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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2023
OR

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

For the transition period from _____ to _____

Commission File No. 001-36672

KIORA PHARMACEUTICALS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**98-0443284**
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

332 Encinitas Blvd.
Suite 102
Encinitas, CA 92024
(Address of Principal Executive Offices, including zip code)

(858) 224-9600
(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	KPRX	The Nasdaq Capital 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. x Yes o 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit). x Yes o No

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

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

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

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

On November 6, 2023, there were 7,689,240 shares of the registrant's common stock outstanding.

KIORA PHARMACEUTICALS, INC.
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QUARTERLY REPORT ON FORM 10-Q
For the Period Ended September 30, 2023

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements that are not statements of historical fact and are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The forward-looking statements are principally, but not exclusively, contained in "Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations." These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to, statements about management's confidence or expectations, and our plans, objectives, expectations, and intentions that are not historical facts. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "could," "would," "expects," "plans," "anticipates," "believes," "goals," "sees," "estimates," "projects," "predicts," "intends," "think," "potential," "objectives," "optimistic," "strategy," and similar expressions intended to identify forward-looking statements. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- the timing and success of preclinical studies and clinical trials conducted by us and our development partners;
- the ability to obtain and maintain regulatory approval of our product candidates, and the labeling for any approved products;
- the scope, progress, expansion, and costs of developing and commercializing our product candidates;
- the size and growth of the potential markets for our product candidates and the ability to serve those markets;
- our expectations regarding our expenses and revenue, the sufficiency of our cash resources and needs for additional financing;
- the rate and degree of market acceptance of any of our product candidates;
- our expectations regarding competition;
- our anticipated growth strategies;
- our ability to attract or retain key personnel;
- our ability to establish and maintain development partnerships;
- our expectations regarding federal, state and foreign regulatory requirements;
- regulatory developments in the U.S. and foreign countries;
- our ability to obtain and maintain intellectual property protection for our product candidates;
- the anticipated trends and challenges in our business and the market in which we operate; and
- the effects of global pandemics such as the COVID-19 pandemic and the global response thereto.

We discuss many of these risks in detail under the heading "Item 1A. Risk Factors" beginning on page 23 of our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, or the SEC, on March 23, 2023, or the Annual Report. You should carefully review all these factors, as well as other risks described in our public filings, and you should be aware that there may be other factors, including factors of which we are not currently aware, that could cause these differences.

Also, these forward-looking statements represent our estimates and assumptions only as of the date of this report. We may not update these forward-looking statements, even though our situation may change in the future, unless we have obligations under the federal securities laws to update and disclose material developments related to previously disclosed information.

Kiora Pharmaceuticals, Inc. is referred to herein as “we,” “our,” “us,” and “the Company.”

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

KIORA PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2023 (unaudited)	December 31, 2022
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 5,400,498	$ 5,964,556
Prepaid Expenses and Other Current Assets	239,391	343,069
Tax Receivables	1,343,087	1,373,041
Total Current Assets	6,982,976	7,680,666
Non-Current Assets:		
Property and Equipment, Net	38,616	55,177
Restricted Cash	4,031	49,260
Intangible Assets and In-Process R&D, Net	8,820,100	10,743,164
Operating Lease Assets with Right-of-Use	18,725	116,992
Other Assets	31,995	33,000
Total Assets	$ 15,896,443	$ 18,678,259
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	$ 125,412	$ 1,008,262
Accrued Expenses	1,461,711	1,835,934
Operating Lease Liabilities	18,725	105,782
Contingent Consideration, short-term	495,000	322,385
Total Current Liabilities	2,100,848	3,272,363
Non-Current Liabilities:		
Contingent Consideration	5,002,505	3,309,175
Deferred Tax Liability	689,121	689,121
Total Non-Current Liabilities	5,691,626	3,998,296
Total Liabilities	7,792,474	7,270,659
Commitments and Contingencies (Notes 9 and 10)		
Stockholders' Equity:		
Preferred Stock, $0.01 Par Value: 10,000,000 shares authorized at September 30, 2023 and December 31, 2022; 3,750 designated Series A, 0 shares issued and outstanding at September 30, 2023 and December 31, 2022; 10,000 designated Series B, 0 shares issued and outstanding at September 30, 2023 and December 31, 2022; 10,000 shares designated Series C, 0 shares issued and outstanding at September 30, 2023 and December 31, 2022; 20,000 shares designated Series D, 7 shares issued and outstanding at September 30, 2023 and December 31, 2022; 1,280 shares designated Series E, 0 shares issued and outstanding at September 30, 2023 and December 31, 2022; 3,908 shares designated Series F, 420 and 0 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	5	—
Common Stock, $0.01 Par Value: 50,000,000 shares authorized; 7,689,240 and 1,796,472 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	76,915	17,986
Additional Paid-In Capital	153,001,469	146,035,314
Accumulated Deficit	(144,708,249)	(134,462,959)
Accumulated Other Comprehensive Loss	(266,171)	(182,741)
Total Stockholders' Equity	8,103,969	11,407,600
Total Liabilities and Stockholders' Equity	$ 15,896,443	$ 18,678,259

See Accompanying Notes to Condensed Consolidated Financial Statements.

KIORA PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited)

	Three Months Ended September 30,		Nine Months ended September 30,	
	2023	2022	2023	2022
Operating Expenses:				
General and Administrative	$ 1,415,844	$ 2,033,367	$ 3,782,596	$ 5,500,036
Research and Development	1,085,010	1,332,153	2,915,392	2,607,308
In-Process R&D Impairment	1,904,314	—	1,904,314	—
Executive Severance	—	—	—	962,833
Change in Fair Value of Contingent Consideration	1,513,400	337,515	1,865,945	604,348
Total Operating Expenses	5,918,568	3,703,035	10,468,247	9,674,525
Operating Loss	(5,918,568)	(3,703,035)	(10,468,247)	(9,674,525)
Other Income (Expense), Net:				
Change in Fair Value of Warranty Liability	—	(1,425,102)	—	(1,425,102)
Interest Income, Net	49,912	7,861	128,464	9,315
Other Income, Net	105,715	937	94,493	5,148
Total Other Income (Expense), Net	155,627	(1,416,304)	222,957	(1,410,639)
Net Loss	$ (5,762,941)	$ (5,119,339)	$ (10,245,290)	$ (11,085,164)
Deemed Dividends from Warrant Reset Provision	(530,985)	—	(530,985)	—
Net Loss Attributable to Common Shareholders	$ (6,293,926)	$ (5,119,339)	$ (10,776,275)	$ (11,085,164)
Net Loss per Common Share - Basic and Diluted	$ (0.89)	$ (6.03)	$ (2.73)	$ (22.06)
Weighted Average Shares Outstanding - Basic and Diluted	7,106,900	848,534	3,948,181	502,436
Other Comprehensive Loss:				
Net Loss	$ (5,762,941)	$ (5,119,339)	$ (10,245,290)	$ (11,085,164)
Foreign Currency Translation Adjustments	(40,310)	(38,537)	(83,430)	(176,967)
Comprehensive Loss	$ (5,803,251)	$ (5,157,876)	$ (10,328,720)	$ (11,262,131)

See Accompanying Notes to Condensed Consolidated Financial Statements.

KIORA PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Three Months Ended September 30, 2023 and 2022
(unaudited)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at June 30, 2023	**957**	**$ 10**	**6,910,720**	**$ 69,129**	**$152,744,385**	**$(138,945,308)**	**$ (225,861)**	**$13,642,355**
Stock-Based Compensation	—	—	—	—	264,865	—	—	264,865
Conversion of Series F Preferred Stock into Common Stock	(530)	(5)	481,770	4,818	(4,813)	—	—	—
Issuance of Common Stock from Restricted Stock Awards	—	—	296,750	2,968	(2,968)	—	—	—
Foreign Currency Translation Adjustment	—	—	—	—	—	—	(40,310)	(40,310)
Net Loss	—	—	—	—	—	(5,762,941)	—	(5,762,941)
Balance at September 30, 2023	**427**	**$ 5**	**7,689,240**	**$ 76,915**	**$153,001,469**	**$(144,708,249)**	**$ (266,171)**	**$ 8,103,969**

See Accompanying Notes to Condensed Consolidated Financial Statements.

KIORA PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (continued)
Three Months Ended September 30, 2023 and 2022
(unaudited)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at June 30, 2022	**7**	**$ —**	**326,686**	**$ 3,266**	**$135,828,737**	**$(126,845,174)**	**$ (224,861)**	**$ 8,761,968**
Stock-Based Compensation	—	—	—	—	130,153	—	—	130,153
Issuance of Stock from Public Offering, Net of Offering Costs of $505,020	—	—	592,392	5,924	2,456,914	—	—	2,462,838
Issuance of Series E Preferred Stock from Public Offering, Net of Offering Costs of $136,401	1,280	13	—	—	665,178	—	—	665,191
Conversion of Series E Preferred Stock into Common Stock	(1,280)	(13)	160,000	1,600	(1,587)	—	—	—
Reclassification of Warrant Liability	—	—	—	—	3,674,791	—	—	3,674,791
Adjustments Due to the Rounding Impact from the Reverse Stock Split for Fractional Shares	—	—	(33)	—	(15,629)	—	—	(15,629)
Foreign Currency Translation Adjustment	—	—	—	—	—	—	(38,537)	(38,537)
Net Loss	—	—	—	—	—	(5,119,339)	—	(5,119,339)
Balance at September 30, 2022	**7**	**$ —**	**1,079,045**	**$ 10,790**	**$142,738,557**	**$(131,964,513)**	**$ (263,398)**	**$10,521,436**

See Accompanying Notes to Condensed Consolidated Financial Statements.

KIORA PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Nine Months Ended September 30, 2023 and 2022
(unaudited)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2022	**7**	**$ —**	**1,796,472**	**$ 17,986**	**$146,035,314**	**$(134,462,959)**	**$ (182,741)**	**$11,407,600**
Stock-Based Compensation	—	—	—	—	572,600	—	—	572,600
Issuance of Stock from Public Offering, Net of Offering Costs of $729,038	3,908	39	2,197,628	21,976	5,573,947	—	—	5,595,962
Issuance of Common Stock from Private Placement, Net of Offering Costs of $84,285	—	—	52,798	528	115,187	—	—	115,715
Issuance of Common Stock from ELOC Purchases	—	—	125,000	1,250	441,060	—	—	442,310
Issuance of Common Stock from Warrant Exercises	—	—	50,000	500	298,000	—	—	298,500
Conversion of Series F Preferred Stock into Common Stock	(3,488)	(34)	3,170,592	31,707	(31,673)	—	—	—
Issuance of Common Stock from Restricted Stock Awards	—	—	296,750	2,968	(2,968)	—	—	—
Foreign Currency Translation Adjustment	—	—	—	—	—	—	(83,430)	(83,430)
Net Loss	—	—	—	—	—	(10,245,290)	—	(10,245,290)
Balance at September 30, 2023	**427**	**$ 5**	**7,689,240**	**$ 76,915**	**$153,001,469**	**$(144,708,249)**	**$ (266,171)**	**$ 8,103,969**

See Accompanying Notes to Condensed Consolidated Financial Statements.

KIORA PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (continued)
Nine Months Ended September 30, 2023 and 2022
(unaudited)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2021	**7**	**$ —**	**316,599**	**$ 3,166**	**$135,541,662**	**$(120,879,349)**	**$ (86,431)**	**$14,579,048**
Stock-Based Compensation	—	—	—	—	417,328	—	—	417,328
Issuance of Common Stock from Panoptes Holdback Shares	—	—	10,087	100	(100)	—	—	—
Issuance of Stock from Public Offering, Net of Offering Costs of $505,020	—	—	592,392	5,924	2,456,914	—	—	2,462,838
Issuance of Series E Preferred Stock from Public Offering , Net of Offering Costs of $136,401	1,280	13	—	—	665,178	—	—	665,191
Conversion of Series E Preferred Stock into Common Stock	(1,280)	(13)	160,000	1,600	(1,587)	—	—	—
Reclassification of Warrant Liability	—	—	—	—	3,674,791	—	—	3,674,791
Adjustments Due to the Rounding Impact from the Reverse Stock Split for Fractional Shares	—	—	(33)	—	(15,629)	—	—	(15,629)
Foreign Currency Translation Adjustment	—	—	—	—	—	—	(176,967)	(176,967)
Net Loss	—	—	—	—	—	(11,085,164)	—	(11,085,164)
Balance at September 30, 2022	**7**	**$ —**	**1,079,045**	**$ 10,790**	**$142,738,557**	**$(131,964,513)**	**$ (263,398)**	**$10,521,436**

See Accompanying Notes to Condensed Consolidated Financial Statements.

