Date.

1.37 "**FDA**" means the United States Food and Drug Administration, or a successor federal agency thereto.

1.38 "**Field**" means the prophylaxis, palliation, treatment and diagnosis of human disease and disorders in all therapeutic areas.

1.39 "**First Commercial Sale**" means the first sale of a Spyre Product by Spyre, or one of its Affiliates or its or their Sublicensees, to a Third Party after receipt of all Regulatory Approvals required to market and sell the Spyre Product have been obtained in the country in the Territory in which such Spyre Product is sold. Sales for purposes of testing the Spyre Product and sample purposes shall not be deemed a First Commercial Sale. Furthermore, for purposes of clarity, the term "First Commercial Sale" as used in this Agreement shall not include: (a) [***]; (b) [***]; nor (c) [***].

1.40 "**Force Majeure**" has the meaning set forth in Section 10.2.

1.41 "**Governmental Authority**" means any national, international, federal, state, provincial, or local government, or political subdivision thereof, or any multinational organization or any authority, agency, or commission entitled to exercise any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power, or any court or tribunal (or any department, bureau or division thereof, or any governmental arbitrator or arbitral body).

1.42 "**IND**" means an investigational new drug application or equivalent application that is required to commence clinical trials for a product in the Territory and filed with the applicable Regulatory Authority.

1.43 "**Indemnified Party**" has the meaning set forth in Section 9.3.

1.44 "**Indemnifying Party**" has the meaning set forth in Section 9.3.

1.45 "**Intellectual Property Rights**" means any and all proprietary rights provided under (a) patent law, including any Patents; (b) copyright law; (c) trademark law; or (d) any other applicable statutory provision or common law principle, including trade secret law, that may provide a right in Know-How, or the expression or use thereof.

1.46 "**Inventions**" means all Know-How, and all intellectual property rights therein, that are conceived, reduced to practice, discovered, developed, or made by or on behalf of either Party or any Third Parties acting on their behalf (or any of their Representatives, Affiliates, licensees, or sublicensees) in the course of performing activities under this Agreement.

1.47 "**JAMS Rules**" has the meaning set forth in Section 10.7(a)(ii).

1.48 "**Know-How**" means all technical information and know-how in any tangible or intangible form, including (a) inventions, discoveries, trade secrets, data, specifications, instructions, processes, formulae, materials (including cell lines, vectors, plasmids, nucleic acids and the like), methods, protocols, expertise and any other technology, including the applicability of any of the foregoing to formulations, compositions or products or to their manufacture, development, registration, use or marketing or to methods of assaying or testing them or processes for their manufacture, formulations containing them or compositions incorporating or comprising them, and (b) all data, instructions, processes, formulae, strategies, and expertise, whether biological, chemical, pharmacological, biochemical, toxicological, pharmaceutical,

physical, analytical, or otherwise and whether related to safety, quality control, manufacturing or other disciplines. Notwithstanding the foregoing, Know-How excludes any Patents.

1.49 "**Licensed Antibody**" means any and all Antibodies that are Directed To the Licensed Target and that are discovered, generated, identified or characterized by Paragon in the course of performing the Research Program, including any such Antibody that constitutes a "Partnered Antibody" under the terms of the [***] License Agreement. Notwithstanding the foregoing, the Licensed Antibodies shall not include (a) [***] or (b) [***].

1.50 "**Licensed Antibody Invention**" means (a) any invention or discovery, whether or not patentable, that was discovered or reduced to practice by or on behalf of Paragon under the Research Program that constitutes the composition of matter of, or any method of specifically making or using, any Licensed Antibody; and (b) all Intellectual Property Rights therein, that in each case is Controlled by Paragon or its Affiliates as of the Effective Date or during the Term. Notwithstanding the foregoing, the Licensed Antibody Inventions shall not include (i) any invention or discovery, whether or not patentable, that was discovered or reduced to practice by or on behalf of Paragon under the Research Program that constitutes the composition of matter of, or any method of specifically making or using, (x) [***], or (y) [***], or (ii) any Intellectual Property Rights therein.

1.51 "**Licensed Antibody Patents**" means all Patents that Cover the composition of matter of, or any method of specifically making or using, any Licensed Antibody, that in each case are Controlled by Paragon or its Affiliates as of the Effective Date or during the Term, excluding in each case any claims in such Patents that Cover the composition of matter of, or any method of specifically making or using (a) [***], or (b) [***].

1.52 "**Licensed Antibody Technology**" means (a) the Licensed Antibody Inventions; (b) the Licensed Antibody Patents; (c) the Sequence Information; (d) the Results; (e) the Research Program Materials; and (f) all Intellectual Property Rights therein Controlled by Paragon or its Affiliates as of the Effective Date and during the Term. For clarity, the Licensed Antibody Technology shall exclude the [***] IP.

1.53 "**Licensed Component**" has the meaning set forth in Section 1.63.

1.54 "**Licensed Target**" means TL1A.

1.55 "**Losses**" has the meaning set forth in Section 9.1.

1.56 "**MAA**" means (a) a New Drug Application in the United States, as defined in the United States Federal Food, Drug and Cosmetics Act, and applicable regulations promulgated thereunder by the FDA; (b) a Biologics License Application in the United States, as defined in the United States Public Health Service Act; or (c) any application filed with any Regulatory Authority in a country other than the United States that is equivalent to either of the foregoing.

1.57 "**Major Market Country**" means any of the following: the [***], [***], [***], [***], [***] and the [***].

1.58 "**Manufacture**" or "**Manufacturing**" means any and all activity to make, have made, produce, manufacture, process, fill, finish, package, label, perform quality assurance testing, release, ship or an Antibody or product, including any Licensed Antibody, Derived

Antibody, Product, Multispecific Antibody, or Multispecific Product, as applicable, or any component thereof. When used as a noun, "**Manufacture**" or "**Manufacturing**" means any and all activities involved in Manufacturing an Antibody or product, including any Licensed Antibody, Derived Antibody, Product, Multispecific Antibody, or Multispecific Product, as applicable, or any component thereof.

1.59 "**Milestone**" has the meaning set forth in Section 4.1.

1.60 "**Milestone Payment**" has the meaning set forth in Section 4.1.

1.61 "**Multispecific Antibody**" means any Antibody that is comprised of (a) [***], and (b) [***].

1.62 "**Multispecific Product**" means any product that comprises or contains any Multispecific Antibody.

1.63 "**Net Sales**" means the gross amounts received for Spyre Product by Spyre, its Affiliates and Sublicensees for sales or other commercial disposition of such Spyre Product in the Territory to unrelated Third Parties, less the following, in each case related specifically to the Spyre Product and actually incurred, paid or accrued by Spyre, its Affiliates or Sublicensees and not otherwise recovered by or reimbursed to Spyre, its Affiliates or Sublicensees;

(a) [***];

(b) [***];

(c) [***];

(d) [***];

(e) [***]; and

(f) [***].

Net Sales will include [***]. Net Sales will be calculated only once for the first *bona fide* arm's length sale of the Spyre Product by Spyre, its Affiliates or its Sublicensees to a Third Party, and will not include sales between or among [***]. Net Sales shall not include any amounts invoiced for [***], (ii) [***], or (iii) [***].

Net Sales shall be determined from the books and records of Spyre, Affiliates of Spyre or any Sublicensee maintained in accordance with U.S. generally accepted accounting principles (GAAP) consistently applied. Spyre further agrees in determining Net Sales, it (or its applicable Affiliate or Sublicensee) will use Spyre's (or such Affiliate's or Sublicensee's) then current standard procedures and methodology.

If a Spyre Product is sold as a Combination Product (as defined below), the Net Sales of such Combination Product for the purpose of calculating royalties and sales-based milestones owed under this Agreement for sales of such Combination Product, shall be determined as follows: [***]. If any Other Component in the Combination Product is not sold separately, Net Sales shall be calculated by [***]. If both the Licensed Component and any of the Other Components

are not sold separately, the adjustment to Net Sales shall be determined by the Parties [***] to reasonably reflect [***] of such Combination Product.

For purposes of this definition, "**Combination Product**" means any pharmaceutical product that contains two (2) or more active ingredients, including (A) one (1) or more Licensed Antibodies, Derived Antibodies or Multispecific Antibodies (the "**Licensed Component**"), and (B) one (1) or more active pharmaceutical or biological ingredients that are not (x) a Licensed Antibody, Derived Antibody or Multispecific Antibody, or (y) an Antibody owned or controlled by Paragon or its Affiliate, the rights to which have been licensed to Spyre or its Affiliate under a separate agreement ("**Other Component(s)**"), either as a [***], [***] or [***], and [***].

1.64 "**Notice of Dispute**" has the meaning set forth in 10.7(a)(i).

1.65 "**Other Component(s)**" has the meaning set forth in Section 1.63.

1.66 "**Other Licensed Know-How**" means all Know-How Controlled by Paragon or its Affiliates on the Effective Date or during the Term that (a) was used by or on behalf of Paragon in the performance of the Research Program, and (b) is necessary to Develop, Manufacture, Commercialize or otherwise exploit (i) Licensed Antibodies, or (ii) Products, Multispecific Antibodies or Multispecific Products, in each case solely to the extent comprising or containing a Licensed Antibody. For clarity, the Other Licensed Know-How shall exclude (x) the Licensed Antibody Technology, (y) any Know-How Controlled by Paragon or its Affiliates relating to (1) [***], or (2) [***], and (z) the [***] Licensed Know-How.

1.67 "**Other Licensed Patents**" means any Patents other than Licensed Antibody Patents Controlled by Paragon or its Affiliates as of the Effective Date or during the Term that (a) include a claim that expressly recites the sequence of a Licensed Antibody or Derived Antibody, and (b) are necessary to Develop, Manufacture or Commercialize Licensed Antibodies or Derived Antibodies in the Field in the Territory. Notwithstanding the foregoing, the Other Licensed Patents shall not include (i) Paragon Multispecific Patents, (ii) the Paragon Platform Patents (as defined in the Option Agreement), (iii) any Patents that Cover (x) [***], or (y) [***], or (iv) the [***] Licensed Patents.

1.68 "**Other Licensed Technology**" means all (a) Other Licensed Know-How, and (b) Other Licensed Patents.

1.69 "**Paragon Indemnitee**" has the meaning set forth in Section 9.1.

1.70 "**Paragon Multispecific Antibody**" means any Multispecific Antibody that is Developed, Manufactured, Commercialized or otherwise exploited by Paragon or its Affiliate or licensees (other than Spyre and its Affiliates and Sublicensees), excluding in each case any Spyre Multispecific Antibodies.

1.71 "**Paragon Multispecific Patents**" means those Patents that Cover the composition of matter of, or any method of specifically making or using, a Paragon Multispecific Antibody, in each case excluding the Licensed Antibody Patents.

1.72 "**Paragon Patents**" has the meaning set forth in Section 5.2(c).

1.73 "**Paragon Third Party Agreement**" has the meaning set forth in Section 2.8.

1.74 "**Parent Entity**" has the meaning set forth in Section 1.19.

1.75 "**Party**" has the meaning set forth in the Preamble.

1.76 "**Patent Challenge**" has the meaning set forth in Section 5.3(a).

1.77 "**Patent Infringement**" has the meaning set forth in Section 5.3(a).

1.78 "**Patents**" means (a) unexpired patents and patent applications, (b) any and all patent applications filed either from such patent or patent applications or from a patent application claiming priority from any of those, including divisionals, provisionals, continuations, continuations-in-part, and reissues, (c) substitutions, renewals, registrations, re-examinations, revalidations, extensions, supplementary protection certificates and the like of any such patents and patent applications, and (d) any and all foreign equivalents of the foregoing.

1.79 "**Phase I Trial**" means a human clinical trial in any country of the type described in 21 C.F.R. §312.21(a), or the foreign equivalent thereof, regardless of where such clinical trial is conducted.

1.80 "**Phase II Trial**" means a human clinical trial in any country of the type described in 21 C.F.R. §312.21(b), or the foreign equivalent thereof, regardless of where such clinical trial is conducted.

1.81 "**Phase III Trial**" means a human clinical trial in any country of the type described in 21 C.F.R. §312.21(c), or the foreign equivalent thereof, regardless of where such clinical trial is conducted.

1.82 "**Pre-Existing Entities**" has the meaning set forth in Section 1.3.

1.83 "**Product**" means any product that comprises or contains any Licensed Antibody or Derived Antibody other than as part of a Multispecific Antibody or a Multispecific Product.

1.84 "**Prosecute**" or "**Prosecution**" has the meaning set forth in Section 5.2(a).

1.85 "**Publication**" has the meaning set forth in Section 6.6(b).

1.86 "**Receiving Party**" has the meaning set forth in Section 1.25

1.87 "**Regulatory Approval**" means all clearances, approvals (including approval of an MAA as well as any applicable pricing and/or reimbursement approvals), licenses, registrations or authorizations of any Regulatory Authority necessary to commercially distribute, sell and market a pharmaceutical product in a country or territory under this Agreement.

1.88 "**Regulatory Authority**" means any supranational, multinational, federal, national, state, provincial or local regulatory agency, department, bureau or other Governmental Authority with authority over the clinical development, manufacture marketing or sale of a Product or Spyre Product in a country or region, including the FDA in the United States and the EMA in Europe.

1.89 "**Reimbursement Obligation**" has the meaning set forth in Section 2.8.

1.90 "**Remaining Recovery**" has the meaning set forth in Section 5.3(f).

1.91 "**Representatives**" of a Party means such Party's officers, directors, employees, contractors, subcontractors, agents and consultants.

1.92 "**Research Program**" means the Research Program (as defined in the Option Agreement) conducted by the Parties pursuant to the Option Agreement with respect to the Licensed Target.

1.93 "**Research Program Materials**" means the tangible materials resulting from the Research Program that are Controlled by Paragon or its Affiliates as of the Effective Date or during the Term that are listed in Exhibit C attached hereto, as may amended in writing from time to time upon mutual agreement of the Parties. For clarity, Research Program Materials shall not include materials that are consumed or destroyed in the performance of the Research Program or that are not available to be transferred by Paragon to Spyre without violating the terms of any agreement or other arrangement with a Third Party.

1.94 "**Results**" means all data, results, analysis, conclusions, outcomes, information, documentation and reports that are generated by or on behalf of Paragon in performance of the Research Program, excluding in each case any other Licensed Antibody Technology.

1.95 "**Reversion Products**" has the meaning set forth in Section 8.6(c).

1.96 "**Review Period**" has the meaning set forth in Section 6.6(b).

1.97 "**ROFN Information**" has the meaning set forth in Section 2.7(a).

1.98 "**ROFN Negotiation Period**" has the meaning set forth in Section 2.7(c).

1.99 "**ROFN Period**" has the meaning set forth in Section 2.7(a).

1.100 "**Royalty Payments**" has the meaning set forth in Section 4.3.

1.101 "**Royalty Term**" means, on a Spyre Product-by-Spyre Product and country-by-country basis, the period commencing on First Commercial Sale of the applicable Spyre Product in the applicable country in the Territory and ending, with respect to the particular Spyre Product and country at issue on the latest of the following dates: (a) the twelfth (12th) anniversary of the date of First Commercial Sale of such Spyre Product in such country; or (b) the expiration of the last-to-expire Valid Claim of a Licensed Antibody Patent or a Spyre Antibody Patent Covering the Manufacture, use or sale of such Spyre Product in the country at issue.

1.102 "**Sequence Information**" means any files of Paragon containing all Licensed Antibody sequences generated under the Research Program.

1.103 "**Spyre Antibody Patents**" means all Patents that Cover the composition of matter of, or any method of specifically making or using any Licensed Antibody or Derived Antibody that, in each case, are owned or in-licensed by Spyre or its Affiliates or Sublicensees as of the Effective Date or during the Term, *provided that*, if a Change of Control of Spyre occurs, the Spyre Antibody Patents shall not include any Patents owned or in-licensed by the Acquiring Entity as of the closing of such Change of Control.

1.104 "**Spyre Indemnitee**" has the meaning set forth in Section 9.2.

1.105 "**Spyre Intellectual Property**" means any Patents, Know-How or other Intellectual Property Rights that are Controlled by Spyre and are necessary for, and actually used (or held for use) by Spyre or its Affiliates as of the effective date of termination of this Agreement in the Development, Manufacturing, or Commercialization of Spyre Products.

1.106 "**Spyre Invention**" means (a) any Invention that is owned or Controlled by Spyre, and (b) all Intellectual Property Rights therein, *provided that*, in each case (a) – (b), Spyre Inventions shall not include (i) any Inventions owned or Controlled by Paragon or its Affiliate, the rights to which have been licensed to Spyre or its Affiliate under this Agreement or a separate agreement, or (ii) any Intellectual Property Rights therein.

1.107 "**Spyre Multispecific Antibody**" means any Multispecific Antibody that is Developed, Manufactured, Commercialized or otherwise exploited by Spyre, its Affiliates or Sublicensees, excluding in each case, and subject to Section 2.7, any Paragon Multispecific Antibody.

1.108 "**Spyre Multispecific Patents**" means those Patents that Cover the composition of matter of, or any method of specifically making or using, a Spyre Multispecific Antibody.

1.109 "**Spyre Multispecific Product**" means any product that comprises or contains any Spyre Multispecific Antibody.

1.110 "**Spyre Product**" means, individually or collectively, as applicable, Licensed Antibodies, Derived Antibodies, Products, Spyre Multispecific Antibodies and Spyre Multispecific Products.

1.111 "**Sublicensee**" means any Affiliate of Spyre or any Third Party with respect to Spyre, to whom Spyre grants a sublicense of, or other authorization or permission granted under, the rights granted to Spyre in Section 2.1.

1.112 "**Target**" means a protein molecule that (a) [***], and (b) [***].

1.113 "**Term**" has the meaning set forth in Section 8.1.

1.114 "**Territory**" means worldwide.

1.115 "**Third Party**" means any person or entity other than Paragon or Spyre or an Affiliate of either Paragon or Spyre.

1.116 "**Third Party Claim**" has the meaning set forth in Section 9.1.

1.117 "**Transfer Period**" has the meaning set forth in Section 2.5(c).

1.118 "**US**" or "**United States**" means the United States of America and its possessions and territories, including Puerto Rico.

1.119 "**Valid Claim**" means, with respect to a particular country, a claim (including a process, use or composition of matter claim) of an issued and unexpired patent (or a

supplementary protection certificate thereof) that has not (a) irretrievably lapsed or been abandoned, permanently revoked, dedicated to the public or disclaimed, or (b) been held invalid, unenforceable or not patentable by a court, governmental agency, national or regional patent office or other appropriate body that has competent jurisdiction, which holding, finding or decision is final and unappealable or unappealed within the time allowed for appeal.

Article 2

LICENSES; TECHNOLOGY TRANSFER; MULTISPECIFIC ANTIBODIES.

2.1 **License Grants from Paragon**.

(a) Subject to the terms of this Agreement, Paragon hereby grants to Spyre a royalty-bearing, exclusive (even as to Paragon and its Affiliates, subject to Paragon's retained rights under Section 2.4) license, including the right to sublicense through multiple tiers, under the Licensed Antibody Technology to Develop, Manufacture, Commercialize, or otherwise exploit Licensed Antibodies, Derived Antibodies and Products in the Field in the Territory.

(b) Subject to the terms of this Agreement, including Section 2.7, Paragon hereby grants to Spyre a royalty-bearing, non-exclusive right and license, including the right to sublicense through multiple tiers, under the Licensed Antibody Technology to Develop, Manufacture, Commercialize or otherwise exploit Multispecific Antibodies and Multispecific Products in the Field in the Territory.

(c) Subject to the terms of this Agreement, Paragon hereby grants to Spyre a royalty-bearing, non-exclusive license, including the right to sublicense through multiple tiers, under the Other Licensed Patents to Develop, Manufacture, Commercialize or otherwise exploit Licensed Antibodies, Derived Antibodies, Multispecific Antibodies, Products and Multispecific Products in the Field in the Territory.

(d) Subject to the terms of this Agreement, Paragon hereby grants to Spyre a royalty-bearing, non-exclusive license, including the right to sublicense through multiple tiers, under the Other Licensed Know-How to Develop, Manufacture, Commercialize or otherwise exploit (i) Licensed Antibodies, or (ii) Products, Multispecific Antibodies or Multispecific Products, in each case solely to the extent comprising or containing a Licensed Antibody, in the Field in the Territory.

(e) Subject to the terms of this Agreement, Paragon hereby grants to Spyre a non-exclusive sublicense, including the right to further sublicense through multiple tiers (subject to Section 2.3 and Section 2.9), under the [***] IP to make, or have made, use, offer for sale, sell, import, research, develop, manufacture and commercialize (i) Licensed Antibodies and Derived Antibodies that are "Partnered Antibodies" under the [***] License Agreement, and (ii) Products, Multispecific Antibodies and Multispecific Products that contain or comprise Licensed Antibodies or Derived Antibodies described in clause (i), in each case (i)-(ii), in the Field in the Territory.

2.2 **Exclusivity**.

(a) Subject to the terms of this Section 2.2, to the maximum extent permissible under Applicable Law, during the Exclusivity Period, Paragon shall not, and shall ensure that its Affiliates do not, directly or indirectly, conduct any activity, either on its own or with, for the benefit of, or sponsored by, any Third Party, including granting any license to any Third Party that would permit such Third Party, to develop, manufacture, commercialize or otherwise exploit any monospecific Antibody that is Directed To the Licensed Target. It will not be a violation of this Section 2.2(a) if Paragon or its Affiliate, directly or through a Third Party, (i) conducts screening activities solely for the purposes of ensuring compliance with this Section 2.2(a), (ii) conducts activities in accordance with the terms of this Agreement, the Option Agreement or any other written agreement between the Parties, or (iii) conducts activities with the prior written consent of Spyre.

(b) Notwithstanding anything herein to the contrary, if a Change of Control occurs with respect to Paragon or its Parent Entity, and the Acquiring Entity (or any of such Acquiring Entity's successors or assigns, other than the relevant Pre-Existing Entities) as of the Change of Control has a program or product (or rights thereto) that would otherwise violate Section 2.2(a) (each, a "**COC Program**"), then (i) Section 2.2(a) shall not apply with respect to such COC Program, and (ii) such Acquiring Entity will be permitted to continue such COC Program after such Change of Control and such continuation will not constitute a violation of Section 2.2(a), *provided, that* the Licensed Antibody Technology and Confidential Information of Paragon and Spyre relating to the Spyre Products is not used in the COC Program.

(c) Notwithstanding anything herein to the contrary, if Paragon or its Parent Entity (i) acquires a Third Party entity that has a program or product (or rights thereto) that would otherwise violate Section 2.2(a), or (ii) acquires asset(s) from a Third Party entity that would otherwise violate Section 2.2(a) (each, an "**Acquired Program**"), then (1) Section 2.2(a) shall not apply with respect to such Acquired Program, and (2) Paragon or its Parent Entity will be permitted to continue such Acquired Program after such acquisition and such continuation will not constitute a violation of Section 2.2(a), *provided, that* the Licensed Antibody Technology and Confidential Information of Paragon and Spyre relating to the Spyre Products is not used in the Acquired Program.

2.3 **Sublicenses**.

(a) Subject to Section 2.3(b), Spyre shall have the right to grant sublicenses under the rights granted to it in Section 2.1 to its Affiliates and Third Parties; *provided, that* (i) each such sublicense shall be granted in writing and each such relevant sublicense agreement shall be consistent with all relevant terms, conditions and restrictions of this Agreement, (ii) Spyre will provide Paragon with a true and complete copy of each sublicense agreement (other than sublicense agreements with Third Party service providers) and any amendments thereto within [***] days following the execution thereof (which sublicense agreement and amendments may be redacted except to the extent necessary for Paragon to determine Spyre's compliance with this Agreement), and (iii) Spyre shall remain responsible for all of its payments and other performance obligations due under this Agreement, notwithstanding any license or sublicense that it may grant.

(b) If any sublicense granted by Spyre includes a further sublicense by Spyre of the license granted in Section 2.1(e), then the following terms and conditions shall apply:

(i) each sublicense shall be subject and subordinate to the [***] License Agreement and shall contain provisions consistent with the terms and conditions of the [***] License Agreement;

(ii) except as to sublicenses to Affiliates, subcontractors and service providers, Spyre shall as soon as reasonably practicable provide Paragon with (or, at the request of Paragon, provide directly to [***]) a copy of any executed sublicense agreement (which copy may be redacted to remove [***] and other provisions that are not necessary to monitor compliance with this Section 2.3(b) or Section 3.4 of the [***] License Agreement); and

(iii) each such sublicense agreement shall contain a requirement that the Sublicensee comply with the confidentiality and non-use restrictions at least as stringent as those set forth in the [***] License Agreement with respect to [***] Confidential Information (as defined in the [***] License Agreement).

2.4 **No Implied Licenses; Reservation of Rights**. Except as expressly set forth herein, no right or license under any Patents, Know-How or Intellectual Property Right of either Party is granted or shall be granted by implication hereunder. All such rights or licenses are or shall be granted only as expressly provided in this Agreement, and each Party reserves to itself all rights not expressly granted under this Agreement. Notwithstanding anything to the contrary under this Agreement, Paragon retains rights under the Licensed Antibody Technology solely to perform its obligations and exercise its rights under this Agreement and the Option Agreement.

2.5 **Information Transfer and Support to Spyre**.

(a) As soon as possible and within not more than [***] days after the Effective Date, Paragon shall provide Spyre with the Results and Sequence Information in existence as of the Effective Date not already provided to Spyre under the Option Agreement. Additionally, on a continuing basis during the term of the Research Program, as soon as possible and within not more than [***] days after additional Results or Sequence Information come into existence or are identified by Paragon that in each case have not already been provided to Spyre under the Option Agreement, Paragon shall disclose and transfer such additional Results and Sequence Information to Spyre.

(b) Upon the reasonable request of Spyre made from time to time during the Term, Paragon shall promptly disclose and transfer to Spyre tangible embodiments of the Other Licensed Know-How that is the subject of Spyre's request.