KIORA PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Nine Months ended September 30,	
	2023	2022
Operating Activities:		
Net Loss	$ (10,245,290)	$ (11,085,164)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Depreciation and Amortization of Intangible Assets	43,863	31,324
Reduction of Right-of-Use Assets	98,073	113,574
Stock-Based Compensation	572,600	417,328
Impairment of In-process R&D	1,904,314	—
Change in Fair Value of Contingent Consideration	1,865,945	604,348
Change in Fair Value of Warrant Liability	—	1,425,102
Gain on Disposal of Equipment	—	(4,211)
Changes in Operating Assets and Liabilities:		
Prepaid Expenses and Other Current Assets	98,854	342,029
Tax Receivables	(18,996)	(1,174,109)
Other Assets	939	2,596
Accounts Payable	(848,651)	635,153
Operating Lease Liabilities	(86,863)	(124,784)
Accrued Expenses	(360,398)	517,681
Net Cash Used in Operating Activities	(6,975,610)	(8,299,133)
Investing Activities:		
Proceeds on Sale of Equipment	—	6,375
Net Cash Provided by Investing Activities	—	6,375
Financing Activities:		
Proceeds from Public Offering	6,325,000	5,882,739
Public Offering Costs	(729,038)	(505,020)
Proceeds from Private Placement, Net of Offering Costs	200,000	—
Private Placement Offering Costs	(84,285)	—
Proceeds from ELOC Purchases	442,310	—
Exercise of Warrants	298,500	—
Net Cash Provided by Financing Activities	6,452,487	5,377,719
Effect of Exchange Rate Changes on Cash, Cash Equivalents and Restricted Cash	(86,164)	(133,998)
Net Change in Cash, Cash Equivalents and Restricted Cash	(609,287)	(3,049,037)
Cash, Cash Equivalents and Restricted Cash, Beginning of Period	6,013,816	7,899,690
Cash, Cash Equivalents and Restricted Cash, End of Period	$ 5,404,529	$ 4,850,653
Supplemental Disclosures of Noncash Operating and Financing Activities		
Recognition of Right-of-Use Assets and Related Lease Liabilities	$ —	$ 55,415
Conversion of Preferred Stock into Common Stock	$ 31,707	$ 1,600
Grant of Restricted Stock Awards	$ 2,968	—
Amounts Owed for Fractional Shares Related to the Reverse Stock Split in Accounts Payable	$ —	15,629

See Accompanying Notes to Condensed Consolidated Financial Statements.

KIORA PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
September 30, 2023

1. Business, Presentation and Recent Accounting Pronouncements

Overview

Kiora Pharmaceuticals, Inc. (“Kiora” or the “Company”) was formed as a Delaware corporation on December 28, 2004. Kiora is a clinical-stage specialty pharmaceutical company developing and commercializing therapies for the treatment of orphan retinal diseases.

Since its inception, Kiora has devoted substantially all its efforts to business planning, research and development, and raising capital.

Unaudited Interim Financial Information

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Pursuant to these rules and regulations, they do not include all information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of the Company’s consolidated financial condition and results of operations have been included. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the full year. We believe that the disclosures provided herein are adequate to make the information presented not misleading when these unaudited interim condensed consolidated financial statements are read in conjunction with the audited consolidated financial statements and notes previously distributed in the Company’s 2022 Annual Report on Form 10-K dated March 23, 2023. The balance sheet as of December 31, 2022 was derived from audited consolidated financial statements of the Company but does not include all the disclosures required by U.S. GAAP.

Reverse Stock Split

On September 23, 2022, the Company filed a Certificate of Amendment to its Restated Certificate of Incorporation (the “Amendment”) with the Secretary of State of the State of Delaware to effect a one-for-forty ("1-for-40") reverse stock split of its outstanding common stock. The Amendment was approved by the Company’s stockholders at the Company’s 2022 Annual Meeting of Stockholders held on September 23, 2022, and by the Company’s board of directors. The amendment became effective on September 27, 2022.

The reverse stock split affected all shares of the Company’s common stock outstanding immediately prior to the effective time of the Amendment. As a result of the reverse stock split, proportionate adjustments were made to the per share exercise price and/or the number of shares issuable upon the exercise or vesting of all stock options, and restricted stock awards issued by the Company and outstanding immediately prior to the effective time of the Amendment, which resulted in a proportionate decrease in the number of shares of the Company’s common stock reserved for issuance upon exercise or vesting of such stock options, and restricted stock awards, and, in the case of stock options, a proportionate increase in the exercise price of all such stock options. In addition, the number of shares reserved for issuance under the Company’s equity compensation plans immediately prior to the effective time of the Amendment was reduced proportionately. The reverse stock split did not affect the number of shares or par value of common stock authorized for issuance under the Company’s Amended and Restated Certificate of Incorporation, which remained at 50,000,000 shares.

No fractional shares were issued as a result of the reverse stock split. Stockholders of record who would otherwise have been entitled to receive a fractional share received a cash payment in lieu thereof. The reverse stock split affected all stockholders proportionately and did not affect any stockholder’s percentage ownership of the Company’s common stock (except to the extent that the reverse stock split results in any stockholder owning only a fractional share). As a result of the reverse stock split, the number of the Company’s outstanding shares of common stock as of September 27, 2022 decreased from 43,163,123 (pre-split) shares to 1,079,045 (post-split) shares.

All share and per share amounts in the accompanying condensed consolidated financial statements, related footnotes, and management's discussion and analysis have been adjusted retroactively to reflect the reverse stock split as if it had occurred at the beginning of the earliest period presented. While the number of warrants outstanding did not change, the underlying shares did and are presented reflecting the split. The Company's common stock began trading on The Nasdaq Capital Market on a split-adjusted basis when the market opened on September 27, 2022.

Going Concern

The accompanying condensed consolidated financial statements have been prepared assuming that Kiora will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As of September 30, 2023, Kiora had unrestricted Cash and Cash Equivalents of $5.4 million, and an Accumulated Deficit of $144.7 million. Kiora has incurred losses and negative cash flows since inception, and future losses are anticipated. Based on the cash on hand as of September 30, 2023, the Company anticipates having sufficient cash to fund planned operations into May 2024, however, the acceleration or reduction of cash outflows by Company management can significantly impact the timing for the need to raise additional capital to complete development of its products. To continue development, Kiora will need to raise additional capital through equity financing, license agreements, and/or grants. Although historically the Company has been successful at raising capital, most recently raising net proceeds of approximately $5.6 million in a public offering that closed on June 6, 2023, as well as an equity line of credit that provides an additional $9.6 million (subject to certain limitations), additional capital may not be available on terms favorable to Kiora, if at all. The Company does not know if any future offerings will succeed. Accordingly, no assurances can be given that Company management will succeed in these endeavors. The factors described above have caused management to determine there is substantial doubt about the Company's ability to continue as a going concern. The accompanying condensed consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities or any other adjustments that might be necessary should the Company be unable to continue as a going concern.

Significant Accounting Policies

Refunds for Research and Development

Kiora, through its Kiora Pharmaceuticals GmbH and Kiora Pharmaceuticals Pty Ltd subsidiaries, is entitled to receive certain refundable tax incentives associated with eligible research and development expenses in Austria and Australia, respectively. These refunds are realized in the form of a cash payment in the year following the incurred research and development expenses. The Company records estimates of the refundable payment as a tax receivable and a reduction in expense in the period in which the research and development expenses are incurred.

In-Process Research and Development

The Company records in-process R&D projects acquired in asset acquisitions that have not reached technological feasibility and which have no alternative future use. For in-process R&D projects acquired in business combinations, the Company capitalizes the in-process R&D project as an indefinite-lived intangible asset and evaluates this asset annually for impairment until the R&D process has been completed. Once the R&D process is complete, the Company amortizes the R&D asset over its remaining useful life. The Company performed an annual evaluation of its indefinite-lived intangible assets for impairment as of August 31, 2023 with a quantitative analysis using the Income Approach. As of September 30, 2023, the estimated fair value of the KIO-101 and KIO-201 assets was less than their carrying value due to the strategic decision to stop development leading to commercialization and seek partnership for all future development. Accordingly, the Company recognized an impairment loss of $1.9 million which is shown in the Condensed Consolidated Statement of Operations and Comprehensive Loss in the line In-process R&D Impairment. At September 30, 2023 and 2022, there was $8.7 million and $10.6 million, respectively, of in-process R&D as part of intangible assets and in-process R&D, net on the Condensed Consolidated Balance Sheets.

Related-Party Transactions

For the nine months ended September 30, 2023, the Company made payments totaling approximately $0.13 million for services to a related party vendor, Ora, Inc., who is providing the Company with clinical study services for KIO-301. One of the Company's directors is an executive at Ora, Inc.

2. Balance Sheet Information

Cash, Cash Equivalents and Restricted Cash

A summary of cash and cash equivalents and restricted cash is as follows:

	September 30, 2023	December 31, 2022
Cash and Cash Equivalents	$ 5,400,498	$ 5,964,556
Restricted Cash, Non-current	4,031	49,260
Total Cash, Cash Equivalents and Restricted Cash	$ 5,404,529	$ 6,013,816

Non-current restricted cash consists of deposits with financial institutions for corporate credit cards, and such amounts are included in prepaid expenses and other current assets.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

	September 30, 2023	December 31, 2022
Prepaid Insurance	$ 116,853	$ 117,315
Prepaid Research and Development	49,377	128,429
Other	73,161	97,325
Total Prepaid Expenses and Other Current Assets	$ 239,391	$ 343,069

Accrued Expenses

Accrued expenses consist of the following:

	September 30, 2023	December 31, 2022
Payroll and Benefits	$ 828,694	$ 1,312,443
Professional Fees	68,819	282,721
Clinical Trials	424,026	57,020
Other	140,172	183,750
Total Accrued Expenses	$ 1,461,711	$ 1,835,934

3. Fair Value Disclosures

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability assuming an orderly transaction to a third party under current market conditions at the measurement date. U.S. GAAP establishes a hierarchical disclosure framework that prioritizes and ranks the level of observability of inputs

used in measuring fair value. In connection with historical acquisitions, additional consideration may be paid related to the achievement of certain milestones and such contingent consideration is required by U.S. GAAP to be presented at fair value. The following table provides information for liabilities measured at fair value on a recurring basis using Level 3 inputs:

	September 30, 2023	December 31, 2022
Contingent Consideration:		
Current	$ 495,000	$ 322,385
Non-current	5,002,505	3,309,175
Total Contingent Consideration	$ 5,497,505	$ 3,631,560

The Company initially values contingent consideration related to business combinations using a probability-weighted calculation of potential payment scenarios discounted at rates reflective of the risks associated with the expected future cash flows for certain milestones. Key assumptions used to estimate the fair value of contingent consideration include projected financial information, market data and the probability and timing of achieving the specific milestones.

After the initial valuation, the Company generally uses its best estimate to measure contingent consideration at each subsequent reporting period using the following unobservable Level 3 inputs:

	Valuation Technique	Unobservable Inputs	September 30, 2023	December 31, 2022
	Discounted cash flow	Payment discount rate	13.6 %	14.7 %
Bayon		Payment period	2023 - 2028	2023 - 2028
Panoptes		Payment period	2025 - 2028	2024 - 2028
Jade		Payment period	2027	2026
Bayon		Probability of success for payment	42% - 100%	17% - 67%
Panoptes		Probability of success for payment	30% - 33%	17% - 36%
Jade		Probability of success for payment	56 %	56 %

Significant changes in these assumptions could result in a significantly higher or lower fair value. The contingent consideration reported in the above table is adjusted quarterly based upon the passage of time or the anticipated success or failure of achieving certain milestones. The change in fair value of contingent consideration of $1.5 million for the three months ended September 30, 2023, was primarily driven by an increase in the estimated probability of success for the Bayon milestones due to the addition of two new disease indications for KIO-301, specifically Choroideremia and Stargardt disease and the increased probability of the Panoptes milestone due to the addition of KIO-104 in Posterior Non-infectious Uveitis. The change in fair value of contingent consideration of $1.9 million for the nine months ended September 30, 2022 was primarily driven by these same factors. The change in fair value of contingent consideration is recorded within operating expenses on the accompanying condensed consolidated statements of operation and comprehensive loss.

The Company records in-process R&D projects acquired in asset acquisitions that have not reached technological feasibility and which have no alternative future use. For in-process R&D projects acquired in business combinations, the Company capitalizes the in-process R&D project as an indefinite-lived intangible asset and evaluates this asset annually for impairment until the R&D process has been completed. Once the R&D process is complete, the Company amortizes the R&D asset over its remaining useful life.

ASC 350 allows an entity to first assess qualitative factors to determine whether events and circumstances indicate that it is more likely than not (that is, a likelihood of more than 50 percent) that an indefinite-lived intangible asset is impaired. If it is more likely than not that the asset is impaired, the entity must calculate the fair value of the asset and record an impairment charge if the carrying amount exceeds fair value. If an entity concludes that it is not more likely than not that the asset is impaired, no further action is required. An indefinite-

lived intangible asset should be tested for impairment if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. If such events or changes have occurred, a quantitative assessment is required.