(c) The Parties acknowledge and agree that Exhibit C has been agreed by the Parties as of the Effective Date, and that materials that are different than or in addition to the materials set forth on Exhibit C may result from the Research Program to the extent that the Research Program continues to be performed following the Effective Date. Upon the reasonable request of Spyre made at any time prior to the end of the [***] day period following the expiration of the Research Term (as defined in the Option Agreement), the Parties shall update Exhibit C to reflect the tangible materials, including samples, reagents, nucleic acids and Antibodies, resulting from the Research Program that constitute Research Program Materials hereunder. During the period beginning on the Effective Date and ending [***] months after the expiration of the Research Term (the "**Transfer Period**"), at [***] request and expense, Paragon will provide Spyre or a Third Party designated by Spyre with any Research Program Materials,

provided that any Third Party recipient of such Research Program Materials shall be bound by the relevant terms of this Agreement and that the Research Program Materials are used solely to further Develop, Manufacture and Commercialize the Spyre Products. For clarity, Spyre shall be responsible for any out-of-pocket costs incurred by Paragon or its Affiliates to store and maintain the Research Program Materials during the Transfer Period.

(d) Each Party shall bear all costs and expenses incurred by such Party in connection with the disclosure and transfer of any Results and Sequence Information as set forth above.

(e) During the [***] day period following completion of the Research Program, in the event Spyre makes any reasonable request for assistance in order to understand the Licensed Antibody Technology and use the Licensed Antibody Technology to continue the uninterrupted Development of the Licensed Antibodies, Paragon shall provide up to [***] month of additional assistance during such period, at [***] cost and expense at the then current [***] Rate (as defined in the Option Agreement) in the Option Agreement. Paragon shall consider and discuss in good faith any additional requests for assistance made by Spyre, which assistance may be provided upon mutual agreement of the Parties.

2.6 **Paragon Rights with Respect to Multispecific Antibodies**.

(a) Subject to the terms of this Agreement, including Section 2.6(b) below and Section 2.7, Paragon reserves and retains the non-exclusive right under the Licensed Antibody Technology to Develop, Manufacture, Commercialize and otherwise exploit Multispecific Antibodies and Multispecific Products in the Field in the Territory. If Paragon exercises such right, then Paragon shall pay royalties to Spyre in accordance with Article IV, *mutatis mutandis*, with respect to any Multispecific Antibodies and Multispecific Products that are Commercialized by Paragon or its Affiliates or sublicensees (other than Spyre and its Affiliates and Sublicensees) in the Field in the Territory, *provided, that* references to Spyre Antibody Patents in clause (b) of the Royalty Term definition and Section 4.4 shall be disregarded.

(b) Spyre has designated [***] Licensed Antibody or Derived Antibody as its lead compound and [***] Licensed Antibody or Derived Antibody as its backup compound, as set forth on Exhibit B (each such designated Licensed Antibody or Derived Antibody, a "**Designated Multispecific Antibody**"). Paragon's rights under Section 2.6(a) shall expressly exclude the right to Develop, Manufacture, Commercialize or otherwise exploit (i) Multispecific Antibodies that have identical sequence identity within their complementarity-determining regions as a Designated Multispecific Antibody, or (ii) Multispecific Products that comprise or contain any Multispecific Antibody referenced in clause (i). For the avoidance of doubt, if Paragon engages in Development or Manufacture of a Multispecific Antibody that meets the criteria of clause (i) or (ii) above *before* Spyre designates such Multispecific Antibody as a Designated Multispecific Antibody, then Paragon shall not be in breach of this Agreement, *provided that*, Paragon ceases all such Development or Manufacture within [***] days following receipt of Spyre's written notice of designation.

2.7 **Right of First Negotiation**.

(a) Commencing on the Effective Date and continuing until the [***] anniversary thereof (the "**ROFN Period**"), Paragon will promptly notify Spyre in writing if (i) Paragon has developed a descriptive research plan with respect to the Development of a Multispecific Antibody or a plan to license or grant rights in a Multispecific Antibody to a Third Party, or (ii) Paragon enters into good faith negotiations pursuant to an offer to or from any Third Party relating to the foregoing. Together with such notice, Paragon will provide to Spyre all material information and research plans developed by Paragon with respect to such Multispecific Antibody (the "**ROFN Information**"). Spyre will have [***] days from receipt of the ROFN Information to deliver a written notice to Paragon of Spyre's desire to engage in negotiations for an agreement concerning the Development, or exclusive license or grant of rights to, such Multispecific Antibody.

(b) If Spyre does not provide such written notice to Paragon of its interest to engage in such negotiations within such [***] day period, then (i) Paragon shall be free to enter into an agreement with a Third Party with respect to the grant of a license or other rights to such Multispecific Antibody and corresponding Multispecific Products without further obligation to Spyre under this Section 2.7, and (ii) Spyre's license under Section 2.1(b) shall automatically exclude any right to Develop, Manufacture, Commercialize or otherwise exploit the identical Multispecific Antibodies Developed by or on behalf of Paragon and corresponding Multispecific Products.

(c) If Spyre does provide Paragon such written notice within such [***] day period, the Parties will negotiate [***] on an exclusive basis for a period of up to [***] months from the date of Spyre's notice ("**ROFN Negotiation Period**"), an agreement for the Development, or exclusive license or grant of rights to, such Multispecific Antibody and corresponding Multispecific Products. Prior to and during the ROFN Negotiation Period, Paragon shall not enter into an agreement with respect to such Multispecific Antibody with any Third Party that will prevent Paragon from entering into an agreement with Spyre for the Development, or exclusive license or grant of rights to, such Multispecific Antibody and corresponding Multispecific Products. Unless and until the Parties have entered into an agreement with respect to such Multispecific Antibody and corresponding Multispecific Products, Spyre shall have no rights or license with respect to such Multispecific Antibody and corresponding Multispecific Products except as otherwise expressly provided in Section 2.1. In the event that the Parties have not entered into an agreement with respect to such Multispecific Antibody and corresponding Multispecific Products prior to the expiration of the ROFN Negotiation Period, then (i) Paragon shall be free to enter into an agreement with a Third Party with respect to the grant of a license or other rights to such Multispecific Antibody and corresponding Multispecific Products without further obligation to Spyre under this Section 2.7, and (ii) Spyre's license under Section 2.1(b) shall automatically exclude any right to Develop, Manufacture, Commercialize or otherwise exploit the identical Multispecific Antibodies Developed by or on behalf of Paragon and corresponding Multispecific Products.

2.8 **Third Party In-Licenses**. If Paragon (or its Affiliate) enters into any in-license agreement with a Third Party after the Effective Date with respect to any Patent that would, if Controlled by Paragon, be included within the Licensed Antibody Patents or the Other Licensed Patents (each such agreement, a "**Paragon Third Party Agreement**"), Paragon shall notify Spyre in writing that it entered into such Paragon Third Party Agreement and provide a copy of such Paragon Third Party Agreement to Spyre, which may be redacted solely concerning [***]

or other confidential terms not applicable to sublicensees. Spyre shall have the right, by delivery of notice to Paragon, to elect to take a sublicense under such Patents in-licensed by Paragon under such Paragon Third Party Agreement. If Spyre elects to become a sublicensee thereunder pursuant to this Section 2.8, then (a) the applicable Patents under such Paragon Third Party Agreement shall be included within the Licensed Antibody Patents or the Other Licensed Patents, as applicable, that are licensed to Spyre under Section 2.1, (b) Spyre shall reimburse Paragon for its pro rata share of royalties or other consideration, as mutually agreed by the Parties, for Spyre's Development, Manufacture, Commercialization or other exploitation of a Spyre Product in the Field in the Territory in connection with a grant to Spyre of such Patents (the "**Reimbursement Obligation**"), and (c) Spyre shall comply with the terms of such Paragon Third Party Agreement to the extent applicable to Spyre as a sublicensee of such Patents. In the event of any conflict between the terms of this Agreement and any Paragon Third Party Agreement applicable to a sublicense granted by Paragon to Spyre in accordance with this Section 2.8, the terms of the Paragon Third Party Agreement shall control solely to the extent necessary for the Parties to maintain compliance with such Paragon Third Party Agreement. Spyre shall comply with the Reimbursement Obligation by paying to Paragon any amounts subject to the Reimbursement Obligation within the earlier of (i) [***] days after Spyre's receipt from Paragon of an invoice for such payment, and (ii) the date when such payment is due to the counterparty licensor under the applicable Paragon Third Party Agreement, *provided that* such payment shall not be due prior to the date when such amounts are payable by Paragon to the counterparty licensor under the applicable Paragon Third Party Agreement.

2.9 **[***] License Agreement**.

(a) **Applicability of the [***] License Agreement**. The Parties acknowledge and agree that:

(i) the [***] IP will be licensed by [***] to Paragon under the [***] License Agreement and sublicensed by Paragon to Spyre under Section 2.1(e) of this Agreement;

(ii) Spyre agrees to be bound by the terms and conditions of the [***] License Agreement applicable to sublicensees to the extent of the sublicenses granted hereunder; and

(iii) in the event of any conflict between the terms of this Agreement and the terms of the [***] License Agreement that are applicable to Spyre, the terms of the [***] License Agreement shall control to the extent necessary to maintain compliance with the terms of the [***] License Agreement, and Spyre shall not be in breach of this Agreement to the extent that it is complying with any such conflicting and controlling terms of the [***] License Agreement.

(b) **Required Disclosures under the [***] License Agreement.** Notwithstanding anything else herein to the contrary, Spyre hereby consents to Paragon: (i) providing a copy of this Agreement to [***] (which copy may be redacted to remove [***] and other provisions that are not necessary for [***] to monitor compliance Section 3.4 of the [***] License Agreement); and (ii) disclosing to [***] any Confidential Information of Spyre that is expressly and specifically required to be disclosed to [***] under the terms of the [***] License Agreement.

(c) **Payments Under [***] License Agreement.** As between the Parties, Spyre shall be solely responsible for the following payments due to [***] under the [***] License Agreement:

(i) [***];

(ii) [***]; and

(iii) [***].

Unless directed otherwise by Paragon, (x) Spyre shall, on behalf of Paragon, make all such payments directly to [***] in accordance with the terms of the [***] License Agreement and shall promptly provide written confirmation of such payments to Paragon, (y) Spyre shall deliver to Paragon (1) notice of the successful completion of each Development Milestone (as defined in the [***] License Agreement) by Spyre, its Affiliates or Sublicensees with respect to a Spyre Product under this Agreement that is also a Product as defined in the [***] License Agreement, which notice shall be provided within [***] days of such successful completion, and (2) notice of the First Commercial Sale (as defined in the [***] License Agreement) of each Spyre Product under this Agreement that is also a Product as defined in the [***] License Agreement, which notice shall be provided within [***] days of such occurrence, and (z) Spyre shall comply with Sections 5.1 and 5.2 of the [***] License Agreement to the extent applicable to the payments for which Spyre is responsible. Any payments due by Spyre under this Section 2.9(b) shall be subject to any reductions pursuant to Section 4.9 of the [***] License Agreement. Paragon shall promptly provide to Spyre a copy of any invoice received from [***] under Section 4.10 of the [***] License Agreement that is relevant to the payments for which Spyre is responsible (or direct [***] to provide such invoices directly to Spyre). Spyre shall have the right to exercise and fund on behalf of Paragon the buyout rights under Section 4.11 of the [***] License Agreement for each Spyre Product under this Agreement that is also a Product as defined in the [***] License Agreement in lieu of Spyre's ongoing payments with respect to clauses (ii) and (iii) above. For clarity, the payments set forth in this Section 2.9(c) are in addition to the amounts payable to Paragon under Article IV. Spyre shall not be responsible for any payments under the [***] License Agreement other than those payments set forth in this Section 2.9(c) and the payments to be reimbursed by Spyre under Section 4.1.

(d) **Covenants by Spyre.** Spyre hereby covenants and agrees that:

(i) On or before [***] of each year during the Term, Spyre shall deliver to Paragon a written report for its activities under this Agreement meeting the reporting requirements set forth in Section 5.3 of the [***] License Agreement;

(ii) Spyre shall cure any breach of the [***] License Agreement caused by Spyre, its Affiliates or Sublicensees [***] days of written notice thereof, and shall provide Paragon with written notice of such cure upon completion thereof; and

(iii) Except as expressly required under this Agreement *solely* with respect to the [***] License Agreement, or for matters falling outside of this Agreement, Spyre shall not communicate directly with [***] without Paragon's prior written consent, which consent may be withheld in Paragon's sole discretion.

(e) **Covenants by Paragon.** Paragon hereby covenants and agrees that:

(i) During the Term, Paragon shall maintain (to the extent within Paragon's control) in full force and effect the [***] License Agreement including by faithfully, fully and timely performing its obligations pursuant to the [***] License Agreement (*provided, that* Paragon shall not be responsible for any breach or termination of the [***] License Agreement caused by any action or inaction of Spyre, its Affiliates or Sublicensees, including a breach of this Agreement or the [***] License Agreement), and shall not terminate, in whole or in part, the [***] License Agreement to the extent relating to this Agreement without the prior written consent of Spyre;

(ii) Paragon shall, within the relevant time period required under the [***] License Agreement, cure (or shall use commercially reasonable efforts to cause any sublicensee of Paragon under the [***] License Agreement other than Spyre to promptly cure) any breach of the [***] License Agreement caused by any action or omission of Paragon or its Affiliates or other sublicensees;

(iii) Paragon shall not modify or amend the [***] License Agreement in any manner that (x) is reasonably expected to adversely affect Spyre's rights (including the Development, Manufacture, Commercialization or exploitation of the Spyre Products in the Field in the Territory under this Agreement) under this Agreement in any material respect, (y) increase Spyre's obligations under this Agreement in any material respect, or (z) increase the costs and payments of any kind under the [***] License Agreement for which Spyre is or will be responsible (whether to Paragon or [***]) under this Agreement, in each case without the prior written consent of Spyre, which consent may be withheld in Spyre's sole discretion and any such amendment or modification in breach of this Section 2.9(d)(iii) shall have no effect on the terms of this Agreement;

(iv) Paragon shall provide to Spyre a copy of any amendment to or restatement of the [***] License Agreement promptly following execution thereof; and

(v) Paragon shall promptly provide to Spyre a copy of any written notice of alleged breach, default or termination delivered by [***] under the [***] License Agreement.

Article 3

DEVELOPMENT, MANUFACTURING & COMMERCIALIZATION.

3.1 **Spyre Responsibilities**.

(a) As between the Parties, Spyre shall be solely responsible for and shall have the sole right to control, all aspects of the Development, Manufacturing, and Commercialization of the Spyre Products in the Field in the Territory during the Term, including distribution, product positioning, product strategy, product branding, core messaging, marketing, promotion, detailing activities and all decisions relating to the setting of prices in the Territory, invoicing and booking sales, establishing all terms of sale, and all regulatory activities.

(b) As between the Parties, Spyre shall be solely responsible for, and shall have the sole right to control, the selection, registration and maintenance of all trademarks associated with the Spyre Products in the Field in the Territory. As between the Parties, Spyre shall solely own such trademarks in the Territory and pay all relevant costs thereof.

3.2 **Regulatory**. As between the Parties, Spyre shall control all regulatory matters, including the regulatory strategy, regulatory filings, regulatory activities (including clinical trials for Spyre Products) and communication with each Regulatory Authority for the Spyre Products in the Field in the Territory. Spyre shall have the right to reference any relevant data included within the Licensed Antibody Technology for the purposes of regulatory filings and safety reporting, including all nonclinical data, pre-approval and post-approval clinical use data, and regulatory data with respect thereto, and Paragon shall cooperate as reasonably requested by Spyre with respect to providing to Spyre when requested, and on a timely basis, any of the foregoing information, data filings or reporting. Spyre or its designee shall be the party to file an application to each applicable Regulatory Authority in the Territory for, and to obtain and maintain, in its own name, Regulatory Approval for the Spyre Products in each country in the Territory.

3.3 **Diligence; Reporting**. Spyre shall use Commercially Reasonable Efforts (a) to Develop and seek Regulatory Approval for at least one Spyre Product in the Field in the United States and at least one other Major Market Country, and (b) upon receipt of Regulatory Approval for a given Spyre Product in a given country, to Commercialize such Spyre Product in such country, in each case ((a) or (b)) either by itself or through its Affiliates or Sublicensees or its or their respective contractors. Additionally, on or before [***] of each year during the Term, Spyre shall deliver to Paragon a report summarizing its material development efforts with respect to the Spyre Products, including a summary of current and anticipated preclinical and clinical activities, a summary of the status of any regulatory filings and any anticipated regulatory filings, and achievement of any Milestones, during the preceding [***]; *provided, however*, that Spyre may satisfy the reporting obligations set forth in this Section 3.3 by providing Paragon with copies of any annual report or other filings with a securities exchange that include the relevant information. For the avoidance of doubt, if Spyre determines, in its sole discretion, that it is inconsistent with the use of Commercially Reasonable Efforts to pursue Commercialization of a Spyre Product in any country (other than the United States), it will not be considered a material breach of this Agreement to cease Development or Commercialization of such Spyre Product with respect to such country.

Article 4

FINANCIAL TERMS.

4.1 **Reimbursement of Payments to [***]**. Within [***] days of the Effective Date, Spyre shall make a one-time, non-refundable and non-creditable payment to Paragon in the amount of [***] Dollars ($[***]) to reimburse Paragon for the sublicense fees under Section 4.7 of the [***] License Agreement paid by Paragon to [***] with respect to this Agreement.

4.2 **Milestone Payments**. Spyre shall make the following one-time payments to Paragon (or to such other designee(s), as requested by Paragon in an invoice) (each payment, a "**Milestone Payment**"), based on the achievement of the corresponding milestone (each, a "**Milestone**") by Spyre, its Affiliates, or its Sublicensees with respect to the first Spyre Product

to achieve such Milestone. Spyre shall, within [***] Business Days after it or its Affiliates achieve a Milestone, or within [***] Business Days after it learns that its or its Affiliate's Sublicensee has achieved a Milestone, notify Paragon of the achievement of such Milestone in writing. Following receipt of such notice, Paragon shall invoice Spyre for such Milestone Payment, which invoice shall specify whether Paragon or its designee should receive such Milestone Payment and the bank account information into which such Milestone Payment should be paid. Spyre shall make such Milestone Payment to Paragon or Paragon's designee within [***] days after receipt of Paragon's invoice. Each Milestone Payment shall be paid no more than once, and Spyre's total Milestone Payments hereunder shall not exceed Twenty-Two Million Dollars ($22,000,000). For avoidance of doubt, upon achievement of any Milestone, all prior unachieved Milestones shall be deemed thereby achieved and, if the Milestone Payment for any such prior Milestone has not previously been paid, it shall thereupon also be paid at the same time that the Milestone Payment for such subsequent achieved Milestone is paid.

	Milestone	**Milestone Payment**
#1	Achievement of Development Candidate	One Million Five Hundred Thousand Dollars ($1,500,000)
#2	First dosing of a human patient in a Phase I Trial of a Spyre Product	Two Million Five Hundred Thousand Dollars ($2,500,000)
#3	First dosing of a human patient in a Phase II Trial of a Spyre Product	Three Million Dollars ($3,000,000)
#4	First dosing of a human patient in a Phase III Trial of a Spyre Product	Five Million Dollars ($5,000,000)
#5	Receipt of Regulatory Approval from the FDA of a Spyre Product	Ten Million Dollars ($10,000,000)

4.3 **Royalties**. During the applicable Royalty Term (which shall be measured on a country-by-country and Spyre Product-by-Spyre Product basis), Spyre shall pay royalties to Paragon (or to such other designee(s), as requested by Paragon) equal to [***] percent ([***]%) of Net Sales of all Spyre Products sold by Spyre, its Affiliates or its Sublicensees in the Field in the Territory ("**Royalty Payments**"). If any Spyre Product contains (a) a combination of more than one Licensed Antibody, Derived Antibody and/or Multispecific Antibody, or (b) a combination of (i) one or more Licensed Antibodies, Derived Antibodies or Multispecific Antibodies, and (ii) one or more other Antibodies owned or Controlled by Paragon or its Affiliates, the rights to which have been licensed to Spyre or its Affiliates under a separate agreement, then, in each case (a) or (b), the royalty rate for the Royalty Payments payable to Paragon with respect to such Spyre Product shall be increased to [***] percent ([***]%) of Net Sales of such Spyre Product. For clarity, (x) any Net Sales of Spyre Product made in a given country after the expiration of the Royalty Term for such Spyre Product in such country will not

be royalty-bearing; and (y) in the event that the Royalty Payment is increased to [***] percent ([***]%) of Net Sales of any Spyre Product pursuant to clause (b) above, then the maximum aggregate royalty payable pursuant to this Agreement and such separate agreement referenced in clause (b)(ii) above will exceed not [***] percent ([***]%).

4.4 **Royalty Reductions for No Valid Claim**. If, during any Calendar Quarter during the Royalty Term for a particular Spyre Product in a particular country, no Valid Claim of a Licensed Antibody Patent Covers the Manufacture or Commercialization of such Spyre Product in such country, then the royalty rate for the Royalty Payments set forth in Section 4.3 for such Calendar Quarter shall be reduced to (a) [***] percent ([***]%) for any Spyre Product in such country that was otherwise subject to a royalty rate of [***] percent ([***]%), and (b) [***] percent ([***]%) for any Spyre Product in such country that was otherwise subject to a royalty rate of [***] percent ([***]%).

4.5 **Payment Reports**. Within [***] days after the end of the [***], Spyre shall provide to Paragon a written report, on a [***] basis, stating [***]; [***], [***]; and [***]. All Royalty Payments described in such written report shall be made by Spyre at the same time it submits such written report to Paragon. All such Royalty Payments shall be paid to Paragon or Paragon's designee, *provided that* in the case of payment to a designee, Paragon has notified Spyre in writing [***] days prior to the due date for any Royalty Payment of the designee to be paid and the bank account information for such designee.

4.6 **Payment Method**. All payments due under this Agreement to Paragon shall be made in U.S. Dollars by bank wire transfer in funds to an account designated by Paragon from time to time reasonably in advance of any payment due date.

4.7 **Taxes**. The Parties agree to cooperate with one another and use reasonable efforts to minimize obligations for any and all income or other taxes required by Applicable Law to be withheld or deducted from any Royalty Payments, Milestone Payments or other payments made by Spyre to Paragon or its designee(s) under this Agreement, including by completing all procedural steps, and taking all reasonable measures, to ensure that any withholding tax is reduced or eliminated to the extent permitted under Applicable Law, including income tax treaty provisions and related procedures for claiming treaty relief. To the extent that Spyre is required to deduct and withhold taxes on any payment to Paragon or its designee(s), Spyre shall: (i) deduct such taxes from such payment to Paragon or its designee(s), (ii) pay the amounts of such taxes to the proper Governmental Authority in a timely manner, and (iii) promptly submit to Paragon an official tax certificate or other available evidence of such withholding sufficient to enable Paragon or its designee(s) to claim such payment of taxes. For the avoidance of doubt, Spyre's remittance of such withheld amounts to the appropriate Governmental Authority, together with payment to Paragon or its designee(s) of the remaining amount owed, shall constitute full satisfaction of the applicable payment due to Paragon. Spyre shall provide Paragon with any reasonably requested tax forms or certificates available to Spyre in order to allow Paragon or its designee(s) to recover, as permitted by Applicable Law, withholding taxes, value added taxes or similar obligations resulting from payments made hereunder or to obtain the benefit of any present or future treaty against double taxation which may apply to such payments. Paragon shall promptly provide Spyre with any requested tax forms that may be reasonably necessary in order for Spyre to not withhold tax or to withhold tax at a reduced rate under an applicable bilateral tax income treaty.

4.8 **Foreign Exchange**. If any currency conversion shall be required in connection with the calculation of amounts payable hereunder, such conversion shall be made using the exchange rates reported on the [***] Business Day prior the payment due date for the purchase and sale of Dollars, as reported by the *Wall Street Journal (East Coast Edition)*.

4.9 **Late Payments**. Any amount owed by Spyre to Paragon under this Agreement that is not paid within the applicable time period set forth herein will accrue interest at the per annum rate of [***] percentage point above the then-applicable United States prime rate as quoted in the *Wall Street Journal (East Coast Edition)* (or if it no longer exists, a similarly authoritative source), calculated on a [***] basis, or, if lower, the highest rate permitted under Applicable Law.

4.10 **Blocked Currency**. If by Applicable Law of a country in which Net Sales occurred, conversion of funds into Dollars or transfer of funds from such country to the United States is restricted, forbidden or delayed for more than [***] days, then Spyre can elect, at its sole discretion, that the amounts accrued in such country and owed by Spyre to Paragon under this Agreement shall be paid to Paragon in such country in local currency by deposit in a local bank designated by Paragon, unless the Parties otherwise agree in writing.

4.11 **Records; Inspection**.

(a) Spyre shall, and shall cause its applicable Affiliates to, create and keep complete and accurate records of its sales and other dispositions of all Spyre Products, including all records that are reasonably necessary for the purposes of calculating all payments due under this Agreement.

(b) Upon reasonable advance written notice to Spyre, Paragon shall have the right to retain a nationally recognized (in the US) independent certified public accounting firm to perform on behalf of Paragon an audit, conducted in accordance with U.S. generally accepted accounting principles (GAAP), of such books and records of Spyre or its applicable Affiliates as may be reasonably necessary to verify the accuracy of any reports provided pursuant to Section 4.5 hereunder for any Calendar Quarter ending not more than [***] calendar months prior to the date of such request. Such audits shall be conducted during normal business hours, shall not occur more frequently than [***] in each Calendar Year and shall not be conducted more than [***] with respect to any reporting period, in each case other than for cause. All information disclosed or observed during any audit pursuant to this Section 4.11 shall be the Confidential Information of Spyre, and Paragon shall cause the accounting firm to retain all such information as Confidential Information, including, if requested by Spyre, by requiring such accounting firm to enter into a customary confidentiality agreement with Spyre prior to the initiation of any such audit.

(c) Upon completion of any audit hereunder, the accounting firm shall provide both Spyre and Paragon a written report disclosing whether the reports submitted by Spyre are correct or incorrect, whether the amounts paid are correct or incorrect, and in each case, the specific details concerning any discrepancies. No other information regarding Spyre's records shall be provided to Paragon.

(d) Paragon shall bear its internal expenses and the out-of-pocket costs for engaging such accounting firm in connection with performing such audits; *provided, however*,

that if any such audit uncovers an underpayment by Spyre that exceeds [***] percent ([***]%) of the total owed for such payment or payment period, as applicable, then Spyre shall reimburse Paragon or its designee(s) for the amounts actually paid to such accounting firm for performing such audit.

(e) If such accounting firm concludes that Spyre has in aggregate underpaid amounts owed to Paragon during the audited period, Spyre shall pay Paragon or its designee(s) the amount of the discrepancy within [***] days of the date Paragon delivers to Spyre such accounting firm's written report and an invoice for such amounts. If such accounting firm concludes that Spyre has in aggregate overpaid amounts owed to Paragon during the audited period, then Spyre may, at its election, either credit such overpaid amount against any future payment obligation to Paragon or require Paragon to refund such amounts within [***] days.

Article 5

INTELLECTUAL PROPERTY.

5.1 **Ownership**. As between the Parties (a) Paragon solely owns the Licensed Antibody Technology and the Other Licensed Patents, (b) Spyre solely owns the Spyre Inventions, including any Derived Antibodies and Spyre Multispecific Antibodies to the extent they constitute Spyre Inventions, (c) each Party solely owns all Intellectual Property Rights owned or Controlled by such Party as of the Effective Date or that come into the ownership or control of such Party during the Term outside the scope of this Agreement, and (d) ownership of Inventions shall be determined in accordance with U.S. laws of inventorship. Other than rights granted to Spyre under this Agreement with respect to the Licensed Antibody Technology and the Other Licensed Patents, nothing in this Agreement shall affect Paragon's rights in any Patents, Know-How or other Intellectual Property Rights owned or controlled by Paragon or its Affiliates, now or in the future. Other than rights granted to Paragon under Section 8.6(c) of this Agreement with respect to the Spyre Intellectual Property, nothing in the Agreement shall affect Spyre's rights in any Patents, Know-How or other Intellectual Property Rights owned or controlled by Spyre or its Affiliates, now or in the future.

5.2 **Patent Prosecution**.

(a) **Prosecution Generally**. For the purpose of this Article V, "**Prosecute**" and "**Prosecution**" shall include any patent interference, opposition, pre-issuance Third Party submission, *ex parte* re-examination, post-grant review, *inter partes* review or other similar proceeding, appeals or petitions to any board of appeals in a patent office, appeals to any court for any patent office decisions, reissue proceedings and applications for patent term extensions and the like.

(b) **Prosecution of Licensed Antibody Patents**.

(i) As between the Parties, Spyre shall have the first right to prepare, file, Prosecute and maintain the Licensed Antibody Patents, in each case, at Spyre's sole expense. Spyre shall provide Paragon with copies of all material correspondence from and to any patent office relating to such Licensed Antibody Patents, and Spyre shall provide Paragon with drafts of all proposed filings to any patent office with respect to such Licensed Antibody Patents before submission of such filings, with reasonably adequate time for Paragon's review and

comment. Spyre will take into consideration Paragon's reasonable comments prior to submitting such filings. At Spyre's request, Paragon will sign all documents and take any other actions required for filing, maintenance and grant of Licensed Antibody Patents.

(ii) Spyre shall notify Paragon of any decision not to prepare or file, or to abandon, cease Prosecution or not maintain any Licensed Antibody Patent anywhere in the Territory. Spyre shall provide such notice at least [***] days prior to any filing or payment due date, or any other due date that requires action, in connection with such Licensed Antibody Patent. In such event, Paragon shall have a backup right, but not the obligation, to prepare, file, or continue Prosecution or maintenance of, such Licensed Antibody Patent, at Paragon's expense.

(iii) Each Party shall cooperate with the other Party in the preparation, filing, Prosecution and maintenance of Licensed Antibody Patents, including in each case by providing the prosecuting Party with data and other information as appropriate and executing all necessary affidavits, assignments and other paperwork.

(c) **Prosecution by Paragon**. Except with respect to Licensed Antibody Patents (which are addressed in Section 5.2(b)), Paragon shall be solely responsible for, and have sole discretion over, preparing, filing, Prosecuting and maintaining any Patents (including the Other Licensed Patents and Paragon Multispecific Patents) that it owns in whole or in part or otherwise Controls (the "**Paragon Patents**"). Paragon's Prosecution of any Paragon Patents shall be at Paragon's sole expense. Notwithstanding the foregoing, in Prosecuting any Paragon Multispecific Patents, Paragon hereby agrees that during the Term, neither Paragon nor any of its Affiliates or licensees will file, or assist any Third Party in filing, any Patent that includes a claim that expressly recites the sequence of a Licensed Antibody or Derived Antibody other than as part of a Paragon Multispecific Antibody.

(d) **Patent Prosecution Costs Prior to the Effective Date**. No later than [***] days after the Effective Date, Spyre shall reimburse Paragon for any actual costs and expenses incurred by Paragon that are related to the Prosecution of any Licensed Antibody Patents prior to the Effective Date and that have not already been paid by Spyre. Spyre will promptly reimburse Paragon for any future Prosecution costs and expenses incurred by Paragon with respect to the Licensed Antibody Patents.

(e) **[***] Licensed Patents**. The Parties acknowledge and agree that Paragon has no right under the [***] License Agreement to file, prosecute or maintain the [***] Licensed Patents, and Spyre has no right under this Agreement to file, prosecute or maintain the [***] Licensed Patents.

(f) **CREATE Act**. Notwithstanding anything to the contrary in this Agreement, each Party will have the right to invoke the Cooperative Research and Technology Enhancement Act of 2004, 35 U.S.C. § 103(c)(2)-(c)(3) (the "**CREATE Act**") when exercising its rights under Article V of this Agreement, without the prior written consent of the other Party. Where such Party intends to invoke the CREATE Act, it will notify the other Party and the other Party will cooperate and coordinate its activities with such Party with respect to any submissions, filings or other activities in support thereof. The Parties acknowledge and agree that this Agreement is a joint research agreement (JRA) as defined in the CREATE Act.

(g) **Disclosure of Spyre Antibody Patents**. Upon the request of Paragon, Spyre shall deliver to Paragon a list of the then-existing Spyre Antibody Patents.

5.3 **Patent Enforcement and Defense**.

(a) **Notice of Patent Infringement and Patent Challenge**. Each Party shall give the other Party notice of any known or suspected infringement by a Third Party of any Licensed Antibody Patent ("**Patent Infringement**") and any known or suspected challenge by a Third Party against the validity or enforceability of any such Patents ("**Patent Challenge**") within [***] days after such Patent Infringement or Patent Challenge comes to such Party's attention.

(b) **Spyre's First Right to Enforce or Defend**. Spyre shall have the first right, but not the obligation, to bring and control any legal action, including by declaratory judgment action, patent litigation or similar proceeding, in connection with any Patent Infringement or Patent Challenge with respect to the Licensed Antibody Patents in the Territory at its own expense and discretion as it reasonably determines appropriate. Spyre shall keep Paragon informed and reasonably consult with Paragon in the course of such legal action. Paragon shall have the right to be represented in any such legal action by counsel of its choice at its own expense.

(c) **Paragon's First Right to Enforce or Defend**. Paragon shall have the sole right, but not the obligation, to bring and control any legal action, including by declaratory judgment action, patent litigation or similar proceeding, in connection with any Patent Infringement or Patent Challenge with respect to the Paragon Patents in the Territory at its own expense and discretion as it reasonably determines appropriate.

(d) **Settlement**. In connection with any such legal action or proceeding, Spyre shall not enter into any settlement admitting the invalidity or unenforceability of Licensed Antibody Patents without the prior written consent of Paragon (such consent not to be unreasonably conditioned, withheld, or delayed).

(e) **Paragon's Backup Right to Enforce or Defend**. If Spyre does not initiate a legal action for Patent Infringement or Patent Challenge with respect to any Licensed Antibody Patent within [***] days after a notice from Paragon under Section 5.3(a), then Paragon shall have a backup right, but not the obligation, to initiate such legal action at its own expense.

(f) **Allocation of Recoveries**. Any recoveries resulting from such legal action initiated by Spyre or Paragon hereunder relating to Patent Infringement or Patent Challenge, including pursuant to a settlement, shall be applied as follows: (i) first to reimburse [***] of each of the Parties in such action; and (ii) second, any amounts remaining after paying the amounts due each Party under clause (i) (the "**Remaining Recovery**") shall be allocated as follows: (1) [***]; or (2) [***].

(g) **[***] Licensed Patents**. The Parties acknowledge and agree that Paragon has no right under the [***] License Agreement to enforce the [***] Licensed Patents, and Spyre has no right under this Agreement to enforce the [***] Licensed Patents.

(h) **Cooperation with Patent Enforcement**. At the request of the enforcing Party (and at the requesting Party's expense), the other Party shall reasonably cooperate and provide any information or assistance in connection with any legal action under this Section 5.3, including executing reasonably appropriate documents, cooperating in discovery and, if required by Applicable Law, joining as a party to the legal action at its own expense.

5.4 **Third Party Patent Proceedings**.

(a) **Spyre's First Right to Challenge Third Party Patents**. Spyre shall have the sole and exclusive right, but not the obligation, to bring and control any legal action to challenge any Patents controlled by a Third Party, including by declaratory judgment action, patent interference, opposition, pre-issuance submission, *ex parte* re-examination, post-grant review, *inter partes* review, patent litigation or similar proceeding, in each case that are necessary or useful to Develop, Manufacture, Commercialize or otherwise exploit any Spyre Product.

(b) **Cooperation by Paragon**. At the request of Spyre, Paragon shall cooperate and provide any information or assistance in connection with any legal action under this Section 5.4, including executing reasonably appropriate documents, cooperating in discovery and, if required by Applicable Law, joining as a party to the action at Spyre's cost and expense.

5.5 **Common Interest Agreement**. At the request of either Party to conduct the activities under this Article V, the Parties shall cooperate in good faith to enter into a customary, mutually-agreed common-interest agreement intended to preserve attorney-client privilege with respect to disclosures and communications by or on behalf of either Party or its Affiliates in connection with such activities.

Article 6

PROTECTION OF CONFIDENTIAL INFORMATION.

6.1 **Confidentiality**. Except to the extent expressly authorized by this Agreement, the Receiving Party agrees that, during the Term, for [***] years thereafter, and, with respect to any Know-How that constitutes a trade secret, for long as such Know-How constitutes a trade secret, it shall keep confidential and shall not publish or otherwise disclose to any Third Party, and shall not use for any purpose other than as expressly provided for in this Agreement, any Confidential Information of the Disclosing Party. The Receiving Party may disclose Confidential Information of the Disclosing Party to those of the Receiving Party's Representatives who have a need for such information, *provided that* the Receiving Party shall advise such Representatives of the confidential nature thereof, shall ensure that each such Representative is bound in writing by obligations of confidentiality and non-use at least as stringent as those contained in this Agreement, and shall be responsible for the compliance of its Representatives with the terms of this Agreement. The Receiving Party shall use at least the same standard of care as it uses to protect proprietary or confidential information of its own (but in no event less than reasonable care) to ensure that its Representatives do not disclose or make any unauthorized use of the Confidential Information of the Disclosing Party. The Receiving Party shall promptly notify the Disclosing Party upon discovery of any unauthorized use or disclosure of the Confidential Information of the Disclosing Party.

6.2 **Exceptions**. The Receiving Party's obligations under Section 6.1 shall not apply to any Confidential Information of the Disclosing Party that the Receiving Party can prove by competent evidence: (a) is now, or hereafter becomes, through no act or failure to act on the part of the Receiving Party in breach of this Agreement, generally known or available; (b) is known by the Receiving Party at the time of receiving such information from the Disclosing Party; (c) is hereafter furnished to the Receiving Party by a Third Party, as a matter of right and without restriction on disclosure; or (d) is independently discovered or developed by the Receiving Party, without the aid, use or application of any Confidential Information of the Disclosing Party.

6.3 **Authorized Disclosure**. Notwithstanding the provisions of this Article VI, the Receiving Party may disclose Confidential Information of the Disclosing Party, without violating its obligations under this Agreement, to the extent the disclosure is:

(a) required by a valid order of a court or other Governmental Authority of competent jurisdiction or as otherwise required by Applicable Law, rule, regulation (including securities laws), government requirement, or as may be required in connection with any filings made with, or by the disclosure policies of, a stock exchange (including, for clarity, any such disclosures required to be made by Paragon or its Affiliates or licensees in connection with the Development, Manufacture, Commercialization or other exploitation of Multispecific Antibodies), *provided that* the Receiving Party shall give reasonable prior written notice to the Disclosing Party of such required disclosure and, at the [***] request and expense, shall cooperate with the Disclosing Party's efforts to contest such requirement, to obtain a protective order requiring that the Confidential Information so disclosed be used only for the purposes for which the order was issued or the law required, or to obtain other confidential treatment of such Confidential Information;

(b) reasonably necessary to file or Prosecute patent applications, Prosecute or defend litigation or otherwise establish rights or enforce obligations under this Agreement, or obtain or maintain approval to conduct clinical trials or Regulatory Approvals, in each case, in accordance with this Agreement (including, for clarity, any such disclosures that are reasonably necessary to made by Paragon or its Affiliates or licensees in connection with the Development, Manufacture, Commercialization or other exploitation of Multispecific Antibodies); or

(c) under appropriate confidentiality provisions substantially equivalent to those in this Agreement (but of shorter duration if customary in the case of subclause (ii)): (i) in connection with the performance of its obligations or as reasonably necessary or useful in the exercise of its rights under this Agreement, including the right to grant licenses or sublicenses as permitted hereunder and the right to Develop, Manufacture, Commercialize and otherwise exploit Antibodies and products (including Multispecific Antibodies and Multispecific Products) to which it has rights hereunder, or (ii) to actual or *bona fide* potential licensees, acquirers, merger partners, assignees, collaborators, investment bankers, investors or lenders.

6.4 **Use of Names**. Except as set forth in Section 6.6(b), neither Party shall use the other Party's name or trademarks in any advertising, sales, or promotional material or in any publication without the prior written consent of the other Party.

6.5 **Confidentiality of this Agreement**. This Agreement and its terms are considered Confidential Information of both Parties, and each Party shall keep confidential and shall not publish or otherwise disclose the terms of this Agreement without the prior written consent of the

other Party, except as expressly permitted by Section 6.3, and except that both Parties may disclose this Agreement and its terms to its legal, financial and investment banking advisors; *bona fide* potential and actual investors, acquirers, merger partners, assignees, collaborators, investment bankers, lenders, licensees, sublicensees or strategic partners in connection with license or partnering transactions, due diligence or similar investigations by such Third Parties or in confidential financing documents; and counsel or other advisors for the foregoing; *provided*, in each case, that any such Third Party agrees to be bound by obligations of confidentiality and non-use at least as restrictive as those set forth in this Article VI (*provided that* the confidentiality term applicable to such Third Party may be shorter so long as it is commercially reasonable).

6.6 **Publicity**.

(a) Subject to Section 6.6(b), neither Party will generate or allow any publicity regarding this Agreement or the transactions contemplated hereunder without the other Party first approving such press release or publication in writing, except for any public disclosure by or on behalf of a Party that is, in the opinion of such Party's counsel, required by Applicable Law or the rules of a stock exchange on which the securities of such Party are listed (or to which an application for listing has been submitted) and except that a Party may, once a press release or other public written statement is approved in writing by both Parties, make subsequent public disclosure of the information contained in such press release or other public written statement without the further approval of the other Party.

(b) The Parties shall collaborate and cooperate [***] to devise a Publication (as defined below) strategy for the Spyre Products that is mutually acceptable to both Parties. Prior to publicly presenting or publishing any data, results or analyses relating to a Spyre Product generated by or on behalf of Spyre pursuant to this Agreement (each such proposed presentation or publication, a "**Publication**"), Spyre will provide Paragon with a copy of such proposed Publication to review, discuss, and determine whether to approve at least [***] days (or such shorter period of time as is reasonably practicable) prior to the earlier of its presentation or intended submission for publication (such applicable period, the "**Review Period**"), provided that the Review Period for any poster or other presentation presented at a conference or other industry event shall be at least [***] days. Spyre will not submit or present any Publication until (i) Paragon has approved (not to be unreasonably withheld, conditioned or delayed) such Publication or provided written comments thereon, in each case, during such Review Period, or (ii) the applicable Review Period has elapsed without approval or written comments from Paragon, in which case Spyre may proceed and the Publication will be considered approved in its entirety. If Spyre receives written comments from Paragon on any Publication during the applicable Review Period, then it will incorporate such comments where appropriate, *provided, that* upon Paragon's request, (1) Spyre shall remove any Confidential Information of Paragon from such Publication, and (2) Spyre shall delay such Publication for up to [***] days to enable filing of Patents. Paragon will not publicly present or publish any Publication including Confidential Information of Spyre relating specifically to the Licensed Antibodies or Derived Antibodies without Spyre's prior written consent, which consent may be withheld for any reason or no reason; *provided, that* the foregoing shall not limit Paragon's right to publicly present or publish any Publication relating to Multispecific Antibodies. Each Publication shall include proper attribution, including the use of such Party's trademarks and name, to the non-publishing Party, as applicable, and each non-publishing Party expressly authorizes the inclusion of such

reference in the applicable Publication and licenses the use of such trademarks and name solely for inclusion in any such Publication.

6.7 **Return of Confidential Information**. Promptly after the termination or expiration of this Agreement for any reason, each Party will return to the other Party or destroy, as such other Party will direct, all tangible manifestations of such other Party's Confidential Information at that time in the possession of the receiving Party, subject to the receiving Party's right to maintain one copy of such tangible manifestations of such other Party's Confidential Information solely for purposes of monitoring its compliance with this Agreement.

Article 7

REPRESENTATIONS, WARRANTIES AND COVENANTS.

7.1 **Mutual Representations**. Each Party represents and warrants to the other Party that:

(a) it is duly organized and validly existing under the laws of its jurisdiction of incorporation or formation, and has full corporate or other power and authority to enter into this Agreement and to carry out the provisions hereof;

(b) it is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder;

(c) no consent, approval, permit, governmental order, declaration or filing with, or notice to, any Governmental Authority or any Third Party is required by or with respect to such in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby; and

(d) this Agreement is legally binding upon it, enforceable in accordance with its terms, and does not and will not conflict with any agreement, instrument, or understanding, oral or written, to which it is or may become a party or by which it may be or become bound.

7.2 **Representations of Paragon**. Paragon hereby represents and warrants to Spyre as of the Effective Date that:

(a) Paragon has set forth in Exhibit A a true, correct and complete list of all the Licensed Antibody Patents and Other Licensed Patents existing as of the Effective Date (including title, all inventors, owners, assignees, filing date, grant date, expiration date and status);

(b) Unless otherwise set forth in Exhibit A, Paragon exclusively owns all Licensed Antibody Patents and Other Licensed Patents;

(c) There are no licenses or sublicenses pursuant to which Paragon licenses as of the Effective Date any of the Licensed Antibody Technology or Other Licensed Technology from any Third Party;

(d) Except for the rights and licenses that are available to Paragon under the terms of the [***] License Agreement with respect to the Research Program, to Paragon's actual

knowledge, no licenses or sublicenses from a Third Party are necessary to Develop, Manufacture and Commercialize the Licensed Antibodies;

(e) Paragon has the right under the Licensed Antibody Technology and the Other Licensed Technology and the terms of the [***] License Agreement to grant to Spyre the licenses and other rights set forth in this Agreement, and it has not granted any license or other right under the Licensed Antibody Technology that is inconsistent with the licenses and other rights granted to Spyre hereunder;

(f) There is no pending or, to Paragon's knowledge, threatened litigation, nor has Paragon received any written notice from any Third Party, asserting or alleging that the development, manufacture or commercialization of the Licensed Antibody Technology or Other Licensed Technology prior to the Effective Date infringed or misappropriated the intellectual property rights of such Third Party;

(g) To the [***] knowledge of Paragon's [***], there is no pending or threatened litigation, nor has Paragon received any written notice from any Third Party, asserting or alleging that the development, manufacture or commercialization of the [***] IP prior to the Effective Date infringed or misappropriated the intellectual property rights of such Third Party;

(h) To Paragon's knowledge, Paragon has not withheld from Spyre any information with respect to the Licensed Antibody Technology or the Other Licensed Know-How that would reasonably be expected to be materially adverse to Spyre's Development, Manufacture, or Commercialization of any Product in the Territory as contemplated under this Agreement;

(i) To the [***] knowledge of Paragon's [***], Paragon has not withheld from Spyre any information with respect to the [***] IP that would reasonably be expected to be materially adverse to Spyre's Development, Manufacture, or Commercialization of any Product in the Territory as contemplated under this Agreement;

(j) To Paragon's knowledge, Paragon has, and any of Paragon's Affiliates involved in the Research Program have, (i) conducted all research and development under the Research Program in accordance with Research Plan (as defined in the Option Agreement), and (ii) conducted the Research Program in compliance with all Applicable Laws;

(k) To Paragon's knowledge, Paragon has provided true, correct and complete copies of all Results developed under the Research Program and all other deliverables required under the Research Program have been provided or delivered to Spyre and are true, correct and complete in all material respects;

(l) Paragon has properly filed, Prosecuted and maintained all Licensed Antibody Patents and Other Licensed Patents;

(m) To the [***] knowledge of Paragon's [***], [***] has properly filed, Prosecuted and maintained all [***] Licensed Patents;

(n) Paragon has complied with all duties of disclosure and has not engaged in any inequitable conduct with respect to all Licensed Antibody Patents and Other Licensed Patents that were filed prior to the Effective Date;

(o) To the [***] knowledge of Paragon's [***], [***] has complied with all duties of disclosure and has not engaged in any inequitable conduct with respect to all [***] Licensed Patents that were filed prior to the Effective Date;

(p) All Licensed Antibody Patents and Other Licensed Patents listed in Exhibit A that have been issued as of the Effective Date are in full force and effect and are, to Paragon's knowledge, valid and enforceable;

(q) To the [***] knowledge of Paragon's [***], all [***] Licensed Patents that have been issued as of the Effective Date are in full force and effect, and are valid and enforceable;

(r) Other than the Patents listed in Exhibit A and any Patents for which Paragon has rights under the [***] License Agreement with respect to the Research Program, as of the Effective Date, neither Paragon nor any of its Affiliates own or have any rights in, to or under any Patents Covering the composition of matter of, or any method of specifically making or using, any Licensed Antibody;

(s) There are no judgments against or awards or settlements against Paragon or any of its Affiliates, and there are no claims, actions, or proceedings pending or, to Paragon's knowledge, threatened, nor to Paragon's knowledge are there any formal inquiries initiated or written notices received that are reasonably likely to lead to the institution of any such legal proceedings, in each case (i) relating to any Licensed Antibodies, Derived Antibodies, Other Licensed Technology or Licensed Antibody Technology, or alleging that any Third Party has any right to or under any Products, Licensed Antibodies, Derived Antibodies, Licensed Antibody Technology or Other Licensed Know-How that would conflict with the rights granted in this Agreement; or (ii) alleging that any Licensed Antibody Patent is unpatentable, invalid, unenforceable or infringed;

(t) To the [***] knowledge of Paragon's [***], there are no judgments against or awards or settlements against [***] or its Affiliates, and there are no claims, actions, or proceedings pending or threatened, nor are there any formal inquiries initiated or written notices received that are reasonably likely to lead to the institution of any such legal proceedings, in each case (i) relating to any [***] IP; or (ii) alleging that any [***] Licensed Patent is unpatentable, invalid, unenforceable or infringed;

(u) (i) Each Representative employed or engaged by Paragon or its Affiliate to conduct the activities under the Research Program have assigned or licensed, or are under contractual obligations to assign or license, to Paragon all inventions conceived, reduced to practice or otherwise related to Licensed Antibodies, Derived Antibodies and Licensed Antibody Technology; (ii) to Paragon's knowledge, no Representative employed by Paragon or its Affiliate that conducts activities under a Research Program has any obligations under agreements or Applicable Law to assign any interest in any such inventions to any Third Party; and (iii) each Representative employed or engaged by Paragon or its Affiliate to conduct the activities under a Research Program have existing obligations under agreements or Applicable Law to maintain as confidential Paragon's Confidential Information as well as confidential information of other parties (including of Spyre and its Affiliates);

(v) None of Paragon, its Representatives, or any other person used by Paragon in the performance of the Research Program or otherwise in connection with this Agreement has been or is (i) debarred, convicted, or is subject to a pending debarment or conviction, pursuant to section 306 of the United States Food Drug and Cosmetic Act, 21 U.S.C. § 335a, (ii) listed by any government or regulatory agencies as ineligible to participate in any government healthcare programs or government procurement or non-procurement programs (as that term is defined in 42 U.S.C. § 1320a-7b(f)), or excluded, debarred, suspended or otherwise made ineligible to participate in any such program, or (iii) convicted of a criminal offense related to the provision of healthcare items or services, or is subject to any such pending action. Paragon agrees to inform Spyre in writing promptly if Paragon or any person who is performing activities on its behalf under the Agreement is subject to the foregoing, or if any action, suit, claim, investigation, or proceeding relating to the foregoing is pending or threatened;

(w) No funding, facilities, or personnel of any Governmental Authority or any public or private educational or research institutions were used to develop or create any Licensed Antibody Technology or Other Licensed Technology (to the extent that such Other Licensed Technology is owned by Paragon or its Affiliates), and neither Paragon nor any of its Affiliates has entered into a government funding relationship that would result in rights to any Products, Licensed Antibodies, Derived Antibodies, Licensed Antibody Technology or Other Licensed Technology (to the extent that such Other Licensed Technology is owned by Paragon or its Affiliates) residing in the U.S. Government, the National Institutes of Health, or other agency, and the licenses granted hereunder are not subject to overriding obligations to the U.S. Government as set forth in Public Law 96-517 (35 U.S.C. §§ 200-204), or any similar obligations under the laws of any other country in the Territory;

(x) To the [***] knowledge of the [***] of Paragon, with respect to this Agreement and the Option Agreement, neither Paragon nor any of its directors, officers, employees, distributors, consultants, agents, representatives, sales intermediaries, or other Third Parties acting on behalf of Paragon or any of its Affiliates:

(i) has taken any action in violation of any applicable anti-corruption laws, anti-money laundering laws or laws restricting or regulating global trade (collectively, "**Anti-Corruption Laws**");

(ii) has conducted or initiated any internal investigation with respect to any alleged act or omission arising under or relating to any potential noncompliance with any Anti-Corruption Law, or been the subject of current, pending, or threatened investigation, formal or informal inquiry, enforcement proceedings, or received any notice, request, or citation for alleged violations of such laws;

(iii) has engaged in any direct or indirect dealings or transactions in or with a person, entity or country found on the Specially Designated Nationals and Blocked Persons List maintained by the U.S. Office of Foreign Assets Control, or engaged in any direct or indirect dealings with Sudan, individuals ordinarily resident in Sudan, or entities incorporated under the laws of Sudan prior to October 12, 2017; or

(iv) has offered, paid, given, promised to pay or give, or authorized the payment or gift of, received, or solicited anything of value, directly or indirectly, to any public official, for the purposes of: influencing any act or decision of any public official in his or her

official capacity; inducing any public official to do or omit to do any act in violation of his or her lawful duty; securing any improper or undue advantage; or inducing any public official to use his or her influence with a government, Governmental Authority, or commercial enterprise owned or controlled by any government (including state-owned or controlled veterinary, laboratory or medical facilities) in obtaining or retaining any business whatsoever; and

(y) (i) the version of the [***] License Agreement attached to this Agreement as Exhibit D is a true, correct and complete copy of the [***] License Agreement as of the Effective Date; and (ii) Paragon has not received a notice of breach, default or termination from [***] under the [***] License Agreement, nor has Paragon delivered a notice of breach, default or termination to [***] under the [***] License Agreement, and to the knowledge of Paragon the [***] License Agreement is in full force and effect.