If an entity bypasses the qualitative assessment or determines from its qualitative assessment that an indefinite-lived intangible asset is more likely than not impaired, a quantitative impairment test should be performed. The quantitative impairment test compares the fair value of an indefinite-lived intangible asset with the asset's carrying amount. If the fair value of the indefinite-lived intangible asset is less than the carrying amount, an impairment loss should be recognized in an amount equal to the difference in accordance with ASC 350-30-35-19.

The Company values in-process R&D related to asset acquisitions using the Income Approach which measures the value of an asset by the present value of its future economic benefits. These benefits can include interest and principal payments, earnings, cost savings, tax deductions, or proceeds from its disposition. Value indications are developed by discounting expected cash flows at a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation, and risks associated with the particular investment. The selected discount rate is generally based on rates of return available from alternative investments of similar type and quality.

The Company engaged a third-party valuation firm to complete a quantitative assessment of in-process R&D as of August 31, 2023 which includes the following unobservable Level 3 inputs:

	Valuation Technique	Unobservable Inputs	Input	Discount Rate
KIO-101	Relief from Royalty Method	Probability of success for next development phase	17 %	30 %
KIO-104	Multi-Period Excess Earnings Method	Probability of success for next development phase	17% to 36%	25 %
KIO-201	Relief from Royalty Method	Probability of success for next development phase	17% to 46%	30 %
KIO-301	Multi-Period Excess Earnings Method	Probability of success for next development phase	17% to 67%	25 %

4. Capital Stock

In connection with the Company's acquisition of Panoptes Pharma GmbH ("Panoptes") in December 2020, on June 18, 2022, the Company issued an aggregate of 10,086 shares of common stock to former shareholders of Panoptes, which had been held back for a period of eighteen months following the closing of the Panoptes acquisition to satisfy post-closing adjustment and indemnification obligations pursuant to the terms of the Share Purchase Agreement between the Company and the former shareholders of Panoptes.

On July 22, 2022, the Company entered into an underwriting agreement to issue and sell stock and warrants in a public offering. On July 25, 2022, the underwriter fully exercised the over-allotment option granted by the Company to purchase stock and warrants. On July 26, 2022, the public offering closed, and the Company issued and sold (i) 592,392 shares of common stock (including 98,138 shares of common stock sold pursuant to the exercise of the over-allotment option), (ii) 1,280 shares of Series E Convertible Preferred Stock convertible into up to 160,000 shares of common stock, (iii) 30,095,697 Class A Warrants (including 3,925,525 Class A Warrants sold pursuant to the exercise of the over-allotment option), and (iv) 30,095,697 Class B Warrants (including 3,925,525 Class B Warrants sold pursuant to the exercise of the over-allotment option). Upon exercise, the warrants will convert on a 40 for 1 basis into a total of 1,504,785 common shares. The public offering price of $8.00 per share of common stock, Class A Warrant and Class B Warrant or $1,000 per share of Series E Convertible Preferred Stock, 5,000 Class A Warrants and 5,000 Class B Warrants resulted in net proceeds to the Company of approximately $5.3 million net of underwriting discount and commissions of $0.4 million and expense of $0.3 million.

Each warrant is exercisable at a price per share of common stock of $8.00. The Class A Warrants expired on September 23, 2023 and the Class B Warrants will expire on September 23, 2027. The exercise prices of the warrants are subject to appropriate adjustment in the event of recapitalization events, stock dividends, stock splits, stock combinations, reclassifications, reorganizations or similar events affecting the Company's common stock.

During August 2022, all holders of the Series E Preferred Shares issued in the July 2022 public offering elected to convert their Series E Preferred Shares into 160,000 shares of common stock.

On November 17, 2022, the Company entered into warrant exercise inducement offer letters with some of the Class A Warrant holders who agreed to exercise for cash all of their Class A Warrants to purchase 654,609 shares of common stock originally issued in the July 2022 public offering in exchange for the Company's agreement to issue new warrants (the "Inducement Warrants") on substantially the same terms as the Class A Warrants to purchase up to 654,609 shares of common stock. Each Inducement Warrant is exercisable at a price per share of common stock of $5.97. Each Inducement Warrant became initially exercisable six months following its date of issuance, and will expire on the eighteen month anniversary of their initial exercise date. The Company received aggregate gross proceeds of approximately $3.1 million from the exercise of the Class A Warrants by the selling stockholders and the sale of the Inducement Warrants. The Company paid its placement agent in connection with the inducement transactions a fee equal to 8% of gross proceeds from the exercise of the Class A Warrants.

On February 3, 2023, the Company completed a private placement with Lincoln Park Capital, LLC ("Lincoln Park") for 52,798 shares of common stock and warrants to purchase up to 105,596 shares of common stock. The total net proceeds from the private placement were approximately $0.1 million. The warrants have an exercise price of $3.538 per share, subject to adjustments as provided under the terms of the warrants, and will be exercisable on the six-month anniversary of the closing date. The warrants are exercisable for five years from the issuance date.

On February 3, 2023, the Company also entered into a purchase agreement with Lincoln Park, pursuant to which Lincoln Park has agreed to purchase from the Company up to an aggregate of $10.0 million of common stock (subject to certain limitations), from time to time and at the Company's sole discretion over the term of the purchase agreement. On February 22, 2023, the Company completed its first issuance under this agreement for a total of 20,000 shares sold to Lincoln Park for proceeds of $0.1 million. In April 2023, the Company completed additional issuances for a total of 105,000 shares sold to Lincoln Park for proceeds of $0.3 million.

On March 30, 2023, the Company entered into an underwriting agreement to issue and sell stock and warrants in a public offering. On June 6, 2023, the public offering closed, and the Company issued and sold (i) 2,197,628 shares of common stock (including 750,000 shares of common stock sold pursuant to the exercise of the over-allotment option), (ii) 3,908 shares of Series F Convertible Preferred Stock convertible into up to 3,552,372 shares of common stock, (iii) 5,750,000 Class C Warrants (including 750,000 Class C Warrants sold pursuant to the exercise of the over-allotment option), and (iv) 5,750,000 Class D Warrants (including 750,000 Class D Warrants sold pursuant to the exercise of the over-allotment option). The public offering price of $1.10 per share of common stock, Class C Warrant and Class D Warrant, and $999.90 per share of Series F Convertible Preferred Stock, 909 Class C Warrants and 909 Class D Warrants, resulted in net proceeds to the Company of approximately $5.6 million net of underwriting discount and commissions of $0.5 million and other expenses of $0.2 million. On June 6, 2023, the underwriter fully exercised the over-allotment option granted by the Company to purchase stock and warrants.

Each Warrant is exercisable at a price per share of common stock of $1.10. The Class C Warrants will expire on June 6, 2028 and the Class D Warrants will expire on June 6, 2024. The exercise prices of the warrants are subject to appropriate adjustment in the event of recapitalization events, stock dividends, stock splits, stock combinations, reclassifications, reorganizations or similar events affecting the Company's common stock. In addition, on August 5th, the 60th calendar day immediately following the initial exercise day, the exercise price of the warrants were reduced to $0.5231 per share pursuant to the reset provision which stated that the warrants would be reduced to the lesser of (i) the exercise price then in effect and (ii) 90% of the average of the volume weighted average price of the Company's common stock for the five (5) trading day period immediately

prior to the reset date. In accordance with ASU 2021-04, the warrant reset of the exercise price was evaluated as a modification of equity-classified written call options. Modifications or exchanges that are not related to debt or equity financings, compensation for goods or services, or other exchange transactions within the scope of other guidance should be recognized as a dividend consistent with ASC 815-40-35-17(d). The dividend amount is measured as the excess, if any, of the fair value of the modified or exchanged instrument over the fair value of that instrument immediately before it is modified or exchanged in accordance with ASC 815-40-35-16. The Company considered the guidance in paragraphs 815-40-35-14 through 35-17 and determined that the circumstances of the warrant modification indicate that the modification is executed separate from a new equity offering, debt origination or debt modification. As such, on August 7, 2023, the date on which the modification became effective, the incremental change in the fair value of the 11,500,000 outstanding warrants was recognized as a deemed dividend totaling $0.5 million that increases net loss attributable to common stockholders in accordance with paragraph 815-40-35-17(d) and ASC 260-10-45-15.

During June 2023, 2,958 shares of Series F Convertible Preferred Stock were converted into 2,688,822 shares of common stock. During July and August 2023, 530 shares of Series F Convertible Preferred Stock were converted into 481,770 shares of common stock.

5. Intangible Assets and In-Process R&D

Intangible assets at September 30, 2023 consist of the rights to trade-secrets and know-how related to the manufacturing of KIO-201. During the third quarter of 2018, the Company entered into an intellectual property license agreement with SentrX Animal Care, Inc. (“SentrX”) with respect to certain rights relating to the manufacturing of KIO-201. The intangible assets were recorded at $0.3 million, representing the upfront payment paid to SentrX. The Company’s intangible assets are amortized on a straight-line basis over the estimated useful lives. Additionally, in-process R&D as of September 30, 2023 and 2022 consists of projects acquired from the acquisitions of Jade, Bayon and Panoptes that have not reached technological feasibility and which have no alternative future use. Once the R&D process is complete, the Company will amortize the R&D asset over its remaining useful life. The Company periodically evaluates these assets for impairment.

Intangible assets and in-process R&D consists of the following:

	Estimated Useful Life (Years)	September 30, 2023	December 31, 2022
Trade Secrets	10	$ 250,000	$ 250,000
Less: Accumulated Amortization		(125,000)	(106,250)
Intangible Assets, Net		125,000	143,750
In-Process R&D		8,695,100	10,599,414
Total Intangible Assets and In-Process R&D, Net		$ 8,820,100	$ 10,743,164

As of September 30, 2023, the estimated fair value of the Jade assets was less than their carrying value. Accordingly, the Company recognized an impairment of $1.9 million. See Note 1 for additional discussion of IPR&D and impairment loss.

6. Warrants

The following is a summary of warrant activity for the Company’s equity-classified warrants for the nine months ended September 30, 2023 and 2022:

	Number of Common Shares Issuable Upon Exercise of Outstanding Warrants		Weighted Average Exercise Price	Weighted Average Remaining Term in Years
Outstanding at December 31, 2022	1,597,606	$	21.22	3.07
Issued	11,605,596	$	0.55	2.40
Exercised	(50,000)	$	5.97	
Expired	(72,503)	$	108.80	
Outstanding at September 30, 2023	13,080,699	$	2.45	2.70
Outstanding at December 31, 2021	168,932	$	199.65	3.42
Issued	1,504,786	$	8.00	2.72
Expired	(11,112)	$	900.00	
Outstanding at September 30, 2022	1,662,606	$	150.40	3.14

7. Net Loss per Share - Basic and Diluted

Basic and diluted net loss per share is computed by dividing net loss available to common shareholders as adjusted for deemed dividends by the weighted-average number of common shares outstanding for the time period, which for basic net loss per share, does not include the weighted-average unvested restricted common stock that has been issued and is subject to forfeiture totaling 172,125 and 0 shares for the three months ended September 30, 2023 and 2022, respectively, and 212,675 and 0 for the nine months ended September 30, 2023 and 2022, respectively.

Dilutive common equivalent shares consist of stock options, warrants, and preferred stock and are calculated using the treasury stock method, which assumes the repurchase of common shares at the average market price during the period. Under the treasury stock method, options and warrants will have a dilutive effect when the average price of common stock during the period exceeds the exercise price of options or warrants. Common equivalent shares do not qualify as participating securities. In periods where the Company records a net loss unvested restricted common stock and potential common stock equivalents are not included in the calculation of diluted net loss per share as their effect would be anti-dilutive. The following is a summary of potential common shares excluded from the calculation of net loss per share as of September 30:

	2023	2022
Common Stock Warrants	13,080,699	1,662,606
Employee Stock Options	831,253	12,650
Restricted Stock	237,916	2
Preferred Stock	381,832	52
Common Stock Reserved for Future Issuance	165,491	—
Total Shares of Common Stock Issuable	14,697,191	1,675,310

8. Stock-Based Compensation

Equity Incentive Plans

In 2005, the Company approved the 2005 Equity Incentive Plan (the “2005 Plan”). The 2005 Plan provides for the granting of stock options (incentive and nonqualified), restricted stock or other stock-based awards to employees, officers, directors, consultants, and advisors. During 2010, the maximum number of shares of Common Stock that may be issued pursuant to the 2005 Plan was increased to 59,414 shares. The Board of Directors (the “Board”) is responsible for administration of the 2005 Plan. The Company’s Board determines the term of each option, the option exercise price, the number of shares for which each option is granted and the rate at which each option is exercisable. Incentive stock options may be granted to any officer or employee at

an exercise price per share of not less than the fair value per common share on the date of the grant (not less than 110% of fair value in the case of holders of more than 10% of the Company's voting stock) and with a term not to exceed ten years from the date of the grant (five years for incentive stock options granted to holders of more than 10% of the Company's voting stock). Nonqualified stock options may be granted to any officer, employee, consultant, or director at an exercise price per share of not less than the par value per share. Following adoption of the 2014 Equity Incentive Plan (the "2014 Plan"), no further grants were made under the 2005 Plan. General terms of the 2014 Plan remain the same as that of the 2005 plan.

The Company's Board adopted the 2014 Plan and the Employee Stock Purchase Plan (the "ESPP"), and the Company's Stockholders approved the 2014 Plan and the ESPP Plan in February 2015. In January 2023, the number of shares of common stock issuable under the 2014 Plan automatically increased by 76,632 shares pursuant to the terms of the 2014 Plan. Additionally, pursuant to a shareholder vote on September 27, 2023, the 2014 Plan was increased by 1,000,000 shares. As of September 30, 2023, the maximum number of shares of Common Stock that may be issued pursuant to the ESPP was 284, of which 191 shares were available for future issuance. As of September 30, 2023, the maximum number of shares of Common Stock that may be issued pursuant to the 2014 Plan was 1,297,363 of which 165,300 shares were available for awards.

Stock-based compensation expense is presented in the same expense line items as cash compensation earned and for the three and nine months ended September 30 is as follows:

	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Research and Development	$ 118,439	$ 19,625	$ 249,352	$ 78,786
General and Administrative	146,426	110,528	323,248	338,542
Total Stock-Based Compensation Expense	$ 264,865	$ 130,153	$ 572,600	$ 417,328

Stock Options

The Company grants time-based stock options which generally vest one-third of the underlying shares on the one-year anniversary of the grant date and the remainder vest ratably over a 24-month period. The Company has also issued grants with a four year vesting term, of which one-fourth of the underlying shares vested immediately, one-fourth on the one-year anniversary of the grant date and the remainder vest ratably over a 24-month period.The fair value of time-based stock options is determined using the Black-Scholes Option Pricing Model, with such value recognized as expense over the service period, which is typically three years, net of actual forfeitures. A summary of the Company's assumptions used in determining the fair value of the stock options granted during the nine months ended September 30, 2023 and 2022 is shown in the following table.

	Nine months ended September 30	
	2023	2022
Risk-Free Interest Rate	4.54 %	2.42 %
Expected Life (years)	5.52	5.00
Expected Stock Price Volatility	141 %	140 %
Expected Dividend Yield	— %	— %

The weighted average grant date fair value of options granted during the nine months ended September 30, 2023 and 2022 was $1.01 and $27.02, respectively. The expected term of the options granted is calculated in accordance with the simplified method, whereby for service-based awards the expected life is calculated as a midpoint between the vest and expiry period. The Company uses the simplified method as there is not a sufficient history of share option exercises. Expected volatility is based on the historical volatility of the Company's common stock. The risk-free interest rate is determined based upon a constant U.S. Treasury security rate with a contractual life that approximates the expected term of the option. Unamortized compensation expense related to the options amounted to $1.0 million as of September 30, 2023 and is expected to be recognized over a weighted average period of approximately 2.33 years.

Following is a summary of stock option activity for the nine months ended September 30, 2023:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Term in Years
Outstanding at December 31, 2022	84,722	$ 36.90	9.59
Granted	764,400	$ 1.11	
Expired	(417)	$ 86.42	
Forfeited	(17,452)	$ 6.05	
Outstanding at September 30, 2023	831,253	$ 4.61	9.60
Exercisable and vested at September 30, 2023	149,764	$ 16.58	9.78

The stock options outstanding and exercisable as of September 30, 2023 had an aggregate intrinsic value of $1,184. The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying options and the market price of the Company's common stock for options that had exercise prices lower than $0.57, the closing price of the Company's stock on September 30, 2023.

Restricted Stock Awards

Restricted stock compensation expense is recognized over the vesting period, which is typically one-third of the underlying shares on the one-year anniversary of the grant date and the remainder vest ratably over a 24-month period. Unamortized compensation expense related to the restricted stock awards amounted to $0.4 million as of September 30, 2023 and is expected to be recognized over a weighted average period of approximately 2.79 years. The following is a summary of restricted stock activity for the nine months ended September 30, 2023:

	Number of Units	Weighted Average Grant Date Fair Value	Weighted Average Remaining Term in Years
Non-vested Outstanding at December 31, 2022	30,000	$ 6.78	2.79
Awarded	270,050	$ 1.06	
Released	(58,834)	$ 0.72	
Forfeited	(3,300)	$ 3.83	
Non-vested Outstanding at September 30, 2023	237,916	$ 1.82	2.79

Employee Stock Purchase Plan

The Company has a non-qualified Employee Stock Purchase Plan ("ESPP"), which provides for the issuance of shares of the Company's common stock to eligible employees of the Company that elect to participate in the plan and purchase shares of common stock through payroll deductions at a discounted price. Six month offering periods are made at the Board's discretion. The ESPP provides for 284 aggregate shares of the Company's common stock for participants to purchase. As of September 30, 2023 and 2022, the remaining shares reserved for future offerings was 191.

9. Commitments and Contingencies

Leases

The Company leases its office facilities as well as other property under operating leases. In February 2022, the Company entered a lease for an office facility in Encinitas, California (the Encinitas Lease"). The Encinitas Lease commenced in May, 2022 for a term of 18 months. The Company recorded a right-of-use asset asset and lease liability upon lease commencement in May 2022. In October 2019, the Company through its subsidiary Kiora Pharmaceuticals GmbH, entered into a lease in Austria commencing in November 2019 for a term of a 4

years. The Company recorded a right-of-use asset and lease liability upon lease commencement. On May 16, 2022, a nominal short-term lease commenced in Australia. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise the option. The remaining lease terms range from less than 1 month to 2 months. The Company's Waltham, Massachusetts lease ended March 31, 2022. The Company has subsequently extended the Encinitas and Austria leases, see Note 10.

Total operating lease cost for the three months ended September 30, 2023 and 2022 was $50,482 and $39,511, respectively. Total operating costs for the nine months ended September 30, 2023 and 2022 was $121,159 and $120,274, respectively. Operating lease costs include a nominal short-term and variable lease cost.

Maturities of operating lease liabilities as of September 30, 2023 are as follows:

Years Ending December 31,	
2023 (remaining months)	$ 18,725
Total Lease Liabilities	18,725
Less Current Portion	(18,725)
	$ —

License and Exclusive Rights Agreements

The Company is a party to seven license agreements as described below. These license agreements require the Company to pay or receive royalties or fees to or from the counterparties based on revenue or milestones related to the licensed technology.

On July 2, 2013, the Company (through its subsidiary, Kiora Pharmaceuticals, GmbH) entered into a patent and know-how assignment agreement with 4SC Discovery GmbH ("4SC") transferring to the Company all patent rights and know-how to the compound KIO-101. The Company is responsible for paying royalties of 3.25% on net sales of KIO-101.

On July 2, 2013, the Company (through its subsidiary, Kiora Pharmaceuticals, GmbH) entered into an out-license agreement with 4SC granting 4SC the exclusive worldwide right to commercialize the compound KIO-101 for rheumatoid arthritis and inflammatory bowel disease, including Crohn's Disease and Ulcerative Colitis. The Company is eligible to receive milestone payments totaling up to €155 million, upon and subject to the achievement of certain specified developmental and commercial milestones. The Company has not received any milestones payments from 4SC. In addition, the Company is eligible to receive royalties of 3.25% on net sales of KIO-101.

On September 12, 2013, the Company (through its subsidiary, Jade Therapeutics, Inc.) entered into an agreement with Lineage Cell Therapeutics, Inc. ("Lineage"), formerly known as BioTime, Inc. granting to the Company the exclusive worldwide right to commercialize cross-linked thiolated carboxymethyl hyaluronic acid ("modified HA") for ophthalmic treatments in humans. The agreement requires the Company to pay an annual fee of $30,000 and a royalty of 6% on net sales of KIO-201 to Lineage based on revenue relating to any product incorporating the modified HA technology. The agreement expires when patent protection for the modified HA technology lapses in August 2027.

On November 17, 2014, the Company (through its subsidiary Kiora Pharmaceuticals GmbH) entered into an intellectual property and know-how licensing agreement with Laboratoires Leurquin Mediolanum S.A.S. ("Mediolanum") for the commercialization of KIO-101 (the "Mediolanum Agreement") in specific territories. Under the Mediolanum agreement, the Company out-licensed rights to commercialize KIO-101 for uveitis, dry eye and viral conjunctivitis in Italy, and France. This Agreement was amended on December 10, 2015 to also include Belgium and Netherlands. Under the Mediolanum Agreement, Mediolanum is obligated to pay up to approximately €20 million in development and commercial milestones and a 7% royalty on net sales of KIO-101 in the territories through the longer of the expiry of the valid patents covering KIO-101 or 10 years from the first commercial sale. The royalty is reduced to 5% after patent expiry. On September 7, 2023, the Company

(through its subsidiary Kiora Pharmaceuticals GmbH) agreed to a settlement agreement with Mediolanum to terminate the existing out-licensing rights by Mediolanum to commercialize KIO-101 for uveitis, dry eye and viral conjunctivitis in Italy, France, Belgium and Netherlands including all related commercial milestone payments and royalty obligations. The Company agreed to pay a termination fee of $0.1 million, of which $50,000 was paid upon execution of the agreement, and $50,000 is payable on the one year anniversary of the termination and is accrued for in the accompanying condensed consolidated financial statements.

On September 26, 2018, the Company entered into an intellectual property licensing agreement (the “SentrX Agreement”) with SentrX, a veterinary medical device company that develops and manufactures veterinary wound care products. Under the SentrX Agreement, the Company in-licensed the rights to trade secrets and know-how related to the manufacturing of KIO-201. The SentrX Agreement enables the Company to pursue a different vendor with a larger capacity for manufacturing and an FDA-inspected facility for commercialization of a product for human use. Under the SentrX Agreement, SentrX is eligible to receive milestone payments totaling up to $4.75 million, upon and subject to the achievement of certain specified developmental and commercial milestones. On June 7, 2023, the Company entered into an amendment agreement (the "SentrX First Amendment") whereby SentrX removed the Company's obligation to make any further payments, milestone or otherwise.The term of the amendment agreement remains unchanged, which is until the product is no longer in the commercial marketplace. In addition, on June 7, 2023, the Company entered into a new exclusive license agreement (the "New SentrX Agreement") with SentrX, whereby the Company out-licensed certain KIO-201 patents for use in animal health and veterinary medicine. Under the New SentrX Agreement, SentrX is obligated to pay the Company a flat low single-digit royalty on net sales, and is effective until the last licensed patent terminates.

On May 1, 2020, the Company (through its subsidiary, Bayon Therapeutics, Inc.) entered into an agreement with the University of California (“UC”) granting to the Company the exclusive rights to its pipeline of photoswitch molecules. The agreement requires the Company to pay an annual fee to UC of $5,000, as well as payments to UC upon the achievement of certain development milestone and royalties based on revenue relating to any product incorporating KIO-301. The Company is obligated to pay royalties on net sales of two percent (2%) of the first $250 million of net sales, one and a quarter percent (1.25%) of net sales between $250 million and $500 million, and one half of one percent (0.5%) of net sales over $500 million. The agreement expires on the date of the last-to-expire patent included in the licensed patent portfolio which is January 2030.

On May 1, 2020, the Company (through our subsidiary, Bayon Therapeutics, Inc.) entered into an agreement with Photoswitch Therapeutics, Inc. (“Photoswitch”) granting to the Company access to certain patent applications and IP rights with last-to-expire patent terms of January 2030. The agreement calls for payments to Photoswitch upon the achievement of certain development milestones and upon first commercial sale of the product.

Contingent Consideration

The purchase price of various acquisitions in prior periods included contingent consideration, which consisted of various cash earn-out payments upon the achievement of certain milestones. Below are the maximum obligation payments per the respective agreements and estimated fair value of contingent consideration payments remaining as of September 30, 2023.

	Maximum Obligation per Agreements	Current Fair Value Estimated
Bayon	$ 7,135,000	$ 2,709,945
Panoptes	9,500,000	2,043,169
Jade	2,164,451	744,391
	$ 18,799,451	$ 5,497,505

Other

In the normal course of business, the Company periodically becomes involved in various claims and lawsuits, as well as governmental proceedings and investigations that are incidental to the business. The Company accrues a liability when a loss is considered probable and the amount can be reasonably estimated. When a material loss contingency is reasonably possible but not probable, the Company does not record a liability, but instead discloses the nature and amount of the claim, and an estimate of the possible loss or range of loss, if such an estimate can be made. Legal fees are expensed as incurred. With respect to governmental proceedings and investigations, like other companies in the industry, the Company is subject to extensive regulation by national, state and local governmental agencies in the U.S. and in other jurisdictions in which the Company and its affiliates operate. As a result, interaction with governmental agencies is ongoing. The Company's standard practice is to cooperate with regulators and investigators in responding to inquiries.