7.3 **Covenants of Paragon**. Paragon hereby covenants to Spyre during the Term that:

(a) Paragon will not grant a Third Party any license or other right in the Licensed Antibody Technology or the Other Licensed Technology that would conflict with the rights and licenses granted to Spyre hereunder with respect to such Licensed Antibody Technology;

(b) Paragon will, and will direct each Affiliate of Paragon and subcontractor conducting activities under this Agreement to, conduct all such activities in compliance with Applicable Laws, including all applicable Anti-Corruption Laws and U.S. sanctions;

(c) Paragon will comply with the terms of each Paragon Third Party Agreement, will maintain each Paragon Third Party Agreement, will not amend a Paragon Third Party Agreement in a manner that (i) adversely effects Spyre in any material respect, or (ii) increases any financial obligations under a Paragon Third Party Agreement that will result in an increase in Spyre's Reimbursement Obligation, in each case of (i) and (ii) without Spyre's prior written consent, and will not take any actions that could reasonably cause any Paragon Third Party Agreement to lapse or terminate; and

(d) Paragon will, and will direct each applicable Affiliate of Paragon to, execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to enable Spyre to exercise its rights and obligations under Sections 5.2, 5.3 and 5.4.

7.4 **Compliance with Laws**. Each Party shall, and shall ensure that its Affiliates and its and its Affiliates' Representatives and sublicensees, comply with Applicable Laws in all material respects in the performance of its obligations and the exercise of its rights under this Agreement.

7.5 **DISCLAIMER OF WARRANTIES**. EXCEPT AS EXPRESSLY SET FORTH HEREIN, EACH PARTY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF DESIGN, MERCHANTABILITY, DURABILITY, MERCHANTABLE QUALITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES, OR ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICES.

Article 8

TERM; TERMINATION.

8.1 **Term**. The term of this Agreement shall commence on the Effective Date and shall expire on a country-by-country and Spyre Product-by-Spyre Product basis on the expiration of the Royalty Term for such Spyre Product in such country, in each case, unless earlier terminated by a Party as set forth below in this Article VIII (the "**Term**"). Upon expiration (but not termination) of the Agreement, the licenses granted in Section 2.1 shall survive and become royalty-free, fully paid-up, perpetual and irrevocable with respect to the applicable Spyre Product in the applicable country.

8.2 **Termination by Spyre**. Spyre shall have the right to terminate this Agreement in its entirety or on a country-by-country or Spyre Product-by-Spyre Product basis for any or no reason upon [***] days' prior written notice to Paragon.

8.3 **Material Breach**. Either Party may terminate this Agreement in its entirety for the material breach of this Agreement by the other Party, if such material breach remains uncured [***] days (or (a) [***] days with respect to any failure to make any payments owing to a Party hereunder, or (b) [***] days with respect to any material breach of this Agreement by Spyre that also constitutes a breach of a material obligation by Paragon under the [***] License Agreement) following notice from the non-breaching Party to the breaching Party specifying such breach, *provided that*, in the event of a dispute regarding the existence or cure of a material breach, no termination shall become effective until such dispute is finally resolved pursuant to Section 10.7 in favor of the non-breaching Party and the breaching Party fails to cure such material breach within [***] days thereafter.

8.4 **Insolvency**. Each Party will have the right to terminate this Agreement in the event of a Bankruptcy Event with respect to the other Party. "**Bankruptcy Event**" means the occurrence of any of the following: (a) the institution of any bankruptcy, receivership, insolvency, reorganization or other similar proceedings by or against a Party under any bankruptcy, insolvency, or other similar law now or hereinafter in effect, including any section or chapter of the United States Bankruptcy Code, as amended or under any similar laws of the United States or any state thereof (the "**Bankruptcy Code**"), where in the case of involuntary proceedings such proceedings have not been dismissed or discharged within [***] days after they are instituted, (b) the insolvency or making of an assignment for the benefit of creditors or the admittance by a Party of any involuntary debts as they mature, (c) the institution of any reorganization, arrangement or other readjustment of debt plan of a Party not involving the Bankruptcy Code, (d) appointment of a receiver for all or substantially all of a Party's assets, or (e) any corporate action taken by the board of directors of a Party in furtherance of any of the foregoing actions.

8.5 **Termination of [***] License Agreement**. In the event the [***] License Agreement is terminated in its entirety, this Agreement shall remain in full force and effect, provided that Spyre is not in material breach of the terms of this Agreement, and agrees to be bound to [***] as a licensor under the terms and conditions of the [***] License Agreement. Spyre shall have the option, in its sole discretion, to promptly enter into an appropriate agreement with [***] pursuant to Section 10.6(b) of the [***] License Agreement and the Parties will promptly enter into an amendment to this Agreement to effectuate the foregoing, including

directing that all payments owed by Spyre under the [***] License Agreement as of the effective date of termination of the [***] License Agreement shall be paid directly to [***] and, which for clarity, will not in the aggregate result in Spyre owing any more, for any given payment, to [***] and Paragon than it otherwise would have owed if the [***] License Agreement was not terminated.

8.6 **Effect of Termination of this Agreement**. If this Agreement terminates for any reason (excluding expiration under Section 8.1), whether with respect to a particular Spyre Product, particular country or in its entirety, then the following shall apply:

(a) All licenses and other rights granted by Paragon under this Agreement with respect to the terminated Spyre Product(s) and terminated country(ies) shall terminate, except as required for Spyre, its Affiliates and/or its Sublicensees to perform any of its obligations that survive termination, including to continue to complete or wind down (at [***] expense in the event of a termination by Spyre under Section 8.3) any ongoing clinical trials for any Spyre Product, as may be required by Applicable Law or ethical principles.

(b) No later than [***] days after the effective date of such termination, each Party shall return or cause to be returned to the other Party, or destroy, all Confidential Information received from the other Party and all copies thereof related to the terminated Spyre Product(s) in the terminated country(ies); *provided, however*, that each Party may retain any Confidential Information reasonably necessary for such Party's ongoing obligations and rights under this Agreement which do not terminate, and each Party may keep one (1) copy of Confidential Information received from the other Party in its confidential files for record purposes and such copy shall remain subject to Article VI of this Agreement.

(c) Upon Paragon's written request to Spyre (which must be provided to Spyre within [***] days after the effective date of termination), Paragon and Spyre shall exclusively discuss [***], for a period of up to [***] days following such written request, terms and conditions under which Spyre may be willing to grant to Paragon an [***], [***] license under the Spyre Intellectual Property to Develop, Manufacture, Commercialize or otherwise exploit the terminated Spyre Products in the Field in the terminated countries that were the subject of any Development, Manufacturing or Commercialization activities performed by Spyre or its Affiliates under this Agreement prior to such termination, ("**Reversion Products**"), as well as the potential transfer of materials, ongoing clinical trials, and applicable regulatory filings and relevant data generated by Spyre with respect to the Reversion Products and necessary for the continued Development, Manufacture, Commercialization and exploitation of such Reversion Products, such agreement to include commercially reasonable financial and other terms, which terms shall take into consideration Spyre's contributions made in the Development, Manufacture, Commercialization and other exploitation of the Reversion Products, provided, that Spyre is under no obligation to enter into such license.

8.7 **Survival of Sublicenses**. Upon termination of this Agreement, at the written request of any Sublicensee who is not then in breach of its sublicense agreement, such sublicense agreement will survive such termination of this Agreement, and Paragon will negotiate [***] the terms and conditions of a direct license with such Sublicensee that is consistent with the terms of this Agreement (as adjusted for the scope of license, products, field of use and other provisions of the original sublicense). Each sublicense that may be amended to become a direct license between Paragon and a Sublicensee shall ensure that any and all economic rights, payments or

benefits due to Spyre will be preserved and payable to Spyre and will designate Spyre a third-party beneficiary to enforce such rights. In each such instance, Spyre will have the right to review and approve the terms of such agreement between Paragon and such Sublicensee as related to Spyre's economic rights, which approval shall not be unreasonably withheld, conditioned or delayed.

8.8 **Accrued Rights; Survival**. The expiration or termination of this Agreement for any reason shall not release either Party from any liability or obligation that, at the time of such expiration or termination, has already accrued to the other Party or that is attributable to a period prior to such expiration or termination, nor will expiration or any termination of this Agreement preclude either Party from pursuing all rights and remedies it may have under this Agreement, or at law or in equity, with respect to breach of this Agreement. In the event of expiration or any termination of this Agreement, the following provisions of this Agreement shall survive such expiration or termination in accordance with their respective terms and conditions: Article I (Definitions); Section 2.1 (License Grant from Paragon) (upon expiration (but not termination) of this Agreement as set forth in Section 8.1 (Term)); Section 2.3 (Sublicenses) (with respect to any payments or other performance obligations prior to conversion (if any) to a direct license pursuant to Section 8.7); Section 2.4 (No Implied Licenses; Reservation of Rights); Section 4.1 (Milestone Payments) (with respect to any outstanding payment obligations incurred prior to the date of termination or expiration); Section 4.3 (Royalties) (with respect to any outstanding payments accrued prior to the effective date of termination); Section 4.5 (Payment Reports) (with respect to the last Calendar Quarter of the Term to the extent not already reported and any outstanding payment obligation with respect to any royalty payments accrued prior to the date of termination or expiration); Section 4.6 (Payment Method) to 4.10 (Blocked Currency) (for the duration of any outstanding payment obligations under this Agreement); Section 4.11 (Records; Inspection) (for the duration set forth therein); Section 5.1 (Ownership); Section 7.5 (Disclaimer of Warranties); Article VI (Protection of Confidential Information) (for the duration set forth therein); Section 8.5 (Effect of Termination of this Agreement); Section 8.7 (Survival of Sublicenses); Section 8.8 (Accrued Rights; Survival); Article IX (Indemnification); and Article X (Miscellaneous).

Article 9

INDEMNIFICATION.

9.1 **By Spyre**. Spyre hereby agrees to defend, indemnify and hold harmless Paragon, its Affiliates and its or their Representatives (each, an "**Paragon Indemnitee**") from and against any and all losses, damages, liabilities, expenses and costs, including reasonable legal expense and attorneys' fees (collectively, "**Losses**"), to which any Paragon Indemnitee may become subject (a) as a result of any claim, demand, action, or other proceeding by any Third Party ("**Third Party Claim**") to the extent such Losses result from: (i) the gross negligence, recklessness or willful misconduct of any Spyre Indemnitee in the performance of this Agreement; (ii) Spyre's breach of any of its representations, warranties or covenants under this Agreement; (iii) Spyre's Development, Manufacture and Commercialization of the Spyre Products; or (iv) any breach of the [***] License Agreement that is caused by the actions or omissions of Spyre or its Affiliates or Sublicensees; and (b) to the extent such Losses result from the termination, suspension, revocation or other loss of any Licensed Antibody Patents as a result of any negligence or breach of this Agreement by Spyre, its Affiliates or Sublicensees, in each

case ((a) to (b)), except in each case to the extent that any Losses are attributable to the breach of this Agreement by, or the negligence, recklessness or willful misconduct of, or otherwise indemnifiable by, any Paragon Indemnitee.

9.2 **By Paragon**. Paragon hereby agrees to defend, indemnify, and hold harmless Spyre, its Affiliates, and its or their Representatives (each, a "**Spyre Indemnitee**") from and against any and all Losses to which any Spyre Indemnitee may become subject (a) as a result of any Third Party Claim to the extent such Losses result from: (i) the gross negligence, recklessness or willful misconduct of any Paragon Indemnitee in the performance of this Agreement; (ii) Paragon's breach of any of its representations, warranties or covenants under this Agreement; or (iii) any breach of the [***] License Agreement that is caused by the actions or omissions of Paragon or its Affiliates or sublicensees (other than Spyre or its Sublicensees); and (b) to the extent such Losses result from: (i) the termination, suspension, revocation or other loss of any Licensed Antibody Patents as a result of any negligence or breach of this Agreement by Paragon or its Affiliates; or (ii) any claim or demand from any employee or contractor of Paragon or its Affiliates who is an inventor of any Licensed Antibody Patents with respect to ownership thereof, in each case ((a) to (b)), except to the extent that any Losses are attributable to the breach of this Agreement by, or the negligence, recklessness or willful misconduct of, or otherwise indemnifiable by, any Spyre Indemnitee.

9.3 **Indemnification Procedures**. The Party claiming indemnity under this Article IX (the "**Indemnified Party**") will give written notice to the Party from whom indemnity is being sought (the "**Indemnifying Party**") promptly after learning of the Third Party Claim for which indemnity is being sought ("**Claim**"). The Indemnifying Party's obligation to defend, indemnify and hold harmless pursuant to Section 9.1 or Section 9.2, as applicable, will be reduced to the extent the Indemnified Party's delay in providing notification pursuant to the previous sentence results in material prejudice to the Indemnifying Party; *provided, however,* that the failure by an Indemnified Party to give such notice or otherwise meet its obligations under this Section 9.3 will not relieve the Indemnifying Party of its indemnification obligation under this Agreement. At its option, the Indemnifying Party may assume the defense and have exclusive control, at its own expense, of any Claim for which indemnity is being sought by giving written notice to the Indemnified Party within [***] days after receipt of the notice of the Claim. The Indemnified Party will provide the Indemnifying Party with reasonable assistance, at the Indemnifying Party's expense, in connection with the defense. The Indemnified Party may participate in and monitor such defense with counsel of its own choosing at its sole expense; *provided, however,* the Indemnifying Party will have the right to assume and conduct the defense of the Claim with counsel of its choice. The Indemnifying Party will not settle any Claim without the prior written consent of the Indemnified Party, not to be unreasonably withheld, unless the settlement involves only the payment of money. The Indemnified Party will not settle any such Claim without the prior written consent of the Indemnifying Party. If the Indemnifying Party does not assume and conduct the defense of the Claim as provided above, (i) the Indemnified Party may defend against, and consent to the entry of any judgment or enter into any settlement with respect to the Claim in any manner the Indemnified Party may deem reasonably appropriate, *provided, that* the Indemnified Party reasonably consults with the Indemnifying Party prior to entering into any settlement, and (ii) the Indemnified Party reserves any right it may have under this Article IX to obtain indemnification from the Indemnifying Party.

9.4 **Limitation of Liability**. EXCEPT FOR LIABILITY FOR BREACH OF ARTICLE VI, FOR BREACH OF SECTIONS 2.1 OR 2.2, FOR BREACH OF ANY INTELLECTUAL PROPERTY RIGHTS HELD BY A PARTY, FOR THE FRAUD OR WILLFUL MISCONDUCT OF A PARTY OR FOR INDEMNIFICATION CLAIMS UNDER THIS ARTICLE IX, IN NO EVENT SHALL EITHER PARTY BE ENTITLED TO RECOVER FROM THE OTHER PARTY ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT, EVEN IF THE OTHER PARTY HAD NOTICE OF THE POSSIBILITY OF SUCH DAMAGES.

9.5 **Insurance**. During the Term and for a period of [***] years thereafter, each Party shall maintain at its expense insurance coverage consistent with normal business practices and adequate to cover the risks associated with its performance of any activities hereunder. Each Party hereby expressly acknowledges and agrees that the maintenance of such insurance coverage shall not relieve it of its obligations under this Agreement.

Article 10

MISCELLANEOUS.

10.1 **Independent Contractor Relationship**. Paragon's relationship with Spyre is that of an independent contractor, and nothing in this Agreement should be construed to create a partnership, joint venture, or employer-employee relationship. Neither Party is an agent of the other Party or authorized to make any representation, contract, or commitment on behalf of the other Party.

10.2 **Force Majeure**. Neither Party will be charged with any liability for delay or failure in performance of an obligation under this Agreement (other than any obligation to pay monies when due) to the extent such delay or failure is due to a cause beyond the reasonable control of the affected Party, such as war, riots, labor disturbances, epidemic, pandemic, fire, explosion, and compliance in good faith with any Applicable Law (in each case, a "**Force Majeure**"). In addition, a Force Majeure event may include reasonable measures affirmatively taken by a Party or its Affiliates to respond to the COVID-19 pandemic or any other pandemic (or other Force Majeure event), such as requiring employees to stay home, closures of facilities, delays of clinical trials, or cessation of activities in response to the pandemic. The Party affected by a Force Majeure will give prompt written notice to the other Party of the nature of the cause of any material delay or failure to perform, its anticipated duration and any action being taken to avoid or minimize the effect. The Party affected will use its diligent efforts to avoid or remove such causes of delay or failure to perform and to mitigate the effect of such occurrence, and will continue performance in accordance with the terms of this Agreement whenever such causes are removed. The Party affected will give prompt written notice to the other Party of such resumed performance. If any such failure or delay in a Party's performance hereunder continues for more than [***] days, the other Party may terminate this Agreement upon written notice to the affected Party.

10.3 **Entire Agreement; Amendment**. This Agreement and the Option Agreement, together with all Exhibits attached hereto, constitutes the final, complete, and exclusive agreement of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous understandings and agreements, relating to its subject matter. This Agreement

(including its Exhibits) may not be changed, modified, amended, or supplemented except by a written instrument signed by both Parties.

10.4 **Non-Waiver**. The failure of a Party to insist upon strict performance of any provision of this Agreement or to exercise any right arising out of this Agreement shall neither impair that provision or right nor constitute a waiver of that provision or right, in whole or in part, in that instance or in any other instance. Any waiver by a Party of a particular provision or right shall be in writing, shall be as to a particular matter and, if applicable, for a particular period of time and shall be signed by such Party.

10.5 **Severability**. Should one or more of the provisions of this Agreement become void or unenforceable as a matter of Applicable Law, then this Agreement shall be construed as if such provision were not contained herein and the remainder of this Agreement shall be in full force and effect, and the Parties will use their best efforts to substitute for the invalid or unenforceable provision a valid and enforceable provision which conforms as nearly as possible with the original intent of the Parties.

10.6 **Assignment**. Neither this Agreement nor any rights or obligations hereunder may be assigned by either Party without the prior written consent of the other Party (which consent shall not be unreasonably withheld); *provided, however*, that (a) Paragon may assign to an Affiliate or a Third Party financing source its rights to receive some or all of the payments payable hereunder together with the right to receive Confidential Information of Spyre, *provided* Paragon shall not be permitted to share Spyre Confidential Information unless and except to the extent necessary to obtain Affiliate or Third-Party financing, *provided, further, that* any such Affiliate or Third Party agrees to be bound by obligations of confidentiality and non-use at least as restrictive as those set forth in Article VI; and (b) either Party may assign this Agreement and its rights and obligations hereunder without the other Party's consent to (i) its Affiliates or (ii) its successor to all or substantially all of the business of such Party to which this Agreement relates, whether by merger, sale of stock, sale of assets or otherwise. The assigning Party shall provide the other Party with prompt written notice of any such assignment set forth in clauses (a) and (b) above. Except for an assignment pursuant to clause (a) above, the rights and obligations of the Parties under this Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Parties, and the name of a Party appearing herein will be deemed to include the name of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this section. Any assignment not in accordance with this Agreement shall be void.

10.7 **Dispute Resolution**.

(a) The Parties recognize that a *bona fide* dispute as to certain matters may arise from time to time during the Term relating to either Party's rights or obligations hereunder or otherwise relating to the validity, enforceability or performance of this Agreement, including disputes relating to alleged breach or termination of this Agreement but excluding any disputes relating to Article VI or disputes relating to the determination of the validity, scope, infringement, enforceability, inventorship or ownership of the Parties' respective Intellectual Property Rights (hereinafter, a "**Dispute**"). In the event of the occurrence of any Dispute, the Parties will follow the following procedures in an attempt to resolve the dispute or disagreement:

(i) The Party claiming that such a Dispute exists will give notice in writing (a "**Notice of Dispute**") to the other Party of the nature of the Dispute. The Dispute will be referred to the then Chief Executive Officer of Paragon and the then Chief Executive Officer of Spyre (or, if no Chief Executive Officer of Spyre has been appointed, the Chief Operating Officer of Spyre) who will meet no later than [***] days following the initial receipt of the Notice of Dispute and use reasonable endeavors to resolve the Dispute.

(ii) If, within [***] days of initial receipt of the Notice of Dispute, the Dispute has not been resolved, or if, for any reason, the meeting described in Section 10.7(a)(ii) hereof has not been held within [***] days of initial receipt of the Notice of Dispute, then the Parties agree that such Dispute will be finally resolved through binding arbitration to be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules (the "**JAMS Rules**"), as specifically modified by the provisions of this Section 10.7(a)(iii) and Section 10.7(a)(iv).

(iii) The arbitration will be conducted by a panel of three arbitrators. Within [***] days after the initiation of the arbitration, each Party will nominate one person to act as arbitrator, and the two arbitrators so named will then jointly appoint the third arbitrator within [***] days of their appointment, who will serve as chairman of the panel. All three arbitrators must be independent Third Parties having at least [***] years of dispute resolution experience (which may include judicial experience) or legal or business experience in the biotech or pharmaceutical industry. If either Party fails to nominate its arbitrator, or if the arbitrators selected by the Parties cannot agree on a person to be named as chairman within such [***]-day period, JAMS will make the necessary appointments for such arbitrator(s) or the chairman. Once appointed by a Party, such Party will have no *ex parte* communication with its appointed arbitrator.

(iv) Notwithstanding the provisions of Section 10.7(a)(ii), in the event that the Dispute involves an amount in question of less than $[***], then the arbitration will be conducted by one arbitrator, selected in accordance with the JAMS Rules.

(v) The place of arbitration will be in Boston, Massachusetts or such other venue as the Parties may mutually agree. The arbitration proceedings and all communications with respect thereto will be in English. Any written evidence originally in another language will be submitted in English translation accompanied by the original or a true copy thereof. The arbitrator(s) shall have the power to decide all matters in Dispute, including any questions of whether or not such matters are subject to arbitration hereunder. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. §§1 *et seq.,* and judgment upon the award rendered by the arbitrators may be entered in any court having competent jurisdiction thereof. The existence, content and results of any arbitration proceedings pursuant to this Section 10.7 will be deemed the Confidential Information of both Parties.

(b) Notwithstanding any provision of this Agreement to the contrary, either Party may immediately initiate litigation in any court of competent jurisdiction seeking any remedy at law or in equity, including the issuance of a preliminary, temporary or permanent injunction, to preserve or enforce its rights under this Agreement.

(c) The Parties agree that any disputes relating to Article VI or disputes relating to the determination of the validity, scope, infringement, enforceability, inventorship or

ownership of the Parties' respective Intellectual Property Rights shall be subject to the exclusive jurisdiction of the state and federal courts in Boston, Massachusetts and each Party hereby submits to such jurisdiction.

10.8 **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without reference to conflicts of laws principles.

10.9 **Notices**. Any notice to be given under this Agreement must be in writing and delivered either in person, by internationally recognized express courier, by email, or by facsimile, to the Party to be notified at its address(es) given below, or at any address such Party has previously designated by prior written notice to the other. Notice shall be deemed sufficiently given for all purposes upon the earliest of: (a) the date of actual receipt; (b) if delivered by express courier, the next Business Day the express courier regularly makes deliveries; or (c) if delivered by email, upon the date upon which the receipt of such email is confirmed by return email. Together with any notice provided by a Party to the other Party in accordance with this Section 10.9, the Party shall send a copy of such notice by email to the other Party.

If to Paragon: Paragon Therapeutics, Inc.
221 Crescent Street
Building 23, Suite 105
Waltham, MA 02453
Attn: Chief Operating Officer
Email: [***]

If to Spyre: Spyre Therapeutics, Inc.
221 Crescent Street
Building 23, Suite 105
Waltham, MA 02453
Attn: Chief Executive Officer
Email: [***]

10.10 **Interpretation**. Except where the context expressly requires otherwise, (a) the use of any gender herein shall be deemed to encompass references to either or both genders, and the use of the singular shall be deemed to include the plural (and vice versa), (b) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (c) the word "will" shall be construed to have the same meaning and effect as the word "shall", (d) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (e) any reference herein to any person or entity shall be construed to include such person's or entity's successors and assigns, (f) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to Sections or Exhibits shall be construed to refer to Sections or Exhibits of this Agreement, and references to this Agreement include all Exhibits hereto, (h) the word "notice" means notice in writing (whether or not specifically stated) and shall include notices, consents,

approvals and other written communications contemplated under this Agreement, (i) provisions that require that a Party, the Parties or any committee hereunder "agree," "consent" or "approve" or the like shall require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail and instant messaging), (j) references to any specific law, or article, section or other division thereof, shall be deemed to include the then-current amendments thereto or any replacement or successor law thereof, and (k) the term "or" shall be interpreted in the inclusive sense commonly associated with the term "or." The headings of clauses contained in this Agreement preceding the text of the sections, subsections and paragraphs hereof are inserted solely for convenience and ease of reference only and shall not constitute any part of this Agreement or have any effect on its interpretation or construction. Ambiguities and uncertainties in this Agreement, if any, shall not be interpreted against either Party, irrespective of which Party may be deemed to have caused the ambiguity or uncertainty to exist. This Agreement has been prepared in the English language, and the English language shall control its interpretation. In addition, all notices required or permitted to be given hereunder, and all written, electronic, oral, or other communications between the Parties regarding this Agreement shall be in the English language. To the extent there is any inconsistency or conflict between the terms and conditions of this Agreement and any Exhibit, the terms and conditions of this Agreement will prevail.