The Company currently maintains insurance for risks associated with the operation of its business, provision of professional services and ownership of property. These policies provide coverage for a variety of potential losses, including loss or damage to property, bodily injury, general commercial liability, professional errors and omissions and medical malpractice.

On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law. As guidance is released the Company is continually evaluating the impact of the recently enacted law. However, the Company does not expect the impact to be material to its accompanying condensed consolidated financial statements.

10. Subsequent Events

On September 27, 2023, the Company, through its subsidiary Kiora Pharmaceuticals GmbH, entered into a new office lease agreement for its office in Vienna, Austria which will commence on October 15, 2023 for a term of 60 months, expiring on October 14, 2028. The prior office lease ended October 31, 2023.

On October 10. 2023, the Company entered into an agreement to extend the office facility lease in Encinitas, California for an additional 18 months, extending the lease expiration to April 30, 2025.

On October 30, 2023, the Company, through its subsidiary, Bayon Therapeutics, Inc., entered into an agreement with the University of California ("UC") to amend its licensing agreement dated May 1, 2020 effective November 5, 2023, granting the Company exclusive rights to a patent application covering specific formulations of KIO-301, which was previously jointly owned by UC and Bayon. Further, Bayon has the ability to assign or transfer the agreement providing written notice is given within at least 15 days prior to any such assignment, providing written assignment agreement by successor within 30 days, and by paying an assignment fee of $30,000 within thirty days of the assignment. Per the terms of the agreement, upon execution of the amendment the Company was required to pay UC $15,000.

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

The following section of this Quarterly Report on Form 10-Q entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains statements that are not statements of historical fact and are forward-looking statements within the meaning of federal securities laws. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Factors that may cause our actual results to differ materially from those in the forward-looking statements include those factors described in "Item 1A. Risk Factors" beginning on page 23 of our Annual Report on Form 10-K as filed with the Securities and Exchange Commission on March 23, 2023. You should carefully review all of these factors, as well as the comprehensive discussion of forward-looking statements on page 1 of this Quarterly Report on Form 10-Q.

Kiora Pharmaceuticals, Inc. is referred to herein as "Kiora", "we," "our," "us," and "the Company".

Executive Summary

We are a specialty clinical-stage pharmaceutical company developing and commercializing products for the treatment of orphan retinal diseases.

Our lead product is KIO-301 with an initial focus on patients with later stages of disease progression due to Retinitis Pigmentosa (any and all sub-forms). KIO-301 is a potential vision-restoring small molecule that acts as a "photoswitch" specifically designed to restore vision in patients with inherited and age-related degenerative retinal diseases. The molecule is specifically designed to restore the eyes' ability to perceive and interpret light in visually impaired patients. It selectively enters viable downstream retinal ganglion cells (no longer receiving electrical input due to degenerated rods and cones) and is intended to turn them into light sensing cells, capable of signaling the brain as to the presence or absence of light. On March 17, 2022, we were granted Orphan Drug Designation by the United States ("U.S.") Food and Drug Administration ("FDA") for the Active Pharmaceutical Ingredient ("API") in KIO-301. KIO-301 (formerly known as B-203) was acquired through the Bayon transaction which closed October 21, 2021. We initiated a Phase 1b clinical trial in the third quarter of 2022.

Based on initial results of the Phase 1b trial, we plan to expand development of KIO-301 to treat patients with late stages of Choroideremia and Stargardt disease. These diseases have a similar underlying late-stage pathology as retinitis pigmentosa, hence the mechanism of action of KIO-301 could potentially provide a similar benefit to these patients.

We are also planning to develop KIO-104 for the treatment of Posterior Non-Infectious Uveitis, a rare T cell-mediated, intraocular inflammatory disease. KIO-104, which uses the same active compound in KIO-101, but formulated for intravitreal delivery, is ideally suited to suppress overactive T-cell activity to treat the underlying condition. KIO-101 is an ophthalmic topical eyedrop formulation of a novel and potent inhibitor of dihydroorotate dehydrogenase (DHODH). Data from a previous Phase 1b/2a study, reported in October 2022, showed that a single injection of KIO-104 decreased intraocular inflammation and improved visual acuity significantly for the duration of the study. Further, there is evidence of reduced Cystoid Macular Edema from baseline.

We have two additional assets, KIO-101 and KIO-201, that the Company is currently seeking to partner. KIO-101 is a next generation, non-steroidal, immuno-modulatory, small-molecule inhibitor of Dihydroorotate Dehydrogenase ("DHODH") with what we believe to be best-in-class picomolar potency and a validated immune modulating mechanism designed to overcome the off-target side effects and safety issues associated with commercially available DHODH inhibitors. KIO-201 is a modified form of the natural polymer hyaluronic acid, designed to protect the ocular surface to permit re-epithelialization of the cornea and improve and maintain ocular surface integrity. KIO-201 has unique properties that help hydrate and protect the ocular surface. We completed a Phase 2 clinical trial in patients with Persistent Corneal Epithelial Defects ("PCEDs").

Throughout our history, we have not generated significant revenue. We have never been profitable and from inception through September 30, 2023, our losses from operations have aggregated $144.7 million. Our net loss was $10.2 million and $11.1 million for the nine months ended September 30, 2023 and 2022, respectively. We expect to incur significant expenses and increasing operating losses for the foreseeable future as we continue

the development and clinical trials of and seek regulatory approval for our product candidates. If we obtain regulatory approval for our product candidates, we expect to incur significant expenses in order to create an infrastructure to support their commercialization including sales, marketing, and distribution functions.

We will need additional financing to support our continuing operations. We will seek to fund our operations through public or private equity, debt financings, license and development agreements, or other sources, which may include collaborations with third parties. Adequate additional financing may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. These conditions raise substantial doubt about our ability to continue as a going concern. We will need to generate significant revenue to achieve profitability, and we may never do so.

Recent Developments

We recently made a strategic decision to stop development leading to commercialization of KIO-101 and KIO-201 and are seeking partnership to continue future development. As such, as of September 30, 2023, the estimated fair value of the KIO-101 and KIO-201 assets was less than their carrying value resulting in the realization of an impairment loss of $1.9 million.

We also recently expanded our 301 program into two new diseases, Choroideremia and Stargardt disease.

New Components of Results of Operations

None noted.

New Critical Accounting Estimates

Note noted.

Results of Operations

Comparison of Three Months ended September 30, 2023, and 2022

The following table summarizes the results of our operations for the three months ended September 30, 2023 and 2022:

	2023	2022	Change
Operating Expenses:			
General and Administrative	$ 1,415,844	$ 2,033,367	$ (617,523)
Research and Development	1,085,010	1,332,153	(247,143)
In-Process R&D Impairment	1,904,314	—	1,904,314
Change in Fair Value of Contingent Consideration	1,513,400	337,515	1,175,885
Total Operating Expenses	5,918,568	3,703,035	2,215,533
Other Income (Expense), Net	155,627	(1,416,304)	1,571,931
Net Loss	$ (5,762,941)	$ (5,119,339)	$ (643,602)

General and Administrative Expenses. The decrease of $0.6 million was primarily due to a decrease in professional fees of $0.4 million for consultants used during the three months ended September 30, 2022 for interim accounting services during the transition of accounting staff, SEC filing services and legal fees, a net decrease in expenses of $0.1 million related to the settlement of an insurance claim and $0.1 million in costs related to the issuance of warrants expensed in 2022.

Research and Development Expenses. The decrease of $0.2 million was primarily due to lower preclinical expenses for KIO-101 as well as drug manufacturing and fill & finish costs for KIO-301 during the three months ended September 30, 2023 as compared to the three months ended September 30, 2022, together comprising a decrease of approximately $1.4 million. This decrease was partially offset by an increase in clinical development expenses for KIO-101 and KIO-301 clinical trial activities during the three months ended

September 30, 2023 totaling approximately $0.4 million, as well as an increase of $0.1 million in costs to terminate the Mediolanum licensing agreement and an increase of $0.1 million in salaries and other corporate expenses primarily related to scientific advisory fees. Additionally, there was a decrease of the offsetting R&D expense credit by approximately $0.5 million in 2023 due to reduced development spend.

In-Process R&D Impairment. The increase of $1.9 million was primarily due to a change in the estimated fair value of KIO-101 and KIO-201 that resulted in impairment. This was caused by a strategic decision to stop internal development activities leading to commercialization. Continued development will be dependent on a partnership.

Change in Fair Value of Contingent Consideration. The increase of $1.2 million was primarily due to a change in the probability of success related to new indications that were added for KIO-301 to include Choroideremia (CHM), and Stargardt disease which increased the probability of success for the Bayon milestone payment.

Other Income (Expense), Net. The increase of $1.6 million was primarily due to a change in fair value of warrant liability in 2022. The change in fair value of the warrant liability between issuance and reclassification to equity was $1.4 million and was primarily due to a decrease in our stock price over this period. In addition, there was an increase in net interest income of $0.2 million due to increased interest rates.

Comparison of Nine Months ended September 30, 2023, and 2022

The following table summarizes the results of our operations for the nine months ended September 30, 2023 and 2022:

	2023	2022	Change
Operating Expenses:			
General and Administrative	$ 3,782,596	$ 5,500,036	$ (1,717,440)
Research and Development	2,915,392	2,607,308	308,084
In-Process R&D Impairment	1,904,314	—	1,904,314
Executive Severance	—	962,833	(962,833)
Change in Fair Value of Contingent Consideration	1,865,945	604,348	1,261,597
Total Operating Expenses	10,468,247	9,674,525	793,722
Other Income (Expense), Net	222,957	(1,410,639)	1,633,596
Net Loss	$ (10,245,290)	$ (11,085,164)	$ 839,874

General and Administrative Expenses. The decrease of $1.7 million was primarily due to a decrease in professional fees of $1.4 million for consultants used during the nine months ended September 30, 2022 for interim accounting services and SEC filing services during the transition of accounting staff. Additionally, there was a net decrease in expenses of $0.1 million related to a settlement of an insurance claim, $0.1 million of facilities and IT costs related to the allocation of expenses to R&D, and stock compensation related expense of $0.1 million.

Research and Development Expenses. The increase of $0.3 million was primarily due to increases of $1.1 million in clinical expenses related to KIO-301 and KIO-101 clinical trial activities and $0.2 million in salaries and personnel costs resulting from non-executive severance expenses related to staffing changes in the clinical team. Additionally, other corporate expenses increased by approximately $0.1 million primarily related to scientific advisory fees and an increase of $0.1 million in facilities and IT related to allocated R&D expenses which were previously unallocated and included entirely in general and administrative expenses. These increases were partially offset by a decrease in preclinical work related to KIO-100 and drug manufacturing fill and finish for KIO-300 in 2022 of $1.3 million.

In-Process R&D Impairment. The increase of $1.9 million was primarily due to a change in the fair value of KIO-101 and KIO-201 resulting from a strategic decision to pursue a partnership for continued development of these programs.

Executive Severance. The decrease of $1.0 million was due to severance pay expensed at the time of termination in March 2022, but paid over the 18 month term of the agreement.

Change in Fair Value of Contingent Consideration. The increase of $1.3 million was primarily due to a change in the probability of success related to new indications that were added for KIO-301 to include Choroideremia (CHM), and Stargardt disease which increased the probability of success for the Bayon milestone payment.

Other Income (Expense), Net. The increase of $1.6 million was primarily due to a change in fair value of Warrant liability in 2022. The change in fair value of the warrant liability between issuance and reclassification to equity was $1.4 million in expense and was primarily due to a change in our stock price. In addition, there was an increase in net interest income of $0.2 million due to increased interest rates.

Liquidity and Capital Resources

Our principal liquidity needs have historically been for acquisitions, working capital, research and development, and capital expenditures. We expect these needs to continue as we develop and work toward commercialization of new products. We will need additional financing to support our continuing operations. We will seek to fund our operations through public or private equity, debt financings, license and development agreements, or other sources, which may include collaborations with third parties.

If we raise additional funds by issuing equity securities or convertible debt, our stockholders will experience dilution. Debt financing, if available, would result in increased fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, or making capital expenditures. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish valuable rights to our products, future revenue streams or product candidates, or to grant licenses on terms that may not be favorable to us. Although historically we have been successful at raising capital, most recently raising net proceeds of approximately $5.6 million in a public offering that closed on June 6, 2023, and have approximately $9.6 million available from an equity line of credit (subject to certain limitations), additional capital may not be available on terms favorable to us, if at all. We do not know if any future offerings will succeed. Our failure to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. These conditions raise substantial doubt about our ability to continue as a going concern. We will need to generate significant revenue to achieve profitability, and we may never do so.

Information Regarding Cash Flows

As of September 30, 2023, we had unrestricted cash and cash equivalents totaling $5.4 million and restricted cash totaling $4.0 thousand for a total of $5.4 million compared to $6.0 million at December 31, 2022. The following table sets forth the primary uses of cash for the nine months ended September 30,:

	2023	2022
Net Cash Used in Operating Activities	$ (6,975,610)	$ (8,299,133)
Net Cash Provided by Investing Activities	$ —	$ 6,375
Net Cash Provided by Financing Activities	$ 6,452,487	$ 5,377,719

Operating Activities. Net cash used in operating activities decreased $1.3 million primarily due to a net decrease in changes in assets and liabilities of $1.4 million due primarily to timing of payments and receipt of approximately $1.2 million in R&D tax credits during 2023.

Investing Activities. The decrease in cash from investing activities is due to a sale of an asset in 2022.

Financing Activities. The increase in cash from financing activities is primarily due to receiving net proceeds of approximately $0.4 million from equity line of credit share purchases, $0.3 million from warrant exercises and $5.6 million in net proceeds from a public offering that closed on June 6, 2023, compared to $5.3 million in net proceeds from a public offering in 2022 that closed on July 26, 2022.

Funding Requirements and Other Liquidity Matters

Our product pipeline is still in various stages of preclinical and clinical development. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. We anticipate that our expenses will increase substantially if and as we:

- seek partnership for our KIO-101 and KIO-201 products to continue their development activities;
- seek marketing approval for our KIO-301 or KIO-104 products or any other products that we successfully develop;
- establish a sales and marketing infrastructure to commercialize our KIO-301 or KIO-104 products in the United States, if approved; and
- add operational, financial and management information systems and personnel, including personnel to support our product development and future commercialization efforts.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity 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 the rights of holders of common stock. Debt 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 licensing arrangements with pharmaceutical partners, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, including our KIO-301, KIO-101, KIO-104 and KIO-201 products, on terms that may not be favorable to us. We have currently stopped development work on KIO-101 and KIO-201 and are seeking partnership for any further development of those programs. For our active programs, if we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market KIO-301 and KIO-104 products, or any other products that we would otherwise prefer to develop and market ourselves.

In June 2023, we raised net proceeds of approximately $5.6 million in a public offering closed on June 6, 2023. Based on our cash on hand at September 30, 2023, we believe that we will have sufficient cash to fund planned operations into May 2024 with the ability to extend cash runway by drawing on the remaining $9.6 million available through the equity line of credit, subject to certain limitations on the timing and amount of shares that may be sold pursuant to that arrangement. However, the acceleration or reduction of cash outflows by management can significantly impact the timing for raising additional capital to complete development of its products. To continue development, we will need to raise additional capital through debt and/or equity financing, or access additional funding through grants. Although historically we have been successful at raising capital, additional capital may not be available on terms favorable to us, if at all. We do not know if any future offerings will succeed. Accordingly, no assurances can be given that management will be successful in these endeavors. Our recurring losses from operations have caused management to determine there is substantial doubt about our ability to continue as a going concern. Our Unaudited Condensed Consolidated Financial Statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities or any other adjustments that might be necessary should we be unable to continue as a going concern.

Other

For information regarding Commitments and Contingencies and Subsequent Events, refer to Note 9, Commitments and Contingencies and Note 10, Subsequent Events to the Notes to the Condensed Consolidated Financial Statements of Part 1, Item 1. Financial Statements of this Form 10-Q.

Critical Accounting Estimates

Our discussion of operating results is based upon the Unaudited Condensed Consolidated Financial Statements and accompanying notes. The preparation of these statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the

date of the financial statements and the reported amount of revenues and expenses during the reporting period. Our critical accounting estimates are detailed in Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and we have no material changes from such disclosures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

This Report includes the certifications of our Chief Executive Officer (who is our principal executive officer) and our Executive Vice President of Finance (who serves as our principal financial / accounting officer) required by Rule 13a-14 of the Exchange Act. See Exhibits 31.1 and 31.2. This Item 4 includes information concerning the controls and control evaluations referred to in those certifications.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Executive Vice President of Finance, to allow timely decisions regarding required disclosures.

In connection with the preparation of this Quarterly Report on the Form 10-Q, the Company's Management, under the supervision of, and with the participation of, our Chief Executive Officer and Executive Vice President of Finance, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2023. Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and our management necessarily was required to apply its judgment in evaluating and implementing our disclosure controls and procedures. Based upon the evaluation described above and material weaknesses identified in our Form 10-K as of December 31, 2022, our Chief Executive Officer and Executive Vice President of Finance have concluded that they believe that our disclosure controls and procedures were not effective as of the end of the period covered by this report and have made changes to address the material weaknesses identified.

Changes in Internal Control over Financial Accounting and Reporting

Our management, with the participation of the Chief Executive Officer and Executive Vice President of Finance, have evaluated whether any change in our internal control over financial accounting and reporting occurred during the three months ended September 30, 2023 and concluded that changes did occur. These changes were made to address the material weaknesses identified in the Form 10-K for the fiscal year ended December 31, 2022. We have identified and implemented and continue to implement, certain remediation efforts to improve the effectiveness of our internal control over financial reporting and disclosure controls and procedures. The following remediation efforts are underway:

- We have implemented a new accounting software platform and through that process have designed role-specific permissions ensuring that there are appropriate access controls by function. Additionally, we have designed automated system workflows for journal entry approval, new vendor creation and modification, and procurement related approvals for purchase orders and related invoices to ensure proper segregation of duties and appropriate evidence of approval.

- We have established and maintained accounting policies, procedures and controls to account for and disclose significant unusual transactions. Additionally, we engaged technical resources for technical advisory services and will continue to consult with technical resources to ensure that proper expertise is consulted as needed on complex accounting applications. This will be an ongoing area of remediation to ensure that significant transactions are appropriately analyzed and the accounting treatment is documented.

- Management is working toward a greater level of precision over the completeness and accuracy of information through the implementation of a new accounting software, as discussed above, which provides for greater automation related to previously manual tasks. Specifically, the new accounting software is being used to generate purchase orders for all material contracts and purchase commitments. The finance team has created reporting on all open contract commitments, which is being shared with management to verify the completeness and ensure accuracy of financial reporting.

While progress has been made to enhance our internal control over financial reporting, we are still in the process of implementing, documenting and testing these processes, procedures and controls. Additional time is required to complete implementation and to assess and ensure the effectiveness and sustainability of these procedures. We will continue to devote significant time and attention to these remedial efforts. However, the material weaknesses cannot be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

While we are not currently a party to any legal proceedings as of September 30, 2023, from time to time we may be a party to a variety of legal proceedings that arise in the normal course of our business.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, each of which is incorporated herein by reference and which could materially affect our business, financial condition or future results. The risks described herein and in those filings are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. Except as set forth below, we do not believe that there have been any material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

We have received a notice from Nasdaq of non-compliance with its minimum bid price rules.

On July 18, 2023, we received a written notification (the “Notice Letter”) from Nasdaq indicating that we were not in compliance with Nasdaq Listing Rule 5550(a)(2), as the closing bid price for our common stock was below the $1.00 per share requirement for the last 30 consecutive business days. The Notice Letter stated that we have 180 calendar days, or until January 15, 2024 (the “Initial Compliance Period”), to regain compliance with the minimum bid price requirement. To regain compliance with the minimum bid price requirement, the closing bid price of our common stock must be at least $1.00 per share for a minimum of 10 consecutive trading days during this 180-day compliance period, unless the Nasdaq staff exercises its discretion to extend this period pursuant to Nasdaq Listing Rule 5810(c)(3)(H).

In the event that we do not regain compliance within the 180-day compliance period, we may be eligible for an additional 180 calendar day compliance period. To qualify, we would need to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for Nasdaq, with the exception of the minimum bid price requirement, and provide written notice to the Nasdaq staff of our intention to cure the deficiency during the second compliance period. However, if it appears to the Nasdaq staff that we will not be able to cure the deficiency, or if we do not meet the other listing standards, Nasdaq could provide notice that our common stock will become subject to delisting. In the event we receive notice that our common stock is being delisted, the Nasdaq Listing Rules permit us to appeal any such delisting determination by the Nasdaq staff to a Hearings Panel.

We intend to actively monitor the closing bid price of our common stock and are evaluating available options to regain compliance with the minimum bid price requirement. There can be no assurance that we will be able to regain compliance with the minimum bid price requirement or that we will otherwise remain in compliance with the other listing standards for The Nasdaq Capital Market. A delisting of our common stock would have an adverse effect on the market liquidity of our common stock and, as a result, the market price for our common stock could become more volatile. Further, a delisting also could make it more difficult for us to raise additional capital.

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

Unregistered Sales of Equity Securities

None.

Purchase of Equity Securities

We did not purchase any of our registered equity securities during the period covered by this Quarterly Report on Form 10-Q.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosure.

Not applicable.

Item 5. Other Information.

On July 21, 2023, we entered into a Memorandum of Understanding with the Choroideremia Research Foundation ("CRF") to support strategic development of KIO-301 in Choroideremia ("CHM"). CHM is a rare, inherited retinal disease that causes blindness. This collaboration will accelerate our development of KIO-301, a small molecule designed to restore vision in patients with later-stage retinal degeneration. Under the collaboration, CRF will assist us with access to clinical and scientific thought leaders to assist in further development of KIO-301 for CHM. They will also provide aid in enrollment of patients for any future trials of KIO-301 for CHM.

During the three months ended September 30, 2023, no directors or officers adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

On September 27, 2023, we, through our subsidiary Kiora Pharmaceuticals GmbH, entered into a new office lease agreement for the office in Vienna, Austria which will commence on October 15, 2023 for a term of 60 months, expiring on October 14, 2028. The prior office lease ended October 31, 2023.

On October 10. 2023, we entered into an agreement to extend the office facility lease in Encinitas, California for an additional 18 months, extending the lease expiration to April 30, 2025.

On October 30, 2023, we, through our subsidiary, Bayon Therapeutics, Inc., entered into an agreement with the University of California (“UC”) to amend it's licensing agreement dated May 1, 2020 effective November 5, 2023, granting us exclusive rights to a patent application covering specific formulations of KIO-301, which was previously jointly owned by UC and Bayon. Further, Bayon has the ability to assign or transfer the agreement providing written notice is given within at least 15 days prior to any such assignment, providing written assignment agreement by successor within 30 days, and by paying an assignment fee of $30,000 within thirty days of the assignment. Per the terms of the agreement, upon execution of the amendment we were required to pay UC $15,000.

Item 6. Exhibits

The exhibits filed as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index immediately preceding such exhibits and are incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 and 15(d) 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: November 9, 2023	By:	/s/ Brian M. Strem, Ph.D. President and Chief Executive Officer (Principal executive officer)
Date: November 9, 2023	By:	/s/ Melissa Tosca Executive Vice President of Finance (Principal financial and accounting officer)

EXHIBIT INDEX

The following exhibits are filed as part of this Quarterly Report on Form 10-Q. Where such filing is made by incorporation by reference to a previously filed document, such document is identified.

Exhibit Number	Description of Exhibit
10.1*	Kiora Pharmaceuticals, Inc. 2014 Equity Incentive Plan, as amended (incorporated by reference to Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed with the SEC on July 21, 2023).
10.2***†	License Agreement, dated as of May 1, 2020, between Bayon Therapeutics, Inc. and the Regents of the University of California.
10.3***	First Amendment to Licensed Agreement, dated as of November 5, 2023, between Bayon Therapeutics, Inc. and the Regents of the University of California.
31.1	Certification of principal executive officer pursuant to Rules 13a-15(e) and 15d-15(e), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of principal financial and accounting officer pursuant to Rules 13a-15(e) and 15d-15(e), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of principal financial and accounting officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document (embedded within the Inline XBRL document)
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Management contract or compensatory plan or arrangement.

** This certification shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act.

*** Certain confidential portions of this exhibit were omitted because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed.

† Schedules and exhibits have been omitted from this exhibit pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish copies of any of the omitted schedules and exhibits upon request by the U.S. Securities and Exchange Commission.

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL TO THE REGISTRANT AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS SUCH INFORMATION AS PRIVATE OR CONFIDENTIAL. REDACTED PORTIONS OF THIS EXHIBIT ARE MARKED BY [***].