10.11 **No Third-Party Rights**. The provisions of this Agreement are for the exclusive benefit of the Parties and their successors and permitted assigns, and no other person shall have any right or claim against any Party by reason of these provisions or be entitled to enforce any of these provisions against any Party.

10.12 **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original document, and all of which, together with this writing, shall be deemed one instrument. This Agreement may be executed by facsimile or PDF signatures, which signatures shall have the same force and effect as original signatures.

10.13 **Expenses**. Each Party shall pay its own costs, charges and expenses incurred in connection with the negotiation, preparation and completion of this Agreement.

10.14 **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors and permitted assigns.

10.15 **Construction**. The Parties hereto acknowledge and agree that: (a) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (c) the terms and provisions of this Agreement shall be construed fairly as to all Parties hereto and not in a favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

10.16 **Cumulative Remedies**. No remedy referred to in this Agreement is intended to be exclusive unless explicitly stated to be so, but each shall be cumulative and in addition to any other remedy referred to in this Agreement or otherwise available under law.

10.17 **Performance by Affiliates**. A Party may perform some or all of its obligations under this Agreement through Affiliate(s) or may exercise some or all of its rights under this

Agreement through Affiliates, subject to the terms of this Agreement. However, each Party shall remain responsible and be guarantor of the performance by its Affiliates and shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance as if such Party were performing such obligations itself, and references to a Party in this Agreement shall be deemed to also reference such Affiliate. In particular and without limitation, all Affiliates of a Party that receive Confidential Information of the other Party pursuant to this Agreement shall be governed and bound by all obligations set forth in Article VI, and shall be subject to the intellectual property provisions of Article V as if they were the original Party to this Agreement (and be deemed included in the actual Party to this Agreement for purposes of all intellectual property-related definitions). A Party and its Affiliates shall be jointly and severally liable for their performance under this Agreement.

[*Remainder of Page Left Intentionally Blank; Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have by duly authorized persons executed this Agreement as of the Effective Date.

Paragon Therapeutics, Inc.

By: /s/ K. Evan Thompson
Name: K. Evan Thompson
Title: Chief Operating Officer

Spyre Therapeutics, Inc.

By: /s/ Cameron Turtle
Name: Cameron Turtle
Title: Chief Executive Officer

Exhibit 10.5

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE THE INFORMATION (I) IS NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

SECOND AMENDED AND RESTATED ANTIBODY DISCOVERY AND OPTION AGREEMENT

This Second Amended and Restated Antibody Discovery and Option Agreement ("**Agreement**") is entered into and effective as of May 14, 2024 (the "**Second Restatement Effective Date**"), by and among Paragon Therapeutics, Inc., a Delaware corporation ("**Paragon**"), Parapyre Holding LLC, a Delaware limited liability company ("**Parapyre**"), and Spyre Therapeutics, Inc. f/k/a Aeglea BioTherapeutics, Inc., a Delaware corporation ("**Spyre**"). Paragon, Parapyre and Spyre are also referred to herein individually as a "**Party**", or collectively as the "**Parties**."

Recitals

Whereas, Paragon has developed a proprietary platform technology for the discovery and development of antibodies against therapeutically relevant targets;

Whereas, Spyre Therapeutics, Inc. ("**First Spyre**") engaged each of Paragon and Parapyre to identify, evaluate and develop one or more antibody candidates directed to certain mutually agreed therapeutic targets of interest to First Spyre pursuant to an Antibody Discovery and Option Agreement (the "**Original Agreement**") dated May 25, 2023 (the "**Effective Date**"), as amended and restated by the Amended and Restated Antibody Discovery and Option Agreement dated September 29, 2023 (the "**First Restatement**") among First Spyre, Paragon and Parapyre;

Whereas, Paragon and Parapyre have been performing certain antibody discovery and development activities pursuant to the Original Agreement and First Restatement;

Whereas, pursuant to the Original Agreement and First Restatement, First Spyre received an exclusive option to enter into separate license agreements with Paragon and Parapyre, as applicable, to develop, manufacture and commercialize the resulting antibodies with respect to a given target, all on the terms and subject to the conditions set forth in the Original Agreement and First Restatement;

Whereas, on June 22, 2023, First Spyre merged with and into Spyre Therapeutics, LLC (formerly known as Sequoia Merger Sub II, LLC), pursuant to which Spyre Therapeutics, LLC became the surviving entity;

Whereas, pursuant to Section 2.1 of the Original Agreement, the Parties initiated a Research Program focusing on the IL-23 Target; and

Whereas, the parties desire to amend and restate the First Restatement to, among other matters, amend certain terms as they relate to the Research Program focusing on the IL-23 Target.

Now Therefore, in consideration of the foregoing premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

Article 1
DEFINED TERMS

1.1 "**Actual Annual Costs**" shall have the meaning set forth in Section 5.2(b).

1.2 "**Affiliate**" means any entity controlled by, controlling, or under common control with a Party hereto. For the purpose of this definition, "control" (including, with correlative meaning, the terms "controlled by" or "under common control") means the direct or indirect ownership of more than fifty percent (50%) of the voting interest in, or more than fifty percent (50%) in the equity of, or the right to appoint more than fifty percent (50%) of the directors or management of, such corporation or other business entity. Notwithstanding the foregoing, (a) with respect to either Party, Affiliates of such Party do not include [***] or its Affiliates other than such Party and its subsidiaries, (b) Paragon and its Affiliates, on the one hand, and Spyre and its subsidiaries, on the other hand, shall not be deemed to be Affiliates of each other, and (c) subject to Paragon's obligations under Section 8.2(b), Affiliates of Paragon do not include new entities formed by or on behalf of Paragon for the sole *bona fide* purpose of further developing, manufacturing, commercializing or otherwise exploiting Antibodies and Antibody products (excluding any Licensed Antibody Technology or Other Licensed Technology) using, among other sources, funds from Third Party investors.

1.3 "**Agreement**" shall have the meaning provided in the first paragraph of this Agreement.

1.4 "**Annual Development Fees**" shall have the meaning provided in Section 1.24.

1.5 "**Antibody**" shall mean any molecule, including [***].

1.6 "**Antibody Production Activities**" shall have the meaning provided in Section 2.1(b).

1.7 "**Applicable Law**" shall mean any national, supra-national, federal, state or local laws, rules, guidances and regulations, in each case, as applicable to the subject matter and the party at issue.

1.8 "**Bankruptcy Code**" shall have the meaning set forth in Section 9.4.

1.9 "**Bankruptcy Event**" shall have the meaning set forth in Section 9.4.

1.10 "**Background IP**" shall mean all Patents and Know-How Controlled by a Party (a) as of the Effective Date, or (b) that otherwise arise outside of and independently of this Agreement. Paragon's Background IP includes the Paragon Platform Technology.

1.11 "**Budget**" shall mean the agreed budget for the activities set forth in the applicable Research Plan.

1.12 "**Business Day**" shall mean any day other than Saturday, Sunday or other national holidays in the United States.

1.13 "**Calendar Quarter**" shall mean the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31.

1.14 "**Calendar Year**" shall mean each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.15 "**Commercialize**" or "**Commercializing**" shall mean any and all activity to market, promote, distribute, offer for sale, sell, have sold, seek reimbursement, import, have imported, export, have exported, or otherwise commercialize an Antibody or product, including any Project Antibody, Selected IL-23 Project Antibody, Derived Antibody, or Product, as applicable, and including interacting with regulatory authorities following receipt of regulatory approval and seeking and maintaining any required reimbursement approval. When used as a noun, "**Commercialization**" means any and all activities involved in Commercializing.

1.16 "**Confidential Information**" of a Party shall mean Know-How and any and all non-public scientific, business, regulatory or technical information that is disclosed or made available by or on behalf of one Party (the "**Disclosing Party**") to any other Party (a "**Receiving Party**") in connection with this Agreement, regardless of whether such information is specifically marked or designated confidential, whether in writing, orally, visually or otherwise. Notwithstanding any provision of this Agreement to the contrary, (a) with respect to any Research Program other than the IL-23 Research Program, (i) prior to the execution of a License Agreement for such Research Program, all Project Antibody Technology shall be the Confidential Information of all Parties, and each Party shall be deemed as both the "Disclosing Party" and the "Receiving Party" with respect thereto; *provided, that* if the Parties do not enter into a License Agreement in accordance with this Agreement, then the Project Antibody Technology shall thereafter be the Confidential Information of Paragon, and (ii) following the execution of a License Agreement for such Research Program, all Project Antibody Technology that becomes "Licensed Antibody Technology" under such License Agreement shall be the Confidential Information of Spyre, and Spyre shall be deemed to be the "Disclosing Party" with respect thereto, and (b) with respect to the IL-23 Research Program, (i) prior to completion of the IL-23 Selection Process, all Project Antibody Technology shall be the Confidential Information of all Parties, and each Party shall be deemed as both the "Disclosing Party" and the "Receiving Party" with respect thereto, (ii) following completion of the IL-23 Selection Process and prior to the execution of a License Agreement for the IL-23 Research Program, the Selected IL-23 Project Antibody Technology shall be the Confidential Information of all Parties, and each Party shall be deemed as both the "Disclosing Party" and the "Receiving Party" with respect thereto; *provided, that* if the Parties do not enter into a License Agreement in accordance with this Agreement, then the Selected IL-23 Project Antibody Technology shall thereafter be the Confidential Information of Paragon, (iii) following completion of the IL-23 Selection Process and the execution of a License Agreement for the IL-23 Research Program, all Selected IL-23 Project Antibody Technology that becomes "Licensed Antibody Technology" under such License Agreement shall be the Confidential Information of Spyre, and Spyre shall be deemed to be the "Disclosing Party" with respect thereto, and (iv) following completion of the IL-23 Selection Process, the Retained IL-23 Project Antibody Technology shall be the Confidential Information of Paragon.

1.17 "**Control**" (including any variations such as "**Controlled**" and "**Controlling**") shall mean, with respect to any Technology or Intellectual Property Rights, possession by a Party and the ability (whether by ownership, license or otherwise) to grant a license or a sublicense of or under such Technology or Intellectual Property Rights without violating the terms of any agreement or other arrangement with any Third Party.

1.18 "**Cost Advance**" shall have the meaning set forth in Section 5.2(a).

1.19 "**Cover**" or "**Covering**" shall mean, with respect to a Patent, that, in the absence of a license granted under, or ownership of, such Patent, the making, using, selling, importation, or exportation of such product would infringe a valid and unexpired claim of such Patent.

1.20 "**Deliverables**" shall have the meaning set forth in Section 2.1(c)(i).

1.21 **"Derived Antibody"** shall mean:

(a) With respect to any Research Program other than the IL-23 Research Program, any Antibody that (i) is derived from or constitutes a modification of a Project Antibody, including [***], and (ii) [***]. For avoidance of doubt, any Antibody that [***] will be deemed a Derived Antibody, irrespective of origin.

(b) With respect to the IL-23 Research Program, any Antibody that (i) is derived from or constitutes a modification of a Selected IL-23 Project Antibody, including [***], (ii) [***], and (iii) [***]. For avoidance of doubt, any Antibody that [***] will be deemed a Derived Antibody, irrespective of origin, so long as such Antibody satisfies the requirements of (i), (ii) and (iii).

(c) Notwithstanding the foregoing, a Derived Antibody shall not include [***].

1.22 "**Derived Antibody Patent**" shall mean any Patent that Covers the composition of matter of, or any method of specifically making or using, any Derived Antibody.

1.23 "**Develop**" or "**Developing**" shall mean any and all activity to discover, evaluate, test (including clinical and non-clinical testing), research, or otherwise develop an Antibody, including a Project Antibody, Selected IL-23 Project Antibody, Derived Antibody, or Product, as applicable. When used as a noun, "**Development**" means any and all activities involved in Developing.

1.24 "**Development Costs**" shall mean (a) [***] (such amounts, the "**Third Party Costs**"), and (b) [***] (such development fees, the "**Development Fees**", and the development fees to be paid in any given Calendar Year during the Research Program, the "**Annual Development Fees**"); in each case ((a) and (b)) to the extent consistent with the applicable Research Plan (including [***]).

1.25 "**Development Fees**" shall have the meaning provided in Section 1.24.

1.26 "**Directed To**" shall mean, with regard to an Antibody or Product, that such Antibody or Product is developed or designed to (a) [***], and (b) [***].

1.27 "**Disclosing Party**" shall have the meaning provided in Section 1.16.

1.28 "**Dispute**" shall have the meaning provided in Section 11.7.

1.29 "**Effective Date**" shall have the meaning provided in the Recitals.

1.30 "**Election Notice**" shall have the meaning provided in Section 4.3.

1.31 "**Equity Grant**" shall have the meaning provided in Section 5.7.

1.32 "**Field**" shall mean the prophylaxis, palliation, treatment and diagnosis of human disease and disorders in all therapeutic areas, except with respect to IL-23, where "**Field**" shall mean the prophylaxis, palliation, treatment and diagnosis of human disease and disorders in the therapeutic area of inflammatory bowel disease.

1.33 "**Final Deliverable**" shall, on a Research Program-by-Research Program basis, have the meaning provided in the applicable Research Plan.

1.34 "**First Restatement**" shall have the meaning provided in the Recitals.

1.35 "**Governmental Authority**" means any national, international, federal, state, provincial, or local government, or political subdivision thereof, or any multinational organization or any authority, agency, or commission entitled to exercise any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power, or any court or tribunal (or any department, bureau or division thereof, or any governmental arbitrator or arbitral body).

1.36 "**IL-23 Information**" shall have the meaning provided in Section 7.3.

1.37 "**IL-23 License Template**" shall have the meaning set forth in Section 4.4(b).

1.38 "**IL-23 Research Program**" shall mean the Research Program focused on IL-23.

1.39 "**IL-23 Selection Process**" shall have the meaning provided in Section 2.1(c)(iii).

1.40 "**Indemnified Party**" shall have the meaning provided in Section 10.3.

1.41 "**Indemnifying Party**" shall have the meaning provided in Section 10.3.

1.42 "**Intellectual Property Rights**" shall mean any and all proprietary rights provided under (a) patent law, including any Patents; (b) copyright law; or (c) any other applicable statutory provision or common law principle, including trade secret law, that may provide a right in Know-How, or the expression or use thereof.

1.43 "**JDC"** shall have the meaning provided in Section 3.1.

1.44 "**Know-How**" shall mean all technical information and know-how in any tangible or intangible form, including (a) inventions, discoveries, trade secrets, data, specifications, instructions, processes, formulae, materials (including cell lines, vectors, plasmids, nucleic acids and the like), methods, protocols, expertise and any other technology, including the applicability of any of the foregoing to formulations, compositions or products or to their manufacture,

development, registration, use or marketing or to methods of assaying or testing them or processes for their manufacture, formulations containing them or compositions incorporating or comprising them, and (b) all data, instructions, processes, formulae, strategies, and expertise, whether biological, chemical, pharmacological, biochemical, toxicological, pharmaceutical, physical, analytical, or otherwise and whether related to safety, quality control, manufacturing or other disciplines. Notwithstanding the foregoing, Know-How excludes any Patent.

1.45 "**License Agreement**" shall have the meaning set forth in Section 4.4(c).

1.46 "**License Template**" shall have the meaning set forth in Section 4.4(b).

1.47 "**Losses**" shall have the meaning provided in Section 10.1.

1.48 "**Manufacture**" or "**Manufacturing**" shall mean any and all activity to make, have made, produce, manufacture, process, fill, finish, package, label, perform quality assurance testing, release, ship or store an Antibody, including a Project Antibody, Selected IL-23 Project Antibody, Derived Antibody, or Product or any component thereof, as applicable. When used as a noun, "Manufacture" or "Manufacturing" means any and all activities involved in Manufacturing an Antibody, including a Project Antibody, Selected IL-23 Project Antibody, Derived Antibody, or Product or any component thereof, as applicable.

1.49 "**Notice of Dispute**" shall have the meaning provided in Section 11.7(a).

1.50 "**Option**" shall have the meaning provided in Section 4.1.

1.51 "**Option Period**" shall have the meaning provided in Section 4.3.

1.52 "**Original Agreement**" shall have the meaning provided in the Recitals.

1.53 "**Paragon**" shall have the meaning provided in the first paragraph of this Agreement.

1.54 "**Paragon Indemnitee**" shall have the meaning provided in Section 10.1.

1.55 "**Paragon Platform Know-How**" shall mean (a) Know-How Controlled by Paragon or its Affiliates prior to or during the Term relating to antibody discovery and development, (b) all methods, materials and other Know-How used in the foregoing Controlled by Paragon or its Affiliates, and (c) platforms embodying, components, component steps and other portions of any of the foregoing in (a) or (b) Controlled by Paragon or its Affiliates.

1.56 "**Paragon Platform Know-How Improvement**" shall mean all Know-How developed or discovered through or as a result of the activities performed by or on behalf of Paragon under a Research Program that constitutes an improvement, enhancement, modification, substitution, or alteration to the Paragon Platform Technology; *provided, however*, to the extent any of the Know-How developed or discovered during the Term that specifically relates to a Project Antibody will be considered Project Antibody Technology and not Paragon Platform Know-How Improvements.

1.57 "**Paragon Platform Patents**" shall mean all Patents that Paragon or its Affiliates Control prior to or during the Term that Cover Paragon Platform Know-How, including Patents that Cover Paragon Platform Know-How Improvements.

1.58 "**Paragon Platform Technology**" shall mean Paragon Platform Know-How, Paragon Platform Know-How Improvements and Paragon Platform Patents.

1.59 "**Parapyre**" shall have the meaning provided in the first paragraph of this Agreement.

1.60 "**Party**" or "**Parties**" shall have the meaning provided in the first paragraph of this Agreement.

1.61 "**Patents**" shall mean (a) unexpired patents and patent applications, (b) any and all patent applications filed either from such patent or patent applications or from a patent application claiming priority from any of those, including divisionals, provisionals, continuations, continuations-in-part, and reissues, (c) substitutions, renewals, registrations, re-examinations, revalidations, extensions, supplementary protection certificates and the like of any such patents and patent applications, and (d) any and all foreign equivalents of the foregoing.

1.62 "**Primary License Template**" shall have the meaning set forth in Section 4.4(a).

1.63 "**Pre-Effective Date Development Costs**" shall have the meaning set forth in Section 5.2(a).

1.64 "**Product**" shall mean any product that comprises or contains (a) with respect to any Research Program other than the IL-23 Research Program, any Project Antibody or any Derived Antibody thereof, or (b) with respect to the IL-23 Research Program, any Selected IL-23 Project Antibody or any Derived Antibody thereof.

1.65 "**Project Antibody**" shall mean any and all Antibodies that are Directed To a particular Selected Target and that are discovered, generated, identified or characterized by Paragon in the course of performing the applicable Research Program. Notwithstanding the foregoing, the Project Antibodies shall not include (a) [***], or (b) [***].

1.66 "**Project Antibody Invention**" shall mean (a) any invention or discovery, whether or not patentable, that constitutes the composition of matter of, or any method of specifically making or using, any Project Antibody or a Derived Antibody; and (b) all Intellectual Property Rights therein. Notwithstanding the foregoing, the Project Antibody Inventions shall not include (i) any invention or discovery, whether or not patentable, that was discovered or reduced to practice by or on behalf of Paragon under a Research Program that constitutes the composition of matter of, or any method of specifically making or using, (x) [***], or (y) [***], or (ii) any Intellectual Property Rights therein.

1.67 "**Project Antibody Patents**" shall mean all Patents that Cover the composition of matter of, or any method of specifically making or using, any Project Antibody, excluding in each case any claims in such Patents that Cover the composition of matter of, or any method of specifically making or using (a) [***], or (b) [***].

1.68 "**Project Antibody Samples**" shall have the meaning provided in Section 2.1(c)(i).

1.69 "**Project Antibody Selection Criteria**" shall mean those criteria agreed to by the Parties in the applicable Research Plan that establish that a Project Antibody is suitable for clinical testing.

1.70 "**Project Antibody Technology**" shall mean (a) the Project Antibody Inventions; (b) the Project Antibody Patents, (c) the Sequence Information and Results; (d) the Research Program Materials; and (e) all Intellectual Property Rights therein. For clarity, if the Parties execute a License Agreement with respect to a particular Research Program and the Research Program Term for such Research Program continues following execution of such License Agreement, any Project Antibody Technology first conceived, reduced to practice or otherwise generated following the execution of the applicable License Agreement shall be licensed to Spyre under such License Agreement.

1.71 "**Receiving Party**" shall have the meaning provided in Section 1.16.

1.72 "**Representatives**" of a Party shall mean such Party's officers, directors, employees, contractors, subcontractors, agents and consultants and the officers, directors, employees, contractors, subcontractors, agents and consultants of such Party's ultimate parent entity.

1.73 "**Research Plan**" shall have the meaning set forth in Section 2.1(b).

1.74 "**Research Program**" shall mean a research program agreed to by the Parties to identify Project Antibodies with activity against one Selected Target and to perform such additional activities with respect to such Selected Target as set forth in the applicable Research Plan.

1.75 "**Research Program Materials**" means the tangible materials resulting from a Research Program that are Controlled by Paragon or its Affiliates as of the Effective Date or during the Term that are listed in Exhibit D attached hereto, as may be amended in writing from time to time upon mutual agreement of the Parties. For clarity, Research Program Materials shall not include materials that are consumed or destroyed in the performance of a Research Program or that are not available to be transferred by Paragon to Spyre without violating the terms of any agreement or other arrangement with a Third Party.

1.76 "**Research Initiation Fee**" shall have the meaning provided in Section 5.1.

1.77 "**Research Term**" shall mean, on a Research Program-by-Research Program basis, the period of time beginning on the agreement by the Parties on the Research Plan and continuing until completion of the activities under the Research Plan for such Research Program or such other date mutually agreed upon by the Parties; *provided, that* (a) if Spyre does not exercise its Option in accordance with Section 4.3 prior to expiration of the applicable Option Period, then upon such expiration the Research Term shall automatically terminate and Paragon shall have no obligation to perform any activities under the applicable Research Plan thereafter, or (b) if Spyre exercises its Option during the Option Period in accordance with Section 4.3 but the Parties are unable to finalize and execute a License Agreement during the applicable period

referenced in Section 4.4(c) or such other period agreed by the Parties, then upon the expiration of such period the Research Term shall automatically terminate and Paragon shall have no obligation to perform any activities under the applicable Research Plan thereafter.

1.78 "**Results**" shall mean the data, results, analysis, conclusions, outcomes, information, documentation and reports that are generated by or on behalf of Paragon in performance of a Research Program, excluding in each case any other Project Antibody Technology.

1.79 "**Retained IL-23 Project Antibodies**" shall have the meaning provided in Section 2.1(c)(iii).

1.80 "**Retained IL-23 Project Antibody Technology**" shall mean all Project Antibody Technology for the IL-23 Research Program other than the Selected IL-23 Project Antibody Technology.

1.81 "**Second Restatement Effective Date**" shall have the meaning provided in the first paragraph of this Agreement.

1.82 "**Selected IL-23 Project Antibody Invention**" shall mean (a) any invention or discovery, whether or not patentable, that constitutes the composition of matter of, or any method of specifically making or using, any Selected IL-23 Project Antibody or a Derived Antibody thereof; and (b) all Intellectual Property Rights therein. Notwithstanding the foregoing, the Selected IL-23 Project Antibody Inventions shall not include (i) any invention or discovery, whether or not patentable, that was discovered or reduced to practice by or on behalf of Paragon under the IL-23 Research Program that constitutes the composition of matter of, or any method of specifically making or using, (x) [***], or (y) [***], or (ii) any Intellectual Property Rights therein.

1.83 "**Selected IL-23 Project Antibodies**" shall have the meaning provided in Section 2.1(c)(iii).

1.84 "**Selected IL-23 Project Antibody Patents**" shall mean all Patents that Cover the composition of matter of, or any method of specifically making or using, any Selected IL-23 Project Antibody, excluding in each case any claims in such Patents that Cover the composition of matter of, or any method of specifically making or using (a) [***], or (b) [***].

1.85 "**Selected IL-23 Project Antibody Technology**" shall mean (a) the Selected IL-23 Project Antibody Inventions; (b) the Selected IL-23 Project Antibody Patents; (c) the Selected IL-23 Sequence Information and the Selected IL-23 Results; (d) the Selected IL-23 Research Program Materials; and (e) all Intellectual Property Rights therein. For clarity, if the Parties execute a License Agreement with respect to the IL-23 Research Program and the Research Program Term for the IL-23 Research Program continues following execution of such License Agreement, any Selected IL-23 Project Antibody Technology first conceived, reduced to practice or otherwise generated following the execution of such License Agreement shall be licensed to Spyre under such License Agreement.

1.86 "**Selected IL-23 Research Program Materials**" shall mean the Research Program Materials for the IL-23 Research Program that are related solely to the Selected IL-23 Project Antibodies.

1.87 "**Selected IL-23 Results**" shall mean the Results (in each case, excluding Project Antibody Technology and Selected IL-23 Project Antibodies) that (a) are generated by or on behalf of Paragon in performance of the IL-23 Research Program, and (b) are related solely to the Selected IL-23 Project Antibodies.

1.88 "**Selected IL-23 Sequence Information**" shall mean Sequence Information containing all Selected IL-23 Project Antibody sequences generated under the IL-23 Research Program.

1.89 "**Selected Target**" shall have the meaning set forth in Section 2.1(a).

1.90 "**Sequence Information**" shall mean any files containing all Project Antibody sequences generated under a given Research Program.

1.91 "**Shares**" shall mean shares of common stock, par value $0.0001, of Spyre.

1.92 "**Spyre**" shall have the meaning provided in the first paragraph of this Agreement.

1.93 "**Spyre Indemnitee**" shall have the meaning provided in Section 10.2.

1.94 "**Target**" shall mean a protein molecule that (a) [***], and (b) [***].

1.95 "**Term**" shall have the meaning provided in Section 9.1.

1.96 "**Territory**" shall mean worldwide.

1.97 "**Third Party**" shall mean any person or entity other than Paragon, Parapyre, or Spyre or an Affiliate of any of Paragon, Parapyre or Spyre.

1.98 "**Third Party Costs**" shall have the meaning provided in Section 1.24.

1.99 "**Third Party Claim**" shall have the meaning provided in Section 10.1.

1.100 "**Third Party IL-23 Collaborator**" shall have the meaning provided in Section 2.1(c)(iii).