EXCLUSIVE LICENSE

BETWEEN YELLOWBRICK BIO, LLC

AND

REGENTS OF THE UNIVERSITY OF CALIFORNIA FOR

"PHOTOCHROMIC LIGANDS FOR OPTICAL CONTROL OF PROETIN AND CELLULAR FUNCTION"

UC Case No.: BK-2009-005

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EXCLUSIVE LICENSE AGREEMENT FOR

“PHOTOCHROMIC LIGANDS FOR OPTICAL CONTROL OF PROETIN AND CELLULAR FUNCTION”

U.C. Case No.: BK-2009-005

This exclusive license agreement (“AGREEMENT”) is effective May 1, 2020 (“Effective Date”), by and between REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California corporation, whose legal address is 1111 Franklin Street, 12th Floor, Oakland, California 94607-5200, acting through its Office of Technology Licensing, at the University of California, Berkeley, 2150 Shattuck Avenue, Suite 510, Berkeley, CA 94720-1366 ("REGENTS") and Yellowbrick Bio, LLC, a Delaware limited liability company having a principal place of business at 341 N Sierra Ave, Solana Beach CA 92075 ("LICENSEE"). The parties agree as follows:

1. BACKGROUND

1.1 REGENTS has an assignment of “*Photochromic Ligands for Optical Control of Proetin and Cellular Function*” invented by Dirk Trauner, Ehud Isacoff, Richard Kramer, Matthew Banghart, Doris Fortin and Alexandre Mourot all employed by the University of California, Berkeley (the "INVENTION"), as described in REGENTS' Case No. BK-2009-005 and to the patents and patent applications under REGENTS' PATENT RIGHTS as defined below, which are directed to the INVENTION.

1.2 REGENTS entered into a license agreement (UC Control No. 2013-04-0104) with Photoswitch Therapeutics, Inc. (formerly Photoswitch Biosciences, Inc.) (“Photoswitch”) effective April 1, 2013, as amended (“Photoswitch License”). The LICENSEE has an agreement with Photoswitch to release certain INVENTIONS, patent applications and patents under the Photoswitch License back to REGENTS.

1.3 LICENSEE has provided REGENTS with a commercialization plan for the INVENTION and business strategy in order to evaluate its capabilities as a LICENSEE. A copy of such commercialization plan is attached hereto as APPENDIX B.

1.4 The development of the INVENTION was sponsored in part by various grants by U.S. Government agencies, and as a consequence, REGENTS elected to retain title to the INVENTION subject to the rights of the U.S. Government under 35 U.S.C. 200-212 and implementing regulations, including that REGENTS, in turn, has granted back to the U.S. Government a non-exclusive, non-transferable irrevocable, paid-up license to practice or have practiced the INVENTION for or on behalf of the U.S. Government throughout the world. These U.S. Government grants are National Institutes of Health, Contract No. EYO18241 (Isacoff) and National Science Foundation, Contract No. CHE0724212 (Trauner).

1.5 REGENTS and LICENSEE wish to have the INVENTION perfected and marketed as soon as possible so that products resulting therefrom may be available for public use and benefit.

1.6 LICENSEE wishes to acquire a license under REGENTS' PATENT RIGHTS for the purpose of undertaking development and to manufacture, use, SELL, offer for SALE and import LICENSED PRODUCTS as defined below.

2. DEFINITIONS

2.1 "AFFILIATE" of LICENSEE means any entity that, directly or indirectly, CONTROLS LICENSEE, is CONTROLLED by LICENSEE, or is under common CONTROL with LICENSEE. "CONTROL" means (i) having the actual, present capacity to elect a majority of the directors of such AFFILIATE, (ii) having the power to direct at least [***] percent ([***]%) of the voting rights entitled to elect directors, or (iii) in any country where the local law will not permit foreign equity participation of a majority, ownership or CONTROL, directly or indirectly, of the maximum percentage of such outstanding stock or voting rights permitted by local law.

2.2 "HUMANITARIAN PURPOSES" means:

(a) the use of LICENSED PRODUCTS and LICENSED SERVICES for research and development purposes by any nonprofit organization or other third party, anywhere in the world that has the express purpose of developing the LICENSED PRODUCTS or LICENSED SERVICES for use solely for protection from, treatment of, or diagnosis of Neglected Diseases in a Low- or Middle-income country as that term is defined by the World Bank (hereinafter “LMI COUNTRY(IES)”) and,

(b) SALE of LICENSED PRODUCTS and LICENSED SERVICES in LMI COUNTRIES at or below the cost of manufacture and distribution.

1.1 "LICENSED FIELD OF USE" means all diagnostic and therapeutic uses.

1.2 "LICENSED METHOD" means, on a country-by-country basis, any process or method the use or practice of which, but for the license pursuant to this AGREEMENT, would infringe, or contribute to or induce the infringement of, any issued or pending claim under REGENTS' PATENT RIGHTS in that country in which the LICENSED METHOD is used or practiced.

1.3 "LICENSED PRODUCTS" means, on a country-by-country basis, all kits, compositions of matter, articles of manufacture, materials, and products, the manufacture, use, SALE, offer for SALE, or import of which: a) would require the performance of the LICENSED METHOD; or b) but for the license granted pursuant to this AGREEMENT, would infringe, or contribute to or induce the infringement of, a valid claim of any issued, unexpired patent under REGENTS' PATENT RIGHTS or a claim being prosecuted in a pending patent application under REGENTS' PATENT RIGHTS in that country. A claim included in REGENTS' PATENT RIGHTS will be presumed valid if it has issued or has been pending for no more than [***] years from application filing date (without considering any provisional application to be the application for determining the filing date for this Agreement) and is being diligently prosecuted, and will no longer be considered valid if it has been held to be invalid by a final judgment of a court of competent jurisdiction from which no appeal can be or is taken.

1.4 "LICENSED SERVICE" means a service provided using LICENSED PRODUCTS or LICENSED METHOD.

1.5 "LICENSED TERRITORY" means United States of America, its territories and possessions, and any foreign countries where REGENTS' PATENT RIGHTS are licensed to LICENSEE under this AGREEMENT at the time.

1.6 "NET SALES" means the gross amount received by, and the value of non-cash consideration received by, LICENSEE or a SUBLICENSEE for SALEs of LICENSED PRODUCTS, LICENSED SERVICES, and LICENSED METHODS,
less the sum of the following actual and customary deductions where applicable: [***];

and any other items that reduce gross sales amounts as required by Generally Accepted Accounting Principles in the United States applied on a consistent basis. For purposes of calculating NET SALEs, a SALE to a SUBLICENSEE for end use by the SUBLICENSEE will be treated as a SALE at list price.

1.7 "REGENTS' PATENT RIGHTS" means REGENTS' rights in U.S. patents and patent applications listed in APPENDIX A; and continuing applications thereof including divisions, substitutions, extensions and continuation-in-part applications (only to the extent, however, that claims in the continuation-in-part applications are entitled to the priority filing date of the parent patent application), any patents issuing on said application or continuing applications including reissues; and any corresponding foreign patents or applications.

1.8 "SALE" means, for LICENSED PRODUCTS and LICENSED SERVICES, the act of selling, leasing or otherwise transferring, providing, or furnishing such product or service, and for LICENSED METHOD the act of performing such method, for any use or for any consideration. Correspondingly, "SELL" means to make or cause to be made a SALE, and "SOLD" means to have made or caused to be made a SALE.

1.9 “SUBLICENSE” means any transaction with a third party in which LICENSEE: (a) grants, transfers or agrees not to assert any of the rights licensed to LICENSEE hereunder, or (b) is under an obligation to grant or transfer such rights or to forebear from granting or transferring such rights, including by means of an option.

1.10 “SUBLICENSEE” means any third party, including AFFILIATES, granted a SUBLICENSE to all or any portion of REGENTS’ PATENT RIGHTS.

1.11 “SUBLICENSE REVENUE” shall mean any payments that LICENSEE receives from a non-AFFILIATE SUBLICENSEE in consideration of the grant of rights under each SUBLICENSE including, without limitation, license fees, milestone payments and license maintenance fees, but excluding the following payments: (a) royalties and other payments on sales of any LICENSED PRODUCTS, LICENSED SERVICES and/or LICENSED METHODS for which REGENTS receives its royalties pursuant to Paragraph 6.1 (including profit-share arrangements), (b) payments made in consideration of the issuance of equity or debt securities of LICENSEE or any of its AFFILIATES at fair market value, (c) payments or reimbursement of patent prosecution, defense, enforcement and maintenance and other related expenses and (d) payments attributable or committed to the research, development or commercialization of any LICENSED PRODUCTS, LICENSED SERVICES and/or LICENSED METHODS. For avoidance of doubt, payments received from AFFILIATE SUBLICENSEES in consideration of the grant of rights under each

SUBLICENSE to such AFFILIATE SUBLICENSEE shall not be considered SUBLICENSEE REVENUE.

3. GRANT

3.1 Subject to the limitations set forth in this AGREEMENT, including the license granted to the U.S. Government and the rights reserved in Paragraph 1.4, REGENTS hereby grants and LICENSEE hereby accepts an exclusive license under REGENTS' PATENT RIGHTS to make, have made, use, offer for SALE, import, and SELL LICENSED PRODUCTS and LICENSED SERVICES, and to practice LICENSED METHOD, in the LICENSED FIELD OF USE in the LICENSED TERRITORY(IES).

3.2 The licenses under Paragraph 3.1 will be exclusive for a term commencing on the Effective Date and ending on the date of the last-to-expire patent under REGENTS' PATENT RIGHTS.

3.3 Nothing in this AGREEMENT will be deemed to limit the right of REGENTS to publish any and all technical data resulting from any research performed by REGENTS relating to the INVENTION, and to make and use the INVENTION, LICENSED PRODUCTS, and LICENSED SERVICES and practice LICENSED
METHOD and associated technology and to allow other educational and non-profit institutions to do so for educational and research purposes only.

3.4 REGENTS further reserves the right to license REGENTS' PATENT RIGHTS to any third parties solely for HUMANITARIAN PURPOSES. Such licenses for HUMANITARIAN PURPOSES shall (i) expressly exclude the right of the third party licensee to export or SELL the LICENSED PRODUCTS from a LMI COUNTRY into a market outside of the LMI COUNTRY where LICENSEE has introduced or will introduce a LICENSED PRODUCT and where REGENTS' PATENT RIGHTS exist (such markets hereinafter the "LICENSEE MARKETS") and (ii) require the third party licensee to create and maintain distinctive trade dress and trademarks that clearly distinguish third party LICENSED PRODUCTS and LICENSED SERVICES from LICENSEE'S LICENSED PRODUCTS and LICENSED SERVICES, (iii) require such third party LICENSEE's sale of LICENSED PRODUCTS and LICENSED SERVICES in such LMI COUNTRIES at or below cost. For avoidance of doubt, such third party LICENSEE may be permitted to export LICENSED PRODUCTS from the LMI COUNTRY of origin to other LMI COUNTRIES and all other countries that are mutually agreed to by REGENTS and LICENSEE.

3.5 Notwithstanding the foregoing, prior to issuance of any such license to REGENTS' PATENT RIGHTS to a third party as permitted under this Ageement, REGENTS will notify LICENSEE of its intention to grant such license so that LICENSEE may

have the opportunity to fill the anticipated market need itself and/or to engage in discussions for a sublicense with such third party in accordance with the procedures set forth in Paragraph 4.7. In the event any LICENSED PRODUCT SOLD in any LMI COUNTRY by any such third party according to the provisions of Paragraph
3.4 is exported, re-SOLD or otherwise introduced in any LICENSEE MARKETS, LICENSEE will provide REGENTS with written notification thereof, and if such exportation, re-sale or introduction does not cease within ninety (90) days after the date of such notice, then an amount equal to the retail price of LICENSED PRODUCT so exported, re-SOLD or introduced to such LICENSEE Market shall be credited to royalties due to REGENTS hereunder.

1.1 LICENSEE will have a continuing responsibility to keep REGENTS informed of the large/small entity status, as defined in 15 U.S.C. 632, of itself and its SUBLICENSEES.

1.2 The INVENTION was funded in part by the U.S. Government. In accordance with PL 96-517 as amended by PL 98-620, to the extent required by law or regulation, any products covered by patent applications or patents claiming the INVENTION and SOLD in the United States will be substantially manufactured in the United States.

1.3 The rights licensed under this Article 3 may be used by LICENSEE or an Affiliate of LICENSEE, and are sublicensable pursuant to this Article 4.

4. SUBLICENSES

4.1 REGENTS also grants to LICENSEE the right to SUBLICENSE to AFFILIATES and third parties the right to make, have made, use, offer for SALE, import, and SELL LICENSED PRODUCTS and LICENSED SERVICES, and to practice LICENSED METHOD, provided that LICENSEE has exclusive rights under this AGREEMENT at the time of sublicensing. Every such SUBLICENSE will include:

(a) a statement setting forth the date upon which LICENSEE's exclusive rights, privileges, and license hereunder will expire;

(b) as applicable, all the rights of, and require the performance of all the obligations due to, REGENTS (and, if applicable, the United States Government) under this AGREEMENT other than those rights and obligations specified in Article 5 (License Issue Fee) and Paragraph 6.5 (minimum annual royalty);

(c) a provision requiring payment of royalties to LICENSEE in an amount sufficient to permit LICENSEE to meet its royalty obligations to REGENTS at the rates and bases set forth in this AGREEMENT;

(d) a prohibition on the grant of further SUBLICENSES without LICENSEE approval; and

(e) the same provision for indemnification of REGENTS as has been provided for in this AGREEMENT.