1.101 "**Valid Claim**" shall mean, with respect to a particular country, a claim (including a process, use, or composition of matter claim) of an issued and unexpired patent (or a supplementary protection certificate thereof) that has not (a) irretrievably lapsed or been abandoned, permanently revoked, dedicated to the public or disclaimed, or (b) been held invalid, unenforceable or not patentable by a Governmental Authority, including a national or regional patent office or other appropriate body that has competent jurisdiction, which holding, finding or decision is final and un-appealable or un-appealed within the time allowed for appeal.

Article 2
CONDUCT OF RESEARCH PROGRAM

2.1 Research Program.

(a) Target Selection. The Parties intend to initiate one or more Research Programs, each focused on a particular Target (each, a "**Selected Target**"). No more than one (1) Selected Target will be included in any Research Program, unless the Parties otherwise agree in writing (e.g., in the case of a Research Program seeking to develop a [***]). As of the Effective Date, the Parties have agreed to the Selected Targets listed on Exhibit A. Additional Targets may be added to the Selected Targets by mutual written agreement of the Parties, it being understood that each Party may accept or reject a new Selected Target in its sole discretion and no Party shall be obligated under this Agreement to agree to any further Selected Targets. The Parties acknowledge that, prior to any agreement with respect to a Selected Target and a Research Plan, it is intended that the Parties may initiate, from time-to-time, "proof-of-concept" studies [***] at no up-front Research Initiation Fee to Spyre; *provided, that* the costs of any such "proof-of-concept" studies may be recaptured by Paragon within the specified Research Plan and associated fees, in each case, as agreed by the Parties.

(b) Research Plan. No later than [***] days after the Effective Date (or in the case of any Selected Target added after the Effective Date, no later than [***] days after the Parties' written agreement on such additional Selected Target), the Parties will agree on a research plan, to the extent a research plan has not been previously agreed upon, for the applicable Selected Target that will include design, modeling, synthesis, evaluation, and other mutually agreed activities ("**Research Plan**"). For clarity, if at the end of such [***] day period (or any extension thereof mutually agreed in writing) (a) the Parties have not agreed on a Research Plan, or (b) Spyre has not paid Paragon the Research Initiation Fee, the target shall cease to be a Selected Target and Paragon shall have no obligations with respect thereto. Once the Parties agree on a Research Plan and Spyre pays the Research Initiation Fee for a Research Program, Paragon and Parapyre shall conduct research under such Research Program during the applicable Research Term in an effort to (i) produce Project Antibodies against the applicable Selected Target for further Development, Manufacture and Commercialization ("**Antibody Production Activities**"), and (ii) perform such other Development and Manufacturing activities with respect to the Project Antibodies as set forth in the Research Plan (which other activities, for clarity, may be performed following Spyre's exercise of the Option or execution of a License Agreement). The Parties may amend the Research Plan upon mutual written agreement. Paragon and Parapyre will use [***] to conduct and complete the activities set forth in such Research Plan on the timelines set forth in such Research Plan and in compliance with the Budget.

(c) Deliverables; Project Antibody Samples; IL-23 Selection Process.

(i) Following completion of the Antibody Production Activities set forth in the Research Plan for a Research Program, Paragon will deliver to Spyre (1) a data package that includes the Sequence Information for all then-existing Project Antibodies and any then-existing Results that are specified on Exhibit E, and (2) any then-existing Research Program Materials that are specified on Exhibit E (the "**Deliverables**"). Additionally, upon request by Spyre, and at [***] cost and expense, Paragon shall provide to Spyre samples of proteins corresponding to such Project Antibodies that have been expressed in accordance with the Research Plan ("**Project Antibody Samples**") to enable Spyre to evaluate the Option and, with respect to the IL-23 Research Program, to enable Spyre to prepare for the IL-23 Selection Process. Following completion of a Research Program, Paragon shall deliver to Spyre the Final Deliverable for such Research Program, if any.

(ii) This subsection (ii) shall apply with respect to any Research Program other than the IL-23 Research Program. During the Option Period with respect to each such Research Program, Spyre will review the Deliverables and Project Antibody Samples for such Research Program to determine whether [***] Project Antibody meets the Project Antibody Selection Criteria. If Spyre determines that [***] Project Antibody meets the Project Antibody Selection Criteria, then Spyre shall so notify Paragon prior to the end of the Option Period.

(iii) This subsection (iii) shall only apply with respect to the IL-23 Research Program. During the [***] day period following receipt of the Deliverables and the Project Antibody Samples for the IL-23 Research Program, Spyre will review such Deliverables and Project Antibody Samples to determine whether [***] Project Antibody meets the Project Antibody Selection Criteria, provided, for the avoidance of doubt, that such [***] day period shall not begin until Paragon has provided all of the Deliverables and the requested Project Antibody Samples to Spyre. If Spyre determines that [***] Project Antibody meets the Project Antibody Selection Criteria, then Spyre will so notify Paragon prior to the end of such [***] day period. If Spyre determines that [***] Project Antibody meets the Project Antibody Selection Criteria *and* so notifies Paragon within [***] days of its receipt of the Deliverables and the requested Project Antibody samples, then the following procedures shall apply: (1) Spyre shall have the first right to select a Project Antibody for purposes of its rights under the Option for the IL-23 Research Program; (2) Paragon shall have the second right to select a Project Antibody, which Project Antibody shall be excluded from Spyre's Option for the IL-23 Research Program; and (3) the Parties shall then continue to alternate selection of Project Antibodies until all Project Antibodies discovered, generated, identified or characterized under the IL-23 Research Program have been selected by a Party (the "**IL-23 Selection Process**"). Spyre shall make its initial selection, and shall notify Paragon of such selection, at the same time that Spyre notifies Paragon in writing that [***] Project Antibody from the IL-23 Research Program meets the Project Antibody Selection Criteria. The Parties shall collaborate in good faith to complete the IL-23 Selection Process promptly, at an in-person meeting during the course of [***] Business Day, and in any event within [***] Business Days following Spyre's initial selection. Spyre acknowledges and agrees that representatives of Paragon's Third Party collaborator for the Retained IL-23 Project Antibodies (the "**Third Party IL-23 Collaborator**") shall have the right to attend and participate in the in person meeting for the IL-23 Selection Process, *provided, that* as between Paragon and the Third Party IL-23 Collaborator, Paragon shall retain the sole right to select Project Antibodies during the IL-23 Selection Process. The Project Antibodies selected by

Spyre for purposes of its rights under the Option for the IL-23 Research Program shall be referred to herein as the "**Selected IL-23 Project Antibodies**," and the Project Antibodies selected by Paragon shall be referred to herein as the "**Retained IL-23 Project Antibodies**". Notwithstanding the foregoing, (x) if Spyre fails to notify Paragon during such [***] day period of its determination as to whether [***] Project Antibody meets the Project Antibody Selection Criteria, or (y) Spyre otherwise fails to select its first Project Antibody during such [***] day period, then the IL-23 Selection Process shall be modified as follows: (A) Paragon shall have the first right to select a Project Antibody; (B) Spyre shall have the second right to select a Project Antibody; and (C) the Parties shall then continue to alternate selection of Project Antibodies until all Project Antibodies have been selected. For clarity, Spyre's Option with respect to the IL-23 Research Program shall be limited to the Selected IL-23 Project Antibodies and the Selected IL-23 Project Antibody Technology, and Spyre shall have no Option or similar rights with respect to the Retained IL-23 Project Antibodies or the Retained IL-23 Project Antibody Technology.

(d) Conduct of Research Program. During the Research Term, Paragon and Parapyre shall (a) perform the activities assigned to them under the applicable Research Plan in a professional, diligent and good scientific manner, in compliance with all Applicable Law, and in compliance with the applicable Research Plans; (b) ensure that its Representatives and subcontractors diligently perform the applicable Research Program in a manner in accordance with generally accepted industry practices by appropriately trained personnel who are experienced in the relevant fields and in compliance with Applicable Law; (c) keep Spyre fully informed regarding the progress and results of the Research Program; (d) promptly provide Spyre with any additional information regarding the Research Program that Spyre reasonably requests; (e) participate in teleconference(s) at a time(s) agreed upon by the Parties to provide an update to Spyre on the performance of the Research Program; and (f) give Spyre prompt written notice with respect to information known or believed by Paragon and Parapyre to be likely to materially impede or otherwise adversely affect the performance of the Research Program.

(e) Research Program Materials. The Parties acknowledge and agree that Exhibit D has been agreed by the Parties as of the Second Restatement Effective Date, and that materials that are different than or in addition to the materials set forth on Exhibit D may result from a Research Program. Upon the reasonable request of Spyre, the Parties shall update Exhibit D to reflect, as applicable, the general list of tangible materials, including samples, reagents, nucleic acids and Antibodies, resulting from all Research Programs, or to add a separate list of tangible materials that are customized for and shall apply specifically with respect to a particular Research Program.

2.2 Subcontractors. Paragon and Parapyre may perform some of the activities under a Research Program through one or more subcontractors, *provided, that* Paragon and Parapyre shall at all times be fully responsible for the compliance of such subcontractors with this Agreement and for the performance of their obligations under this Agreement.

2.3 Research Books and Records; Audit. Paragon shall maintain complete and accurate records related to the activities performed by Paragon and Parapyre under a Research Program. All such books and records shall be retained by Paragon until the later of: (a) [***] after the end of the applicable stage of research; and (b) such longer period as may be required by Applicable Law. Upon Spyre's request and at [***] expense, Paragon shall provide copies of such records or such records shall be made available for Spyre's reasonable review, audit and

inspection upon reasonable notice and with reasonable frequency; *provided, that* with respect to the IL-23 Research Program following completion of the IL-23 Selection Process, such rights shall be limited to the portion of such records that relate solely and specifically to the Selected IL-23 Project Antibodies and the Selected IL-23 Project Antibody Technology.

Article 3
GOVERNANCE

3.1 Joint Development Committee. The Parties will establish a single Joint Development Committee (the "**JDC**") to oversee and coordinate the activities under all Research Programs in accordance with the remainder of this Article 3. The JDC shall be comprised of two (2) employees from Spyre and two (2) employees from Paragon, with each Party designating one (1) such employee as its JDC co-chairperson. Subject to the foregoing, each Party shall appoint its respective Representatives to the JDC from time to time, and may change its Representatives, in its sole discretion, effective upon notice to the other Parties designating such change. Representatives from each Party shall have appropriate technical credentials, experience and knowledge pertaining to and ongoing familiarity with the activities to be performed under the Research Programs.

3.2 JDC Meetings. The JDC shall meet in accordance with a schedule established by mutual written agreement of the Parties no less frequently than once every three (3) months until, on a Research Program-by-Research Program basis, the end of the period specified in Section 3.5. The JDC may meet by means of teleconference, videoconference or other similar means, as jointly determined by the Parties. As appropriate, additional employees or consultants may from time to time attend the JDC meetings as nonvoting observers, *provided, that* any such consultant shall agree in writing to comply with the confidentiality obligations under this Agreement; and *provided, further that* no Third Party personnel may attend unless otherwise agreed by all Parties. Each Party shall bear its own expenses related to the attendance of the JDC meetings by its representatives. Each Party may also call for special meetings to resolve particular matters requested by such Party. Paragon shall be responsible for keeping minutes of each JDC meeting that record in writing all decisions made, action items assigned or completed and other appropriate matters. Paragon shall send meeting minutes to all members of the JDC within [***] Business Days after a meeting for review. Each member shall have [***] Business Days from receipt in which to comment on and to approve/provide comments to the minutes (such approval not to be unreasonably withheld, conditioned or delayed). If a member, within such time period, does not notify the drafting Party that s/he does not approve of the minutes, the minutes shall be deemed to have been approved by such member.

3.3 JDC Functions. The JDC's responsibilities are as follows:

(a) Developing, reviewing, overseeing and coordinating the activities under each Research Plan;

(b) Periodically reviewing the progress of activities under each Research Plan;

(c) Updating or modifying each Research Plan, *provided, that* such update or modification does not obligate any Party to perform any task or expend any resources outside of or beyond its obligations under the applicable Budget;

(d) Reviewing performance against the Budget and timeline for each Research Program periodically (at least [***]), and periodically meeting to review and (subject to mutual approval of the Parties), approving any discovery project Budget deviation where such deviation is greater than [***] percent ([***]%);

(e) Reviewing the reconciliation of Actual Annual Costs against the Cost Advance at the end of each Calendar Year for each Research Program; and

(f) Determining whether the Project Antibody Selection Criteria for a Research Program are not achievable for any reason and therefore such Research Program no longer warrants further research.

3.4 JDC Decision Making and Disputes. The JDC will endeavor to make decisions by consensus, with each of Spyre and Paragon having one vote. If consensus is not reached by the Parties' Representatives pursuant to such vote, then disputes relating to: (a) the reconciliation of Actual Annual Costs against the Cost Advance, as set forth in Section 5.2(b), will be resolved in accordance with Section 11.7; (b) technical or scientific decisions in the course of operationalizing each Research Program, including the nature of activities to be performed by Paragon thereunder, shall be finally decided by [***]; and the Budget for any Research Program, and all other matters not covered by clauses (a) or (b) shall be finally decided by [***]. For clarity, and notwithstanding the creation of the JDC, each Party shall retain the rights, powers and discretion granted to it hereunder, and the JDC shall not be delegated or vested with such rights, powers or discretion unless such delegation or vesting is expressly provided herein, or the Parties expressly so agree in writing. The JDC shall not have the power to amend, waive or modify any term of this Agreement, and no decision of the JDC shall be in contravention of any terms and conditions of this Agreement. It is understood and agreed that issues to be formally decided by the JDC are limited to those specific issues that are expressly provided in this Agreement to be decided by the JDC.

3.5 Disbandment. The JDC shall remain in effect from the date on which it is established in accordance with Section 3.1 until, on a Research Program-by-Research Program basis, the expiration of the applicable Research Term.

Article 4
OPTION; LICENSE

4.1 Grant of Option. Subject to the terms and conditions of this Agreement, on a Research Program-by-Research Program basis, Paragon hereby grants to Spyre, during the Term and subject to delivery of the Election Notice in accordance with Section 4.3, an exclusive option ("**Option**") (a) with respect to any Research Program other than the IL-23 Research Program, to be granted an exclusive license to all of Paragon's right, title, and interest in and to the Project Antibody Technology under the applicable Research Program to Develop, Manufacture and Commercialize Project Antibodies, Derived Antibodies and Products in the Field in the Territory, and (b) with respect to the IL-23 Research Program, to be granted an exclusive license to all of Paragon's right, title, and interest in and to the Selected IL-23 Project Antibody Technology under the IL-23 Research Program to Develop, Manufacture and Commercialize Selected IL-23 Project Antibodies, Derived Antibodies and Products in the Field in the Territory.

4.2 Limited License Grant During Option Period. Subject to the terms and conditions of this Agreement, (a) on a Research Program-by-Research Program basis for each Research Program other than the IL-23 Research Program, and effective only during the Term, Paragon hereby grants to Spyre a limited, exclusive, royalty-free license, without the right to sublicense, under the Project Antibody Technology arising from such Research Program solely to evaluate the Option and for the purpose of allowing Spyre to determine whether to exercise the Option with respect to such Research Program, or (b) with respect to the IL-23 Research Program, (i) effectively only during the Term until the completion of the IL-23 Selection Process, Paragon hereby grants to Spyre a limited, co-exclusive (with Paragon), royalty-free license, without the right to sublicense, under the Project Antibody Technology arising from the IL-23 Research Program solely for the purpose of allowing Spyre to determine which Project Antibodies to select for purposes of its rights under the Option for the IL-23 Research Program, and (ii) effective only from and after the completion of the IL-23 Selection Process and during the remainder of the Term, Paragon hereby grants to Spyre a limited, exclusive, royalty-free license, without the right to sublicense, under the Selected IL-23 Project Antibody Technology solely to evaluate the Option for the purpose of allowing Spyre to determine whether to exercise the Option with respect to the IL-23 Research Program.

4.3 Option Exercise. On a Research Program-by-Research Program basis, Spyre may, in its sole discretion, exercise the Option at any time during the period beginning on the initiation of activities under such Research Program and ending (a) with respect to any Research Program other than the IL-23 Research Program, [***] days following Spyre's receipt of the Deliverables for such Research Program, or (b) with respect to the IL-23 Research Program, [***] days following completion of the IL-23 Selection Process, or in each case of (a) or (b) such longer period as agreed upon by the Parties ("**Option Period**") by delivering written notice of such exercise to Paragon ("**Election Notice**"). If Spyre fails to exercise an Option in accordance with this Section 4.3 prior to expiration of the applicable Option Period, then, upon such expiration, such Option shall terminate and be of no further force or effect.

4.4 License Template; Execution After Option Exercise.

(a) The Parties have agreed on a template license agreement (the "**Primary License Template**") to be used in connection with Spyre's exercise of its Option with respect to any Research Program other than the IL-23 Research Program, the form of which is attached hereto as Exhibit B. Notwithstanding the foregoing, if the Parties agreed, as specified in the Research Plan for a Research Program, to use Third Party technology Controlled by Paragon (e.g., [***]) in the conduct of such Research Program, the License Agreement will include revisions to the License Template to account for such Third Party technology, including a grant by Paragon to Spyre of a sublicense under such Third Party technology and applicable payments by Spyre for amounts owing under such sublicense for the further Development, Manufacture, Commercialization and other exploitation of the Project Antibodies, Derived Antibodies, Products, Multispecific Antibodies and Multispecific Products that were generated or developed using such Third Party technology.

(b) Within [***] days of the Amendment Effective Date, the Parties shall negotiate [***] and use [***] to agree upon a license agreement template to be used in connection with Spyre's exercise of its Option with respect to the IL-23 Research Program (the "**IL-23 License Template**" and, together with the Primary License Template, each a "**License Template**"), which will be consistent with the economic and other terms set forth in Exhibit C,

and upon mutual agreement by the Parties on the form of such IL-23 License Template, will be attached to this Agreement and replace the terms on the existing Exhibit C. If the Parties are unable to reach agreement on the definitive terms of the IL-23 License Template within such [***] period, the matter will be resolved in accordance with Section 11.7.

(c) Provided a License Template, as applicable, has been agreed to, within [***] days of Spyre's exercise of its Option with respect to a Research Program as set forth in Section 4.3 or such longer period as mutually agreed by the Parties, the Parties shall use [***] to finalize and execute a definitive written agreement consistent with the applicable License Template (each, a "**License Agreement**") with respect to such Research Program, with any modifications necessary based on the specifics of each Research Program. If a License Template, as applicable, has not been agreed to, within [***] days of Spyre's exercise of its Option with respect to a Research Program as set forth in Section 4.3 or such longer period as mutually agreed by the Parties, the Parties shall use [***] to finalize and execute a License Agreement.

Article 5
PAYMENTS

5.1 Research Initiation Fee. Spyre shall pay to Paragon, on a Research Program-by-Research Program basis, a one-time nonrefundable, non-creditable fee of $750,000 (the "**Research Initiation Fee**") no later than [***] days following finalization of the Research Plan for such Research Program. For clarity, the Research Initiation Fee is nonrefundable, non-creditable, and separate from any Development Costs (including Pre-Effective Date Development Costs) or Cost Advance paid or owing with respect to a particular Research Program.

5.2 Development Costs.

(a) On a quarterly basis for each Research Program, Spyre will advance to Paragon any Development Costs contemplated in the Budget, including [***] of the applicable Annual Development Fee, and any [***] reasonably expected to be incurred by Paragon in the performance of the Research Program during the upcoming [***] (less any pre-payments for Third Party Costs from earlier [***] that Paragon reasonably anticipates will be carried over to such upcoming [***]) (the "**Cost Advance**"). Spyre will pay the Cost Advance within [***] days after receipt of Paragon's invoice for such Development Costs. The Parties acknowledge that Paragon has incurred approximately ten million dollars ($10,000,000) in Development Costs prior to the Effective Date, as a result of work performed by Paragon at risk on one or more Research Programs (the "**Pre-Effective Date Development Costs**"), which amount includes for Research Initiation Fees of three million dollars ($3,000,000) for a total of four Research Programs. Spyre shall reimburse Paragon for the Pre-Effective Date Development Costs no later than [***] days after the later of (i) the Effective Date and (ii) Spyre's receipt of a written invoice that details the Pre-Effective Date Development Costs and includes reasonable documentation therefor.

(b) Within [***] days after the end of each Calendar Year, Paragon will calculate and provide to Spyre a written reconciliation of its actually-incurred Third Party Costs (incurred in a manner consistent with the Budget) for the prior Calendar Year ("**Actual Annual Costs**") against that portion of the Cost Advance for such Third Party Costs for that Calendar Year, including reasonable documentation of such Actual Annual Costs. The form of such

reconciliation shall be subject to JDC review and approval. If the amounts paid for anticipated Third Party Costs in the Cost Advance exceeds the Actual Annual Costs, then Paragon will credit such excess payment against Development Costs contemplated in the Budget and reasonably expected to be incurred by Paragon in the performance of the Research Program during any upcoming Calendar Year and Spyre will deduct such amount from its next quarterly Cost Advance. If the Cost Advance is less than the Actual Annual Costs, then Paragon will invoice Spyre for the difference and Spyre will pay such amount together with its next quarterly Cost Advance. If no further amounts will be owed to Paragon hereunder, Paragon will refund such amount. For clarity, the above reconciliation will not apply to Annual Development Fees.

(c) Notwithstanding Sections 5.2(a) and 5.2(b) to the contrary, the Parties have agreed that (i) Paragon shall only invoice Spyre for fifty percent (50%) of the Development Costs for the IL-23 Research Program incurred from and after April 1, 2024 through completion of the IL-23 Selection Process, and (ii) Spyre shall only be responsible for fifty percent (50%) of the Development Costs for the IL-23 Research Program incurred prior to April 1, 2024 provided that Paragon receives rights to at least one (1) Retained IL-23 Project Antibody following completion of the IL-23 Selection Process. Within [***] days following completion of the IL-23 Selection Process, Paragon shall (1) deliver to Spyre a statement setting forth (x) the total amount of the Development Costs for the IL-23 Research Program incurred prior to April 1, 2024, (y) the total amount of such Development Costs paid by Spyre, and (z) a reconciliation of the amounts to be reimbursed by Paragon to Spyre such that Spyre shall only be responsible for fifty (50%) of the total amount of the Development Costs for the IL-23 Research Program incurred prior to April 1, 2024, and (2) pay to Spyre the amounts to be reimbursed as set forth in such statement.

5.3 Financial Records. Paragon shall keep complete and accurate books of account and records in sufficient detail to enable the Development Costs payable under this Agreement to be determined. Such books and records shall be kept at the principal place of business of Paragon, for at least [***] months following the end of the [***] to which such books and records pertain and Spyre shall be entitled to inspect such books and records at Paragon's offices upon Spyre's reasonable request.

5.4 Manner and Method of Payment. All cash payment amounts hereunder are expressed in U.S. dollars (USD) unless otherwise specified. Each payment shall be made by electronic funds transfer in immediately available funds to a bank and account designated in writing by Paragon, unless otherwise specified in writing by Paragon.

5.5 Tax. Each Party shall be responsible for paying its own respective taxes in connection with any activities that it performs and any payments that it receives under this Agreement. The Parties will commit [***] to provide each other with any tax forms that may be reasonably necessary in order for any Party to not pay or withhold tax or to pay or withhold tax at a reduced rate under an applicable income tax treaty.

5.6 Late Payments. In the event that any cash payment due for any undisputed amount under this Agreement is not made when due, then the cash payment shall accrue interest from the date due at a per annum rate equal to [***] percentage points above the then-current per annum prime rate reported by the *Wall Street Journal* (U.S., Western Edition) or, if lower, the maximum legal annual interest rate.

5.7 Equity Grants. Upon completion of each of the Calendar Years ending on December 31, 2023 and December 31, 2024, Spyre will grant Parapyre nonqualified stock options to purchase a number of Shares equal to 1.00% of the outstanding Shares as of the date of the grant, on a fully-diluted basis (including, assuming the exercise or conversion of any convertible non-voting preferred stock, stock options, pre-funded warrants or similar instruments), with an exercise price equal to the fair market value of the underlying Shares on the date of grant as determined by the board of directors of Spyre (each grant, an "**Equity Grant**"). Such options will vest immediately upon grant, be exercisable for a period of ten (10) years following the date of the grant. Each Equity Grant shall be effected on the last Business Day of each applicable Calendar Year. If the Term ends prior to the end of a Calendar Year, the Equity Grant for such Calendar Year shall be pro-rated for such Calendar Year and such Equity Grant shall be effected within five (5) Business Days of the end of the Term.

Article 6
INTELLECTUAL PROPERTY RIGHTS

6.1 Ownership.

(a) Background IP. As between the Parties, each Party will retain all right, title and interest in and to all of its Background IP.

(b) Project Antibody Technology. Subject to the rights and licenses granted to Spyre in this Agreement, as between the Parties, Paragon or its Affiliates shall own all right, title and interest in and to all Project Antibody Technology, irrespective of inventorship.

6.2 Patent Prosecution, Maintenance and Enforcement – Project Antibody Patents.

(a) Prior to execution of the appliable License Agreement, Paragon shall have the sole right, and, at Spyre's request, the obligation, to prepare, file, prosecute, maintain or enforce any Project Antibody Patents at Paragon's sole expense, and Spyre shall reasonably cooperate and assist Paragon in such preparation, filing, prosecution, maintenance and enforcement, at Paragon's request. Following execution of the applicable License Agreement, Spyre shall have the first right to prepare, file, prosecute, maintain or enforce any Project Antibody Patents at Spyre's sole expense, and Paragon shall reasonably cooperate and assist Spyre in such preparation, filing, prosecution, maintenance and enforcement, at Spyre's request. On or after providing the Deliverables for the IL-23 Research Program to Spyre, Paragon will [***] Project Antibody for the IL-23 Research Program.

(b) Spyre covenants and agrees that it will not file or prosecute any Patents Covering any Project Antibody or Derived Antibody (including without limitation any Project Antibody Inventions) during the Term of this Agreement except as permitted under a License Agreement executed by all Parties with respect to a given Research Program.

6.3 Defense of Claims Brought by Third Parties. If a Party becomes aware of any actual or potential claim that the research, development, or manufacture of any Project Antibody, Derived Antibody or Product being Developed pursuant to this Agreement or that are contemplated for Development, Manufacture of Commercialization under a License Agreement, infringes the Intellectual Property Rights of any Third Party, such Party will [***] notify the

other Parties. In any such instance, the Parties will [***] thereafter meet (which may be through the JDC) to discuss [***] regarding the best response to such notice. Certain additional rights and obligations of the Parties with respect to any such claim will be set forth in the applicable License Agreement (to the extent applicable).

6.4 No Implied Licenses. Except as expressly set forth herein, no right or license under any Patents, Know-How or Intellectual Property Right of any Party is granted or shall be granted by implication hereunder. All such rights or licenses are or shall be granted only as expressly provided in this Agreement or the applicable License Agreement.

Article 7
PROTECTION OF CONFIDENTIAL INFORMATION

7.1 Confidentiality. Except to the extent expressly authorized by this Agreement, the Receiving Party agrees that, during the Term and for [***] years thereafter, it shall keep confidential and shall not publish or otherwise disclose to any Third Party, and shall not use for any purpose other than as expressly provided for in this Agreement, any Confidential Information of the Disclosing Party. The Receiving Party may disclose Confidential Information of the Disclosing Party to those of the Receiving Party's Representatives who have a need for such information, *provided, that* the Receiving Party shall advise such Representatives of the confidential nature thereof, shall ensure that each such Representative is bound in writing by obligations of confidentiality and non-use at least as stringent as those contained in this Agreement, and shall be responsible for the compliance of its Representatives with the terms of this Agreement. The Receiving Party shall use at least the same standard of care as it uses to protect proprietary or confidential information of its own (but in no event less than reasonable care) to ensure that its Representatives do not disclose or make any unauthorized use of the Confidential Information of the Disclosing Party. The Receiving Party shall [***] notify the Disclosing Party upon discovery of any unauthorized use or disclosure of the Confidential Information of the Disclosing Party.

7.2 Exceptions. The Receiving Party's obligations under Section 7.1 shall not apply to any Confidential Information of the Disclosing Party that the Receiving Party can prove by competent evidence: (a) is now, or hereafter becomes, through no act or failure to act on the part of the Receiving Party in breach of this Agreement, generally known or available; (b) is known by the Receiving Party at the time of receiving such information from the Disclosing Party; (c) is hereafter furnished to the Receiving Party by a Third Party, as a matter of right and without restriction on disclosure; or (d) is independently discovered or developed by the Receiving Party, without the aid, use or application of any Confidential Information of the Disclosing Party.

7.3 Authorized Disclosure. Notwithstanding the provisions of this Article 7, the Receiving Party may disclose Confidential Information of the Disclosing Party, without violating its obligations under this Agreement, to the extent the disclosure is:

(a) required by a valid order of a court or other Governmental Authority of competent jurisdiction or as otherwise required by Applicable Law, rule, regulation (including securities laws and regulations), government requirement, or as may be required in connection with any filings made with, or by the disclosure policies of, a stock exchange, *provided, that* the Receiving Party shall give reasonable prior written notice to the Disclosing Party of such required disclosure and, at the [***] request and expense, shall cooperate with the Disclosing

Party's efforts to contest such requirement, to obtain a protective order requiring that the Confidential Information so disclosed be used only for the purposes for which the order was issued or the law, rule or regulation required, or to obtain other confidential treatment of such Confidential Information; or

(b) reasonably necessary to file or prosecute patent applications, prosecute or defend litigation or otherwise establish rights or enforce obligations under this Agreement, in each case, in accordance with this Agreement; or

(c) under appropriate confidentiality provisions substantially equivalent to those in this Agreement (but of shorter duration if customary in the case of subclause (ii)): (i) in connection with the performance of its obligations or as reasonably necessary or useful in the exercise of its rights under this Agreement, or (ii) to actual or *bona fide* potential licensees, acquirers, merger partners, assignees, collaborators, investment bankers, investors or lenders.

Notwithstanding any term of this Agreement to the contrary, Paragon shall have the right to disclose the terms of this Agreement, the Research Plan for the IL-23 Research Program, the progress of and updates with respect to the IL-23 Research Program, the Deliverables for the IL-23 Research Program and the Project Antibody Technology for the IL-23 Research Program (the "**IL-23 Information**") to [***] and to *bona fide* potential and actual [***], for the purpose of (i) allowing Paragon and the Third Party IL-23 Collaborator to prepare for and participate in the IL-23 Selection Process, (ii) raising financing for the benefit of the [***] or engaging in other strategic discussions or transactions with respect to the Retained IL-23 Project Technology, and (iii) enabling the further Development and Manufacture of the Retained IL-23 Project Antibodies for the benefit of the [***], in each case under appropriate confidentiality provisions substantially equivalent to those in this Agreement (but of shorter duration if customary). For clarity, following the completion of the IL-23 Selection Process, the foregoing restrictions shall not apply with respect to any IL-23 Information that also constitutes Retained IL-23 Project Antibody, which is the Confidential Information of Paragon.

7.4 No Requirement to Disclose Paragon Platform Technology. Notwithstanding anything to the contrary in this Agreement, Paragon will not be required to disclose any of the Paragon Platform Technology to Spyre other than as required to be included in the Deliverables.

7.5 Use of Names. No Party shall use any other Party's name or trademarks in any advertising, sales, or promotional material or in any publication without the prior written consent of such other Party or Parties.

7.6 Confidentiality of this Agreement. This Agreement and its terms are considered Confidential Information of all Parties, and each Party shall keep confidential and shall not publish or otherwise disclose the terms of this Agreement without the prior written consent of the applicable other Party, except as expressly permitted by Section 7.3 or Section 7.7, and except that any Parties may disclose this Agreement and its terms to actual or potential investors, lenders, and strategic partners in connection with due diligence or similar investigations by such Third Parties or in confidential financing documents, *provided*, in each case, that any such Third Party agrees to be bound by obligations of confidentiality and non-use at least as restrictive as those set forth in this Article 7 (*provided, that* the confidentiality term applicable to such Third Party may be shorter so long as it is commercially reasonable).

7.7 Publicity. Except to the extent required by Applicable Law or the rules of any stock exchange or listing agency, no Party shall issue a press release announcing that they have entered into an Antibody discovery partnership, without the other Parties' prior written consent, which shall not be unreasonably withheld.

Article 8
REPRESENTATIONS, WARRANTIES AND COVENANTS; DISCLAIMER

8.1 Mutual Representations and Warranties. Each Party represents and warrants to each other Party that:

(a) it is duly organized and validly existing under the laws of its jurisdiction of incorporation or formation, and has full corporate or other power and authority to enter into this Agreement and to carry out the provisions hereof;

(b) it is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder;

(c) no consent, approval, permit, governmental order, declaration or filing with, or notice to, any Governmental Authority or any Third Party is required by or with respect to such in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby; and

(d) this Agreement is legally binding upon it, enforceable in accordance with its terms, and does not and will not conflict with any agreement, instrument, or understanding, oral or written, to which it is or may become a party or by which it may be or become bound.

8.2 Paragon Representations, Warrants and Covenants. Paragon hereby represents, warrants and covenants to Spyre that:

(a) it will perform its activities under a Research Program with due care and in accordance with (i) Applicable Law, (ii) the terms and conditions contained herein and the applicable Research Plan, and (iii) generally prevailing industry standards;

(b) neither it nor any of its Affiliates have entered or will enter, directly or indirectly, into any contract or any other transaction with any Third Party or Affiliate that conflicts or derogates from its undertakings under this Agreement;

(c) it has the unencumbered right to the Paragon Platform Technology and the right, power and authority to use the Paragon Platform Technology in performance of the Research Plans and the performance of its obligations under this Agreement and to grant the rights to Spyre under this Agreement, in each case in accordance with the terms hereof;

(d) (i) each Representative employed or engaged by Paragon or its Affiliate to conduct the activities under a Research Program have assigned or licensed, or are under contractual obligations to assign or license, to Paragon all inventions conceived or reduced to practice that constitute Project Antibody Technology; (ii) to Paragon's knowledge, no Representative employed by Paragon or its Affiliate that conducts activities under a Research Program has any obligations under agreements or Applicable Law to assign any interest in any such inventions to any Third Party; and (iii) each Representative employed or engaged by

Paragon or its Affiliate to conduct the activities under a Research Program have existing obligations under agreements or Applicable Law to maintain as confidential Paragon's Confidential Information as well as confidential information of other parties (including of Spyre and its Affiliates);

(e) there are no claims, actions, or proceedings pending or to Paragon's knowledge threatened, nor to Paragon's knowledge are there any formal inquiries initiated or written notices received that are reasonably likely to lead to the institution of any such legal proceedings, in each case (i) which would, individually or in the aggregate, have a material adverse effect on, or materially prevent, Paragon's ability to perform under this Agreement or to grant the Option or other rights granted to Spyre under this Agreement; (ii) relating to any Project Antibody Technology or alleging that any Third Party has any right to or under any Project Antibody Technology that would conflict with the rights granted in this Agreement; or (iii) alleging that any Project Antibody Patent is unpatentable, invalid, unenforceable or infringed;

(f) none of Paragon, its Representatives, or any other person used by Paragon in the performance of the Agreement has been or is (i) debarred, convicted, or is subject to a pending debarment or conviction, pursuant to section 306 of the United States Food Drug and Cosmetic Act, 21 U.S.C. § 335a, (ii) listed by any government or regulatory agencies as ineligible to participate in any Federal healthcare programs (as that term is defined in 42 U.S.C. 1320a-7b(f)) or government procurement or non-procurement programs, or excluded, debarred, suspended or otherwise made ineligible to participate in any such program, or (iii) convicted of a criminal offense related to the provision of healthcare items or services, or is subject to any such pending action. Paragon agrees to inform Spyre in writing promptly if Paragon or any person who is performing activities on its behalf under the Agreement is subject to the foregoing, or if any action, suit, claim, investigation, or proceeding relating to the foregoing is pending or threatened;

(g) No funding, facilities, or personnel of any Governmental Authority or any public or private educational or research institutions were used to develop or create any Project Antibody Technology, and neither Paragon nor any of its Affiliates has entered into a government funding relationship that would result in rights to any Products, Project Antibodies, Derived Antibodies, or Project Antibody Technology residing in the U.S. Government, the National Institutes of Health, or other agency, and the licenses granted hereunder are not subject to overriding obligations to the U.S. Government as set forth in Public Law 96-517 (35 U.S.C. §§ 200-204), or any similar obligations under the laws of any other country in the Territory; and

(h) To the [***] knowledge of the [***] of Paragon, with respect to this Agreement, neither Paragon nor any of its directors, officers, employees, distributors, consultants, agents, representatives, sales intermediaries, or other Third Parties acting on behalf of Paragon or any of its Affiliates:

(i) has taken any action in violation of any applicable anti-corruption laws, anti-money laundering laws or laws restricting or regulating global trade (collectively, Anti-Corruption Laws");

(ii) has conducted or initiated any internal investigation with respect to any alleged act or omission arising under or relating to any potential noncompliance with any

Anti-Corruption Law, or been the subject of current, pending, or threatened investigation, formal or informal inquiry, enforcement proceedings, or received any notice, request, or citation for alleged violations of such laws;

(iii) has engaged in any direct or indirect dealings or transactions in or with a person, entity or country found on the Specially Designated Nationals and Blocked Persons List maintained by the U.S. Office of Foreign Assets Control, or engaged in any direct or indirect dealings with Sudan, individuals ordinarily resident in Sudan, or entities incorporated under the laws of Sudan prior to October 12, 2017; or

(iv) has offered, paid, given, promised to pay or give, or authorized the payment or gift of, received, or solicited anything of value, directly or indirectly, to any public official, for the purposes of: influencing any act or decision of any public official in his or her official capacity; inducing any public official to do or omit to do any act in violation of his or her lawful duty; securing any improper or undue advantage; or inducing any public official to use his or her influence with a government, Governmental Authority, or commercial enterprise owned or controlled by any government (including state-owned or controlled veterinary, laboratory or medical facilities) in obtaining or retaining any business whatsoever..

8.3 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH HEREIN, EACH PARTY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF DESIGN, MERCHANTABILITY, DURABILITY, MERCHANTABLE QUALITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES, OR ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICES.

Article 9
TERM AND TERMINATION

9.1 Term. The term of this Agreement ("**Term**") shall commence on the Effective Date and, subject to earlier termination in accordance with this Article 9, shall continue on a Research Program-by-Research Program basis until the later of: (a) the expiration of the Option Period if Spyre does not exercise the Option in accordance with Section 4.3; (b) if Spyre exercises its Option during the Option Period in accordance with Section 4.3 but the Parties are unable to finalize and execute a License Agreement during the period referenced in Section 4.4(c), the expiration of such period; or (c) the expiration of the applicable Research Term.

9.2 Termination of Agreement for Material Breach. Each Party shall have the right to terminate this Agreement or a Research Program upon [***] days' prior written notice to the other Parties upon or after the material breach of any provision of this Agreement by any other Party if the breaching Party has not cured such breach by the end of such [***] day period.

9.3 Termination for Convenience. Spyre shall have the right to terminate this Agreement or any Research Program for any reason or no reason upon [***] days' prior written notice to Paragon; *provided, that* Spyre will pay Paragon any unpaid fees due for Development Costs accrued prior to such effective termination date, as well as any non-cancellable obligations

reasonably incurred by Paragon in connection with its activities under any terminated Research Program, as evidenced by Paragon's records.

9.4 Termination for a Bankruptcy Event. Each Party will have the right to terminate this Agreement in the event of a Bankruptcy Event with respect to any other Party. "**Bankruptcy Event"** means the occurrence of any of the following: (a) the institution of any bankruptcy, receivership, insolvency, reorganization or other similar proceedings by or against a Party under any bankruptcy, insolvency, or other similar law now or hereinafter in effect, including any section or chapter of the United States Bankruptcy Code, as amended, or under any similar laws or statutes of the United States or any state thereof (the "**Bankruptcy Code**"), where in the case of involuntary proceedings, such proceedings have not been dismissed or discharged within [***] days after they are instituted, (b) the insolvency or making of an assignment for the benefit of creditors or the admittance by a Party of any involuntary debts as they mature, (c) the institution of any reorganization, arrangement or other readjustment of debt plan of a Party not involving the Bankruptcy Code, (d) the appointment of a receiver for all or substantially all of a Party's assets, or (e) any corporate action taken by the board of directors of a Party in furtherance of any of the foregoing actions.

9.5 Disposal of Confidential Information. In the event this Agreement expires or this Agreement or any Research Program is terminated and the Parties have not entered into a License Agreement with respect to an expired or terminated Research Program, each Party shall return to the applicable other Party all Confidential Information of such other Party (including all copies thereof) in such Party's possession related to any expired or terminated Research Program; *provided, however*, that each Party may retain one copy of the such other Party's Confidential Information in such Party's secure archives for the sole purpose of monitoring compliance with its obligations hereunder or applicable law.

9.6 Accrued Rights; Survival. The expiration or termination of this Agreement for any reason shall not release any Party from any liability or obligation that, at the time of such expiration or termination, has already accrued to any other Party or that is attributable to a period prior to such expiration or termination, nor will expiration or any termination of this Agreement preclude any Party from pursuing all rights and remedies it may have under this Agreement, or at law or in equity, with respect to breach of this Agreement. In the event of expiration or any termination of this Agreement, the following provisions of this Agreement shall survive such expiration or termination in accordance with their respective terms and conditions: Article 5, Article 7, Article 10 and Article 11, as well as Sections 2.3, 6.1(a), 6.2(a), 6.4, 9.3, 9.5 and 9.6.

Article 10
INDEMNIFICATION; LIMITATION OF LIABILITY

10.1 By Spyre. Spyre hereby agrees to defend, indemnify, and hold harmless Paragon, its Affiliates, including Parapyre, and its or their Representatives (each, an "**Paragon Indemnitee**") from and against any and all losses, damages, liabilities, expenses, and costs, including reasonable legal expense and attorneys' fees (collectively, "**Losses**"), to which any Paragon Indemnitee may become subject as a result of any claim, demand, action, or other proceeding by any Third Party ("**Third Party Claim**") to the extent such Losses result from: (a) the negligence or willful misconduct of any Spyre Indemnitee in the performance of this Agreement; or (b) Spyre's breach of any of its representations, warranties or covenants under this Agreement; except, in each case, to the extent such Losses result from the negligence or willful

misconduct of any Paragon Indemnitee or the material breach by Paragon of this Agreement, or where such Losses are subject to indemnification pursuant to Section 10.2 below.

10.2 By Paragon. Paragon hereby agrees to defend, indemnify, and hold harmless Spyre, Spyre's Affiliates, and their Representatives (each, a "**Spyre Indemnitee**") from and against any and all Losses to which any Spyre Indemnitee may become subject (a) as a result of any Third Party Claim to the extent such Losses result from: (i) the negligence or willful misconduct of any Paragon Indemnitee in the performance of this Agreement; or (ii) Paragon's breach of any of its representations, warranties or covenants under this Agreement; and (b) to the extent such Losses result from: (i) the termination, suspension, revocation or other loss of any Project Antibody Patents as a result of any negligence or breach of this Agreement by Paragon or its Affiliates; or (ii) any claim or demand from any employee or contractor of Paragon or its Affiliates who is an inventor of any Project Antibody Patent with respect to ownership thereof; except, in each case ((a) to (b)), to the extent such Losses result from the negligence or willful misconduct of any Spyre Indemnitee, the material breach by Spyre of this Agreement, or where such Losses are subject to indemnification pursuant to Section 10.1 above.

10.3 Indemnification Procedure. In connection with any Third Party Claim for which a Party (the "**Indemnified Party**") seeks indemnification from another Party (the "**Indemnifying Party**") pursuant to this Agreement, the Indemnified Party will: (a) give the Indemnifying Party prompt written notice of the Third Party Claim; *provided, however,* that failure to provide such notice will not relieve the Indemnifying Party from its liability or obligation hereunder, except to the extent of any material prejudice as a direct result of such failure; (b) cooperate with the Indemnifying Party, at the Indemnifying Party's expense, in connection with the defense and settlement of the Third Party Claim; and (c) permit the Indemnifying Party to control the defense and settlement of the Third Party Claim; *provided, however,* that the Indemnifying Party may not settle the Third Party Claim without the Indemnified Party's prior written consent, which will not be unreasonably withheld or delayed, in the event that such settlement materially adversely impacts the Indemnified Party's rights or obligations. Further, the Indemnified Party will have the right to participate (but not control) and be represented in any suit or action by advisory counsel of its selection and at its own expense. For clarity, neither Party shall have the right to be indemnified under both this Agreement and a License Agreement for Losses that relate to the same set of facts, occurrences or circumstances.

10.4 Limitation of Liability. EXCEPT FOR LIABILITY FOR BREACH OF SECTION 4.1, ARTICLE 7 OR FOR INDEMNIFICATION CLAIMS UNDER ARTICLE 10, IN NO EVENT SHALL ANY PARTY BE ENTITLED TO RECOVER FROM ANY OTHER PARTY ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT, EVEN IF SUCH OTHER PARTY HAD NOTICE OF THE POSSIBILITY OF SUCH DAMAGES.

Article 11
MISCELLANEOUS

11.1 Independent Contractor Relationship. Each of Paragon's and Parapyre's relationship with Spyre is that of an independent contractor, and nothing in this Agreement should be construed to create a partnership, joint venture or employer-employee relationship. No Party is an agent of any other Party or authorized to make any representation, contract or commitment on behalf of any other Party.

11.2 Force Majeure. No Party will be charged with any liability for delay or failure in performance of an obligation under this Agreement (other than any obligation to pay monies when due) to the extent such delay or failure is due to a cause beyond the reasonable control of the affected Party, such as war, riots, labor disturbances, epidemic, pandemic, fire, explosion, and compliance in good faith with any Applicable Law. The Party affected will give prompt written notice to the other Parties of the nature of the cause of any material delay or failure to perform, its anticipated duration and any action being taken to avoid or minimize the effect. The Party affected will use its diligent efforts to avoid or remove such causes of delay or failure to perform and to mitigate the effect of such occurrence and will continue performance in accordance with the terms of this Agreement whenever such causes are removed. The Party affected will give prompt written notice to the other Parties of such resumed performance. If any such failure or delay in a Party's performance hereunder continues for more than [***] days, any of the other Parties may terminate this Agreement upon written notice to the affected Party.

11.3 Entire Agreement; Amendment. This Agreement, together with all Exhibits attached hereto, constitutes the final, complete, and exclusive agreement of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous understandings and agreements, relating to its subject matter. This Agreement (including its Exhibits) may not be changed, modified, amended, or supplemented except by a written instrument signed by all Parties.

11.4 Non-Waiver. The failure of a Party to insist upon strict performance of any provision of this Agreement or to exercise any right arising out of this Agreement shall neither impair that provision or right nor constitute a waiver of that provision or right, in whole or in part, in that instance or in any other instance. Any waiver by a Party of a particular provision or right shall be in writing, shall be as to a particular matter and, if applicable, for a particular period of time and shall be signed by such Party.

11.5 Severability. Should one or more of the provisions of this Agreement become void or unenforceable as a matter of Applicable Law, then this Agreement shall be construed as if such provision were not contained herein and the remainder of this Agreement shall be in full force and effect, and the Parties will use their best efforts to substitute for the invalid or unenforceable provision a valid and enforceable provision which conforms as nearly as possible with the original intent of the Parties.

11.6 Assignment. Neither this Agreement nor any rights or obligations hereunder may be assigned by any Party without the prior written consent of the other Parties (which consent shall not be unreasonably withheld); *provided, however*, that any Party may assign this Agreement and its rights and obligations hereunder without the other Parties' consent to its successor to all or substantially all of the business of such Party to which this Agreement relates, whether by merger, sale of stock, sale of assets or otherwise. The rights and obligations of the Parties under this Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the Parties, and the name of a Party appearing herein will be deemed to include the name of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this section. Any assignment not in accordance with this Agreement shall be void.

11.7 Dispute Resolution. The Parties recognize that a *bona fide* dispute as to certain matters may arise from time to time during the Term relating to any Party's rights or obligations

hereunder or otherwise relating to the validity, enforceability or performance of this Agreement, including disputes relating to alleged breach or termination of this Agreement but excluding any disputes relating to Article 7 (Confidentiality) hereof or disputes relating to the determination of the validity, scope, infringement, enforceability, inventorship or ownership of the Parties' respective Intellectual Property Rights (hereinafter, a "**Dispute**"). In the event of the occurrence of any Dispute, the Parties will follow the following procedures in an attempt to resolve the dispute or disagreement:

(a) The Party claiming that such a Dispute exists will give notice in writing (a "**Notice of Dispute**") to the other Parties of the nature of the Dispute.

(b) The Dispute will be referred to the then Chief Executive Officer of Paragon and the then Chief Executive Officer of Spyre who will meet no later than [***] days following the initial receipt of the Notice of Dispute and use reasonable endeavors to resolve the Dispute.

(c) If, within [***] days of initial receipt of the Notice of Dispute, the Dispute has not been resolved, or if, for any reason, the meeting described in Section 11.7(b) hereof has not been held within [***] days of initial receipt of the Notice of Dispute, then the Parties agree that such Dispute will be finally resolved through binding arbitration to be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules, as specifically modified by the provisions of this Section 11.7(c). The arbitration will be conducted by a panel of three arbitrators. Within [***] days after the initiation of the arbitration, each Party will nominate one person to act as arbitrator, and the two arbitrators so named will then jointly appoint the third arbitrator within [***] days of their appointment, who will serve as chairman of the panel. All three arbitrators must be independent Third Parties having at least [***] years of dispute resolution experience (which may include judicial experience) or legal or business experience in the biotech or pharmaceutical industry. If any Party fails to nominate its arbitrator, or if the arbitrators selected by the Parties cannot agree on a person to be named as chairman within such [***]-day period, JAMS will make the necessary appointments for such arbitrator(s) or the chairman. Once appointed by a Party, such Party will have no *ex parte* communication with its appointed arbitrator. The place of arbitration will be in Boston, Massachusetts or such other venue as the Parties may mutually agree. The arbitration proceedings and all communications with respect thereto will be in English. Any written evidence originally in another language will be submitted in English translation accompanied by the original or a true copy thereof. The arbitrators have the power to decide all matters in Dispute, including any questions of whether or not such matters are subject to arbitration hereunder. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. §§1 *et seq.,* and judgment upon the award rendered by the arbitrators may be entered in any court having competent jurisdiction thereof. The existence, content and results of any arbitration proceedings pursuant to this Section 11.7 will be deemed the Confidential Information of all Parties.

(d) Notwithstanding any provision of this Agreement to the contrary, any Party may immediately initiate litigation in any court of competent jurisdiction seeking any remedy at law or in equity, including the issuance of a preliminary, temporary or permanent injunction, to preserve or enforce its rights under this Agreement.

(e) The Parties agree that any disputes relating to Article 7 (Confidentiality) hereof or disputes relating to the determination of the validity, scope, infringement, enforceability, inventorship or ownership of the Parties' respective Intellectual Property Rights shall be subject to the exclusive jurisdiction of the state and federal courts in New York, New York and each Party hereby submits to such jurisdiction.

11.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without reference to conflicts of laws principles.

11.9 Notices. Any notice to be given under this Agreement must be in writing and delivered either in person, by internationally recognized express courier, by email, or by facsimile, to the Party to be notified at its address(es) given below, or at any address such Party has previously designated by prior written notice to the other. Notice shall be deemed sufficiently given for all purposes upon the earliest of: (a) the date of actual receipt; (b) if delivered by express courier, the next Business Day the express courier regularly makes deliveries; or (c) if delivered by email, upon the date upon which the receipt of such email is confirmed by return email. Together with any notice provided by a Party to any other Party in accordance with this Section 11.9, the Party shall send a copy of such notice by email to such other Party.

If to Paragon or Parapyre: Paragon Therapeutics, Inc.
221 Crescent Street
Building 23, Suite 105
Waltham, MA 02453
Attn: Chief Operating Officer

If to Spyre: Spyre Therapeutics, Inc.
221 Crescent Street,
Building 23, Suite 105
Waltham, MA 02453
Attn: Corporate Secretary

11.10 Interpretation. Except where the context expressly requires otherwise, (a) the use of any gender herein shall be deemed to encompass references to either or both genders, and the use of the singular shall be deemed to include the plural (and vice versa), (b) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (c) the word "will" shall be construed to have the same meaning and effect as the word "shall", (d) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (e) any reference herein to any person or entity shall be construed to include such person's or entity's successors and assigns, (f) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to Sections or Exhibits shall be construed to refer to Sections or Exhibits of this Agreement, and references to this Agreement include all Exhibits hereto, (h) the word "notice" means notice in writing (whether or not specifically stated) and shall include notices, consents, approvals and other written communications contemplated under this Agreement, (i) provisions

that require that a Party, the Parties or any committee hereunder "agree," "consent" or "approve" or the like shall require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail and instant messaging), (j) references to any specific law, rule or regulation, or article, section or other division thereof, shall be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof, and (k) the term "or" shall be interpreted in the inclusive sense commonly associated with the term "or". The headings of clauses contained in this Agreement preceding the text of the sections, subsections and paragraphs hereof are inserted solely for convenience and ease of reference only and shall not constitute any part of this Agreement or have any effect on its interpretation or construction. Ambiguities and uncertainties in this Agreement, if any, shall not be interpreted against any Party, irrespective of which Party may be deemed to have caused the ambiguity or uncertainty to exist. This Agreement has been prepared in the English language, and the English language shall control its interpretation. In addition, all notices required or permitted to be given hereunder, and all written, electronic, oral, or other communications between the Parties regarding this Agreement shall be in the English language. To the extent there is any inconsistency or conflict between the terms and conditions of this Agreement and any Research Plan, the terms and conditions of this Agreement will prevail.

11.11 No Third-Party Rights. The provisions of this Agreement are for the exclusive benefit of the Parties and their successors and permitted assigns, and no other person shall have any right or claim against any Party by reason of these provisions or be entitled to enforce any of these provisions against any Party.

11.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original document, and all of which, together with this writing, shall be deemed one instrument. This Agreement may be executed by facsimile or PDF signatures, which signatures shall have the same force and effect as original signatures.

11.13 Expenses. Each Party shall pay its own costs, charges and expenses incurred in connection with the negotiation, preparation and completion of this Agreement.

11.14 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors and permitted assigns.

11.15 Construction. The Parties hereto acknowledge and agree that: (a) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (c) the terms and provisions of this Agreement shall be construed fairly as to all Parties hereto and not in a favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

11.16 Cumulative Remedies. No remedy referred to in this Agreement is intended to be exclusive unless explicitly stated to be so, but each shall be cumulative and in addition to any other remedy referred to in this Agreement or otherwise available under law.

[Remainder of page left intentionally blank; signature page follows.]

In Witness Whereof, the Parties hereto have executed this Antibody Discovery and Option Agreement on the Second Restatement Effective Date.

Paragon Therapeutics, Inc.

By: /s/ K. Evan Thompson
Name: K. Evan Thompson
Title: Chief Operating Officer

Parapyre Holding LLC

By: /s/ K. Evan Thompson
Name: K. Evan Thompson
Title: President

Spyre Therapeutics, Inc.

By: /s/ Cameron Turtle
Name: Cameron Turtle
Title: Chief Executive Officer

Exhibit 10.6

NOTICE OF STOCK OPTION GRANT
SPYRE THERAPEUTICS, INC.
2016 EQUITY INCENTIVE PLAN

Unless otherwise defined herein, the terms defined in the Spyre Therapeutics, Inc. (the "***Company***") 2016 Equity Incentive Plan (as amended and restated, the "***Plan***") shall have the same meanings in this Notice of Stock Option Grant (the "***Notice of Grant***") and the attached Stock Option Agreement (the "***Option Agreement***"). You have been granted an Option to purchase shares of Common Stock of the Company under the Plan subject to the terms and conditions of the Plan, this Notice of Grant and the attached Option Agreement.

Name:	_____
Address:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Exercise Price per Share:	_____
Total Number of Shares:	_____
Type of Option:	_____
Expiration Date:	_____; This Option expires earlier if your Service terminates earlier, as described in the Stock Option Agreement.
Vesting Schedule	For so long as Optionee continuously provides services to the Company (or any Subsidiary or Parent of the Company) as an employee, officer, director, contractor or consultant, this Option will vest and become exercisable with respect to the Shares as follows:

Except as specifically provided in your offer letter, employment or consulting agreement or similar services agreement, the Option Agreement or the Plan, in the event that your employment or engagement with the Company terminates all unvested options will be forfeited immediately. Any offer will be in accordance with the terms of such plans or arrangements as they may be amended from time to time. As a condition to participation in any such plans or arrangements, you agree that the opportunity to participate shall not form part of your entitlement to remuneration or benefits pursuant to your offer letter, employment or consulting agreement or similar services agreement, or any additional agreement entered into between you and the Company or any Subsidiary and you agree that you shall not be entitled to seek any equitable relief or to receive any compensation or damage in consequence of any loss or potential loss which you may suffer in consequence of the loss or termination of your employment for any reason whatsoever (including wrongful or unfair dismissal or their equivalents). By accepting this Option, you and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan, the Notice of Grant and the Option Agreement. By accepting this Option, you consent to electronic delivery as set forth in the Option Agreement.

PARTICIPANT:	**SPYRE THERAPEUTICS, INC.**
Signature: _____	By:
Print Name: _____	Name: _____
	Title: _____

STOCK OPTION AGREEMENT
SPYRE THERAPEUTICS, INC.
2016 EQUITY INCENTIVE PLAN

You have been granted an Option by Spyre Therapeutics, Inc. (the "***Company***") under the 2016 Equity Incentive Plan (as amended and restated, the "***Plan***") to purchase Shares (the "***Option***"), subject to the terms, restrictions and conditions of the Plan, the Notice of Stock Option Grant (the "***Notice of Grant***") and this Stock Option Agreement (the "***Agreement***").

1. Grant of Option. You have been granted an Option for the number of Shares set forth in the Notice of Grant at the exercise price per Share set forth in the Notice of Grant (the "***exercise price***"). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail. If designated in the Notice of Grant as an Incentive Stock Option ("***ISO***"), this Option is intended to qualify as an Incentive Stock Option under Section 422 of the Code. However, if this Option is intended to be an ISO, to the extent that it exceeds the $100,000 rule of Code Section 422(d) it shall be treated as a Nonqualified Stock Option ("***NSO***").

2. Termination Period.

(a) General Rule. If your Service terminates for any reason except death or Disability, and other than for Cause, then this Option will expire at the close of business at Company headquarters on the date three months after your termination of Service (subject to the expiration detailed in Section 6). If your Service is terminated for Cause, this Option will expire upon the date of such termination. The Company determines when your Service terminates for all purposes under this Agreement. You acknowledge and agree that the Vesting Schedule may change prospectively in the event that your service status changes between full and part-time status in accordance with Company policies relating to work schedules and vesting of awards. You acknowledge that the vesting of the Shares pursuant to this Notice is earned only by continuing Service.

(b) Death; Disability. If you die before your Service terminates (or you die within three months of your termination of Service other than for Cause), then this Option will expire at the close of business at Company headquarters on the date 12 months after the date of death (subject to the expiration detailed in Section 6). If your Service terminates because of your Disability, then this Option will expire at the close of business at Company headquarters on the date 12 months after your termination date (subject to the expiration detailed in Section 6).

(c) No Notice. You are responsible for keeping track of these exercise periods following your termination of Service for any reason. The Company will not provide further notice of such periods. In no event shall this Option be exercised later than the Expiration Date set forth in the Notice of Grant.

3. Exercise of Option.

(a) Right to Exercise. This Option is exercisable during its term in accordance with the Vesting Schedule set forth in the Notice of Grant and the applicable provisions of the Plan and this Agreement. In the event of your death, Disability, or other cessation of Service, the exercisability of the Option is governed by the applicable provisions of the Plan, the Notice of Grant and this Agreement. This Option may not be exercised for a fraction of a Share.

(b) Method of Exercise. This Option is exercisable by delivery of an exercise notice in a form specified by the Company (the "***Exercise Notice***"), which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "***Exercised Shares***"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be delivered in person, by mail, via electronic mail or facsimile or by other authorized method to the Secretary of the Company or other person designated by the Company. The Exercise Notice shall be accompanied by payment of the aggregate exercise price as to all Exercised Shares. This Option shall be deemed to be exercised upon receipt by the Company of a fully executed Exercise Notice accompanied by the aggregate exercise price and any applicable tax withholding due upon exercise of the Option in all and any relevant jurisdictions.

(c) Exercise by Another. If another person wants to exercise this Option after it has been transferred to him or her in compliance with this Agreement, that person must prove to the Company's satisfaction that he or she is entitled to exercise this Option. That person must also complete the proper Exercise Notice form (as described

above) and pay the exercise price (as described below) and any applicable tax withholding due upon exercise of the Option (as described below) in all and any relevant jurisdictions.

4. **Method of Payment**. Payment of the aggregate exercise price shall be by any of the following, or a combination thereof, at your election:

(a) your personal check, wire transfer, or a cashier's check;

(b) certificates for shares of Company stock that you own, along with any forms needed to effect a transfer of those shares to the Company; the value of the shares, determined as of the effective date of the Option exercise, will be applied to the Option exercise price. Instead of surrendering shares of Company stock, you may attest to the ownership of those shares on a form provided by the Company and have the same number of shares subtracted from the Option shares issued to you. However, you may not surrender, or attest to the ownership of, shares of Company stock in payment of the exercise price of your Option if your action would cause the Company to recognize compensation expense (or additional compensation expense) with respect to this Option for financial reporting purposes;

(c) cashless exercise through irrevocable directions to a securities broker approved by the Company to sell all or part of the Shares covered by this Option and to deliver to the Company from the sale proceeds an amount sufficient to pay the Option exercise price and any withholding taxes. The balance of the sale proceeds, if any, will be delivered to you. The directions must be given by signing a special notice of exercise form provided by the Company; or

(d) other method authorized by the Company.

5. **Non-Transferability of Option**. In general, except as provided below, only you may exercise this Option prior to your death. You may not transfer or assign this Option, except as provided below. For instance, you may not sell this Option or use it as security for a loan. If you attempt to do any of these things, this Option will immediately become invalid. You may, however, dispose of this Option in your will or in a beneficiary designation. However, if this Option is designated as a NSO in the Notice of Grant, then the Committee (as defined in the Plan) may, in its sole discretion, allow you to transfer this Option as a gift to one or more family members. For purposes of this Agreement, "family member" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in- law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law (including adoptive relationships), any individual sharing your household (other than a tenant or employee), a trust in which one or more of these individuals have more than 50% of the beneficial interest, a foundation in which you or one or more of these persons control the management of assets, and any entity in which you or one or more of these persons own more than 50% of the voting interest. In addition, if this Option is designated as a NSO in the Notice of Grant, then the Committee may, in its sole discretion, allow you to transfer this Option to your spouse or former spouse pursuant to a domestic relations order in settlement of marital property rights. The Committee will allow you to transfer this Option only if both you and the transferee(s) execute the forms prescribed by the Committee, which include the consent of the transferee(s) to be bound by this Agreement. This Option may not be transferred in any manner other than by will or by the laws of descent or distribution or court order and may be exercised during the lifetime of you only by you, your guardian, or legal representative, as permitted in the Plan. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of you.

6. **Term of Option**. This Option shall in any event expire on the expiration date set forth in the Notice of Grant, which date is 10 years after the grant date (five years after the grant date if this Option is designated as an ISO in the Notice of Grant and Section 5.3 of the Plan applies).

7. **Tax Consequences**. You should consult a tax adviser for tax consequences relating to this Option in any jurisdiction in which you have or have not been subject to tax during the course of this agreement. YOU SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THIS OPTION OR DISPOSING OF THE SHARES.

(a) Exercising the Option. You will not be allowed to exercise this Option unless you make arrangements acceptable to the Company to pay any withholding taxes that may be due as a result of the Option exercise in all or any relevant jurisdictions.

(b) Notice of Disqualifying Disposition of ISO Shares. If you sell or otherwise dispose of any of the Shares acquired pursuant to an ISO on or before the later of (i) two years after the grant date, or (ii) one year after the exercise date, you shall immediately notify the Company in writing of such disposition. You agree that you may be subject to income tax withholding by the Company on the compensation income recognized from such early disposition of ISO Shares by payment in cash or out of the current compensation paid to you.

8. Withholding Taxes and Stock Withholding. Regardless of any action the Company or your actual employer (the "***Employer***") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("***Tax-Related Items***"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option grant, including the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate your liability for Tax-Related Items. You acknowledge that if you are subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to exercise of the Option, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, you authorize the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable by you from your wages or other cash compensation paid to you by the Company and/or the Employer. With the Company's consent, these arrangements may also include, if permissible under local law, (a) withholding Shares that otherwise would be issued to you when you exercise this Option by considering up to the maximum applicable statutory withholding rates, (b) having the Company withhold taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf and you hereby authorize such sales by this authorization), (c) your payment of a cash amount, or (d) any other arrangement approved by the Company; all under such rules as may be established by the Committee and in compliance with the Company's Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable; provided however, that if you are a Section 16 officer of the Company under the Exchange Act, then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding from alternatives (a)-(d) above, prior to the Tax-Related Items withholding event; and if no such determination is made, then the method of withholding shall be in accordance with subsection (a) hereof. The Fair Market Value of these Shares, determined as of the effective date of the Option exercise, will be applied as a credit against the withholding taxes. You shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or your purchase of Shares that cannot be satisfied by the means previously described. Finally, you acknowledge that the Company has no obligation to deliver Shares to you until you have satisfied the obligations in connection with the Tax-Related Items as described in this Section. For the avoidance of doubt the above clause will also apply to any taxes or other liabilities due under the local statutes if you are or have been resident outside of the United States during the course of this agreement.

9. Insider Trading Restrictions/Market Abuse Laws. You acknowledge that, depending on your country, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell the Shares or rights to Shares under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you are advised to speak to your personal advisor on this matter.

10. Acknowledgement. The Company and you agree that the Option is granted under and governed by the Notice of Grant, this Agreement and the provisions of the Plan (incorporated herein by reference). You: (i) acknowledge receipt of a copy of the Plan prospectus, (ii) represent that you have carefully read and are familiar with their provisions, and (iii) hereby accept the Option subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice of Grant. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice of Grant and the Agreement.

11. Consent to Electronic Delivery of All Plan Documents and Disclosures. By your acceptance of this Option, you consent to the electronic delivery of the Notice of Grant, this Agreement, account statements, Plan prospectuses required by the Securities and Exchange Commission, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the Option. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at the Company's discretion. You acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost if you contact the Company by telephone, through a postal service or electronic mail at stockadmin@spyre.com. You further acknowledge that you will be provided with a paper copy of any documents delivered electronically if electronic delivery fails; similarly, you understand that you must provide on request to the Company or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. Also, you understand that your consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if you have provided an electronic mail address), at any time by notifying the Company of such revised or revoked consent by telephone, postal service or electronic mail at stockadmin@spyre.com. Finally, you understand that you are not required to consent to electronic delivery.

12. Compliance with Laws and Regulations. The exercise of this Option will be subject to and conditioned upon compliance by the Company and you with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer. The Shares issued pursuant to this Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

13. Governing Law; Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from the Plan, the Notice and this Agreement, the parties hereby submit and consent to litigation in the exclusive jurisdiction of the State of California and agree that any such litigation shall be conducted only in the courts of California in San Francisco County or the federal courts of the United States for the Northern District of California and no other courts.

14. No Rights as Employee, Director or Consultant. Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent, Subsidiary or Affiliate of the Company, to terminate your Service, for any reason, with or without Cause.

15. Adjustment. In the event of a stock split, a stock dividend or a similar change in Company stock, the number of Shares covered by this Option and the exercise price per Share may be adjusted pursuant to the Plan.

16. Award Subject to Company Clawback or Recoupment. To the extent permitted by applicable law, the Option shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of your employment or other Service that is applicable to you. In addition to any other remedies available under such policy, applicable law may require the cancellation of your Option (whether vested or unvested) and the recoupment of any gains realized with respect to your Option.

17. Entire Agreement; Enforcement of Rights. This Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning this Option are superseded. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing and signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

BY ACCEPTING THIS OPTION, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

Exhibit 10.7

NOTICE OF RESTRICTED STOCK UNIT AWARD
SPYRE THERAPEUTICS, INC.
2018 EQUITY INDUCEMENT PLAN

Unless otherwise defined herein, the terms defined in the Spyre Therapeutics, Inc. (the "***Company***") 2018 Equity Inducement Plan (the "***Plan***") shall have the same meanings in this Notice of Restricted Stock Unit Award (the "***Notice***") and the attached Restricted Stock Unit Agreement (the "***RSU Agreement***"). You have been granted an award of Restricted Stock Units ("***RSUs***") under the Plan subject to the terms and conditions of the Plan, this Notice and the attached RSU Agreement. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Name:	[●]
Date of Grant:	[●]
Number of RSUs:	[●]
Vesting Commencement Date:	[●]
Vesting Schedule:	Subject to the RSU Agreement, the RSUs shall vest as to 25% of the RSUs on each anniversary of the Vesting Commencement Date, so long as you remain continuously providing Services to the Company from the Date of Grant through each vesting date.

You acknowledge that the vesting of the RSUs pursuant to this Notice is earned by continuing Service through the applicable vesting dates. By accepting this award, you and the Company agree that this award is granted under and governed by the terms and conditions of the Plan, this Notice and the RSU Agreement. By accepting this award of RSUs, you consent to the electronic delivery and acceptance as further set forth in the RSU Agreement.

PARTICIPANT
Signature:
Print Name:

SPYRE THERAPEUTICS, INC.
By:
Name:
Its:

RESTRICTED STOCK UNIT AGREEMENT
SPYRE THERAPEUTICS, INC.
2018 EQUITY INDUCEMENT PLAN

You have been granted Restricted Stock Units ("***RSUs***") by Spyre Therapeutics, Inc. (the "***Company***") subject to the terms, restrictions and conditions of the Spyre Therapeutics, Inc. 2018 Equity Inducement Plan (the "***Plan***"), the Notice of Restricted Stock Unit Award (the "***Notice***") and this Restricted Stock Unit Agreement (this "***RSU Agreement***"). Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

1. **Grant of RSUs.** You have been granted the number of RSUs set forth in the Notice. Each RSU represents the right to receive one Share. In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this RSU Agreement, the terms and conditions of the Plan shall prevail.

2. **Vesting and Settlement.** The RSUs shall not be vested as of the Date of Grant set forth in the Notice and shall be forfeitable unless and until otherwise vested pursuant to the terms of the Notice and this RSU Agreement. After the Date of Grant, subject to termination or acceleration as provided in this RSU Agreement and the Plan, the RSUs shall become vested as described in the Notice. As soon as administratively practicable following the vesting of the RSUs pursuant to the Notice, but in no event later than 60 days after each vesting date, the Company shall deliver to you a number of Shares equal to the number of RSUs that vested on such date.

3. **No Stockholder Rights.** Except as provided in Section 4, unless and until such time as Shares are issued in settlement of vested RSUs, you shall have no ownership of the Shares allocated to the RSUs and shall have no right to dividends or to vote such Shares.

4. **Dividend Equivalents.** From and after the Date of Grant and until the earlier of (a) your receipt of Common Stock upon settlement of RSUs and (b) the forfeiture of the RSUs, on the date that the Company pays a cash dividend (if any) to holders of Common Stock generally, you will be entitled, as a Dividend Equivalent Right, to a number of additional whole RSUs determined by dividing (i) the product of (A) the dollar amount of the cash dividend paid per Share on such date and (B) the total number of RSUs (including Dividend Equivalent Rights paid thereon) previously credited to you as of such date, by (ii) the Fair Market Value per Share on such date. Such Dividend Equivalent Rights (if any) shall be subject to the same terms and conditions and shall be settled or forfeited in the same manner and at the same time as the RSUs to which the Dividend Equivalent Rights were credited.

5. **No Transfer.** RSUs may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of in any manner other than by will or by the laws of descent or distribution or court order or unless otherwise permitted by the Committee on a case-by-case basis.

6. **Termination.** Except as specifically provided in your offer letter or employment agreement with the Company, if your Service terminates for any reason, all unvested RSUs shall be immediately forfeited to the Company, and all rights you have to such RSUs shall immediately terminate, without payment of any consideration to you. In case of any dispute as to whether your termination of Service has occurred, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

7. **Tax Consequences.** You acknowledge that there will be certain consequences with regard to income tax, employment tax, payroll tax, fringe benefits tax, payment on account or other tax-related items ("***Tax- Related Items***") upon settlement of the RSUs or disposition of the Shares, if any, received in connection therewith, and you should consult a tax adviser regarding your tax obligations prior to such settlement or disposition in the jurisdiction where you are subject to tax.

8. **Responsibility for Taxes.**

(a) Regardless of any action the Company or, if different, your actual employer (the "***Employer***") takes with respect to any or all Tax-Related Items withholding or required deductions, you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-

Related Items in connection with any aspect of the award, including the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (ii) do not commit to structure the terms of the award or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. You acknowledge that if you are subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the settlement of your RSUs, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items withholding and payment on account obligations of the Company and/or the Employer. In this regard, you authorize the Company and/or the Employer, and their respective agents, at their discretion, to withhold all applicable Tax-Related Items legally payable by you from your wages or other cash compensation paid to you by the Company and/or the Employer. The Company may permit any of the following as a method of withholding prior to the applicable taxable or withholding event (i) withholding Shares that otherwise would be issued to you when your RSUs are settled, (ii) having the Company withhold taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization), (iii) payment by you of an amount equal to the Tax-Related Items directly by cash, check, wire transfer, bank draft or money order payable to the Company, or (iv) any other arrangement approved by the Company; all under such rules as may be established by the Committee and in compliance with the Company's Insider Trading Policy and 10b5-1 Trading Plan Policy (or any successor policies), if applicable. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

(c) You shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or the vesting and settlement of the RSUs that cannot be satisfied by the means previously described. Finally, you acknowledge that the Company has no obligation to deliver Shares to you until you have satisfied the obligations in connection with the Tax-Related Items as described in this Section.

9. **Acknowledgement.** The Company and you agree that the RSUs are granted under and governed by the Notice, this RSU Agreement and the provisions of the Plan. You: (i) acknowledge receipt of a copy of the Plan prospectus, (ii) represent that you have carefully read and are familiar with the provisions in the grant documents, and (iii) hereby accept the RSUs subject to all of the terms and conditions set forth in this RSU Agreement and those set forth in the Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this RSU Agreement.

10. **Entire Agreement; Enforcement of Rights.** This RSU Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them; provided, however, that any acceleration terms set forth in your offer letter or employment agreement, if applicable, shall apply to the RSUs. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder, are superseded. No modification of or amendment to this RSU Agreement, nor any waiver of any rights under this RSU Agreement, shall be effective unless in writing and signed by the parties to this RSU Agreement. The failure by either party to enforce any rights under this RSU Agreement shall not be construed as a waiver of any rights of such party.

11. **Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and you with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer, which compliance the Company shall, in its absolute discretion, deem necessary or advisable. You understand that the Company is under no obligation to register or qualify the Common Stock with any state, federal or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, you agree that the Company shall have unilateral authority to amend the Plan and this RSU Agreement without your consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares. Finally, the Shares issued pursuant to this RSU Agreement shall be endorsed with appropriate legends, if any, determined by the Company.

12. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the

underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

13. **Governing Law; Severability.** If one or more provisions of this RSU Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this RSU Agreement, (ii) the balance of this RSU Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this RSU Agreement shall be enforceable in accordance with its terms. This RSU Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from the Plan, the Notice and this RSU Agreement, the parties hereby submit and consent to litigation in the exclusive jurisdiction of the State of Texas and agree that any such litigation shall be conducted only in the courts of Texas or the federal courts of the United States for Texas and no other courts.

14. **No Rights as Employee, Director or Consultant**. Nothing in this RSU Agreement shall affect in any manner whatsoever the right or power of the Company, or an Affiliate of the Company, to terminate your Service, for any reason, with or without Cause.

15. **Consent to Electronic Delivery of All Plan Documents and Disclosures**. By your acceptance of this award of RSUs, you consent to the electronic delivery of the Notice, this RSU Agreement, the Plan, account statements, Plan prospectuses required by the SEC, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its stockholders (including, without limitation, annual reports and proxy statements) or other communications or information related to the RSUs. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at the Company's discretion. You acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost if you contact the Company by telephone, through a postal service or electronic mail at stockadmin@spyre.com. You further acknowledge that you will be provided with a paper copy of any documents delivered electronically if electronic delivery fails; similarly, you understand that you must provide on request to the Company or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. You agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Also, you understand that your consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if you have provided an electronic mail address), at any time by notifying the Company of such revised or revoked consent by telephone, postal service or electronic mail at stockadmin@spyre.com. Finally, you understand that you are not required to consent to electronic delivery.

16. **Insider Trading Restrictions/Market Abuse Laws.** You acknowledge that, depending on your country, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell the Shares or rights to Shares under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you are advised to speak to your personal advisor on this matter.

17. **Language.** If you have received this RSU Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

18. **Imposition of Other Requirements**. The Company reserves the right to impose other requirements on your participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

19. **Code Section 409A.** For purposes of this RSU Agreement, a termination of employment will be determined consistent with the rules relating to a "separation from service" as defined in Section 409A of the Internal Revenue Code and the regulations thereunder ("***Section 409A***"). Notwithstanding anything else provided

herein, to the extent any payments provided under this RSU Agreement in connection with your termination of employment constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination of employment to be a "specified employee" under Section 409A, then such payment shall not be made or commence until the earlier of (i) the expiration of the six-month period measured from your separation from service from the Company or (ii) the date of your death following such a separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. To the extent any payment under this RSU Agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

20. **Award Subject to Company Clawback or Recoupment**. The RSUs shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law that is applicable to executive officers, Employees, Directors or other service providers of the Company, and in addition to any other remedies available under such policy and applicable law, the Company may require the cancellation of your RSUs (whether vested or unvested) and the recoupment of any gains realized with respect to your RSUs.

BY ACCEPTING THIS AWARD OF RSUS, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

Exhibit 31.1

Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Cameron Turtle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Spyre Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2024

/s/ Cameron Turtle, D.Phil

Cameron Turtle, D.Phil
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Scott Burrows, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Spyre Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2024

/s/ Scott Burrows

Scott Burrows

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

Certifications of the
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

In connection with the Quarterly Report of Spyre Therapeutics, Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2024

/s/ Cameron Turtle, D.Phil

Cameron Turtle, D.Phil
Chief Executive Officer
(Principal Executive Officer)

/s/ Scott Burrows

Scott Burrows
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)