1.1 LICENSEE will pay to REGENTS the following percentages of any cash consideration, and of the cash equivalent of all other consideration, due to LICENSEE for the grant of rights under each SUBLICENSE;

(a) **[***] PERCENT ([***]%)** of SUBLICENSE REVENUE prior to enrolling the first patient in any Phase I or Phase II (if Phase I is not performed) clinical trial of a LICENSED PRODUCT.

(b) **[***] PERCENT ([***]%)** of SUBLICENSE REVENUE prior to enrolling the first patient in any Phase III clinical trial of a LICENSED PRODUCT.

(c) [***] PERCENT ([***]%) of SUBLICENSE REVENUE prior to any arms-length First Commerical Sale ("FCS") of a LICENSED PRODUCT.

1.2 LICENSEE will notify REGENTS of each SUBLICENSE granted hereunder and furnish to REGENTS a copy of each such SUBLICENSE AGREEMENT (subject to redaction of confidential information).

1.3 For the purposes of this AGREEMENT, the operations of all SUBLICENSEES shall be deemed to be the operations of LICENSEE, for which LICENSEE shall be responsible.

1.4 LICENSEE will collect and guarantee payment of all monies and other consideration due REGENTS from SUBLICENSEES, and deliver all reports due REGENTS and received from SUBLICENSEES.

1.5 Upon termination of this AGREEMENT for any reason, all SUBLICENSES that are granted by LICENSEE pursuant to this AGREEMENT where the SUBLICENSEE is in compliance with its SUBLICENSE AGREEMENT as of the date of such termination will remain in effect and will be assigned to REGENTS, except that REGENTS will not be bound to perform any duties or obligations set forth in any SUBLICENSEs that extend beyond the duties and obligations of REGENTS set forth in this AGREEMENT.

1.6 If REGENTS (to the extent of the actual knowledge of the licensing professional responsible for administration of this case) or a third party discovers and notifies that licensing professional that the INVENTION is useful for an application covered by

the LICENSED FIELD OF USE, but for which LICENSED PRODUCTS have not been developed or are not currently under development by LICENSEE, then REGENTS, as represented by the Office of Technology Licensing, shall give written notice to LICENSEE, except for: 1) information that is subject to restrictions of confidentiality with third parties, and 2) information which originates with REGENTS' personnel who do not assent to its disclosure to LICENSEE.

LICENSEE shall have [***] days to give REGENTS written notice stating whether LICENSEE elects to develop LICENSED PRODUCTS for the application.

If LICENSEE elects to develop and commercialize the proposed LICENSED PRODUCTS for the new application, LICENSEE shall submit progress reports to REGENTS pursuant to Article 8.

If LICENSEE elects not to develop and commercialize the proposed LICENSED PRODUCTS for use in the new application, REGENTS may seek (a) third party(ies) to develop and commercialize the proposed LICENSED PRODUCTS for the new application. If REGENTS is successful in finding a third party, it shall refer such third party to LICENSEE. If the third party requests a SUBLICENSE under this AGREEMENT, then LICENSEE shall report the request to REGENTS within thirty (30) days from the date of such written request. If the request results in a SUBLICENSE, then LICENSEE shall report it to REGENTS pursuant to Paragraph 4.3.

If LICENSEE refuses to grant a SUBLICENSE to the third party, then within [***] days after such refusal LICENSEE shall submit to REGENTS a report specifying the license terms proposed by the third party and a written justification for LICENSEE's refusal to grant the proposed SUBLICENSE. If REGENTS, at its sole discretion, determines that the terms of the SUBLICENSE proposed by the third party are reasonable under the totality of the circumstances, taking into account LICENSEE's LICENSED PRODUCTS in development, then REGENTS shall have the right to grant to the third party a license to make, have made, use, SELL, offer for sale and import products for use in the LICENSED FIELD OF USE at substantially the same terms last proposed to LICENSEE by the third party providing royalty rates are at least equal to those paid by LICENSEE; provided, however, prior to REGENTS granting to the third party such license, REGENTS shall notify LICENSEE in writing of its decision to grant such license after which LICENSEE shall have [***] days to itself agree to grant a SUBLICENSE to the applicable third party on such terms.

5. LICENSE ISSUE FEE

5.1 LICENSEE will pay to REGENTS a non-creditable, non-refundable license issue fee of **[***] US DOLLARS ($[***]) due u**pon signing of this

AGREEMENT. This fee is non-refundable and not an advance against royalties or other payments due under this AGREEMENT.

6. ROYALTIES, MAINTENANCE FEES, MINIMUM ANNUAL ROYALTIES

6.1 LICENSEE will pay to REGENTS earned royalties at the following percents from NET SALES of LICENSED PRODUCTS, LICENSED SERVICES, and LICENSED METHODS;

(a) **TWO PERCENT (2%)** of NET SALES on the first $250 million of NET SALES;

(b) **ONE AND A QUARTER PERCENT (1.25%) o**f NET SALES between $250 and $500 million of NET SALES; and

(c) **ONE HALF OF ONE PERCENT (0.5%)** of NET SALES over $500 million of NET SALES;

6.2 Royalties will be payable on SALEs covered by both pending patent applications and issued patents included within REGENTS' PATENT RIGHTS.

6.3 Royalties accruing to REGENTS will be paid to REGENTS quarterly within [***] days after the end of each calendar quarter.

6.4 LICENSEE will pay to REGENTS an annual license maintenance fee of **FIVE THOUSAND U.S. DOLLARS ($5,000.00),** initiating on the one (1) year anniversary date of the Effective Date and on each anniversary of the Effective Date thereafter. Notwithstanding the foregoing, the license maintenance fee will not be due and payable on any anniversary of the Effective Date, if on such date the LICENSEE is selling LICENSED PRODUCTS or LICENSED METHODS, and LICENSEE pays an earned royalty to REGENTS.

6.5 Beginning in the calendar year after the first occurrence of SALEs, and in each succeeding calendar year thereafter, LICENSEE will pay to REGENTS a minimum annual royalty of **[***] US DOLLARS ($[***])** for the life of this AGREEMENT. This minimum annual royalty will be paid to REGENTS by [***] of each year and will be credited against the earned royalty due and owing for the calendar year in which the minimum payment is made.

6.6 All payments due REGENTS will be payable in United States dollars. When LICENSED PRODUCTS, LICENSED SERVICES, or LICENSED METHOD are SOLD for monies other than United States dollars, earned royalties will first be

determined in the foreign currency of the country in which the SALE was made and then converted into equivalent United States dollars. The exchange rate will be equal to the average exchange rate, over the applicable reporting period (i.e. calendar quarter), quoted in the *Wall Street Journal* (or an equivalent resource as agreed by the parties) pursuant to Generally Accepted Accounting Principles in the United States applied on a consistent basis .

1.1 Payments due for SALEs occurring in any country outside the United States will not be reduced by any taxes, fees, or other charges imposed by the government of such country on the remittance of royalty income. LICENSEE will also be responsible for all bank transfer charges.

1.2 LICENSEE will make all payments under this AGREEMENT by check payable to "REGENTS of the University of California" and forward it to REGENTS at the address shown in Article 23 (Notices).

1.3 If any patent or patent application, or any claim thereof, included within REGENTS' PATENT RIGHTS expires or is held invalid in a final decision by a court of competent jurisdiction and last resort and from which no appeal has been or can be taken, all obligation to pay royalties based on such patent, patent application or claim, or any claims patentably indistinct therefrom will cease as of the date of such expiration or final decision. LICENSEE will not, however, be relieved from paying any royalties that accrued before such expiration or decision or that are based on another valid patent or claim not expired or involved in such decision.

1.4 No earned royalties will be collected or paid hereunder on SALEs to, or for use by, the United States Government. LICENSEE will reduce the amount charged for such SALEs by an amount equal to the earned royalty otherwise due REGENTS as provided herein.

1.5 LICENSEE may credit against royalties due to under this Article 6 the sum of (a) any royalty or other payment that LICENSEE owes to any third party pursuant to one or more licenses or other agreements that LICENSEE has determined is reasonably necessary to avoid infringing, by the making, having made, using, selling, offering for sale, or importing of a LICENSED PRODUCT, an intellectual property right of the third party; and (b) payments required by a final court order or settlement agreement resulting from a claim by a third party that the making, having made, using, selling, offering for sale, or importing of a LICENSED PRODUCT infringes an intellectual property right of the third party. LICENSEE may not reduce any single royalty payment under this Article 6 by more than [***] percent ([***]%), but may carry forward any credit under this Paragraph 6.11 until it has been completely credited.

1.6 Milestone Payments. LICENSEE shall pay REGENTS the following amounts (once and only once) upon the occurrence of the following milestones, which amounts are due no more than once for all LICENSED PRODUCTS:

(a) upon dosing of the first patient of the first Phase I/II clinical trial of a LICENSED PRODUCT by LICENSEE or a SUBLICENSEE: [***] **US DOLLARS ($[***]);**

(b) upon dosing of the first patient of the first Phase III clinical trial of a LICENSED PRODUCT by LICENSEE or an AFFILIATE or SUBLICENSEE: **[***] US DOLLARS ($[***])**; and

(c) upon the first SALE of a LICENSED PRODUCT: **[***] US DOLLARS ($[***]).**

1.7 Earned Royalty if LICENSEE or the SUBLICENSEE challenges any REGENTS' PATENT RIGHTS:

Notwithstanding the above, should LICENSEE or the SUBLICENSEE bring an action seeking to invalidate any REGENTS' PATENT RIGHTS,

(a) LICENSEE or the SUBLICENSEE will pay royalties to REGENTS at the rate of [***] x Y percent ([***]xY%) of the NET SALES of all LICENSED PRODUCTS SOLD during the pendency of such action. Moreover, should the outcome of such action determine that any claim of a patent challenged by LICENSEE is both valid and infringed by a LICENSED PRODUCT, LICENSEE or the SUBLICENSEE will pay royalties at the rate of [***] x Y percent [***]xY%) of the NET SALES of all LICENSED PRODUCTS SOLD, when Y is the royalty rate in 6.1,

(b) LICENSEE or the SUBLICENSEE will have no right to recoup any royalties paid before or during the period challenge,

(c) any dispute regarding the validity of any REGENTS' PATENT RIGHTS shall be litigated in the courts located in California, and the parties agree not to challenge personal jurisdiction in that forum, and;

(d) LICENSEE or the SUBLICENSEE will provide written notice to REGENTS at least three months prior to bringing an action seeking to invalidate any REGENTS' PATENT RIGHTS. LICENSEE or the SUBLICENSEE will include with such written notice an identification of all prior art it believes invalidates any claim of REGENTS' PATENT RIGHTS.

7. DUE DILIGENCE

7.1 LICENSEE, upon execution of this AGREEMENT, will diligently proceed with the research, development, manufacture, and SALE of LICENSED PRODUCTS, LICENSED SERVICES, and LICENSED METHOD, and will diligently market them in quantities sufficient to meet the market demand.

7.2 In addition to its obligations under Paragraph 7.1, LICENSEE specifically commits to achieving the following objectives in its due diligence activities under this AGREEMENT:

(a) Dosing first patient in a Phase I/II Clinical Trial in **[***] Years** from the Effective Date.

(b) Dosing first patient in a Phase III Clinical Trial in **[***] Years** from the Effective Date.

(c) First Commercial Sale of LICENSED PRODUCT in **[***] Years** from the Effective Date.

7.3 If LICENSEE is unable to meet any of its diligence obligations set forth in Paragraphs 7.1 and 7.2, subject to Article 27, then REGENTS will so notify LICENSEE of failure to perform. LICENSEE will have the right and option to extend the target date of any such due diligence obligation for a period of [***] months upon the payment of **[***] US DOLLARS ($[***])** within [***] days of the date to be extended for each such extension option exercised by LICENSEE. LICENSEE may further extend the target date of any diligence obligation for an additional [***] months upon payment of an additional **[***] US DOLLARS ($[***])**. Additional extensions may be granted only by mutual written AGREEMENT of the parties to this AGREEMENT. These payments are in addition to the minimum royalty payments specified in Paragraph 6.5. Should LICENSEE opt not to extend the obligation or fail to meet it by the extended target date, then REGENTS will have the right and option either to terminate this AGREEMENT or to reduce LICENSEE's exclusive license to a non-exclusive royalty-bearing license. This right, if exercised by REGENTS, supersedes the rights granted in Article 3. The right to terminate this AGREEMENT or reduce LICENSEE's exclusive license granted hereunder to a non-exclusive license will be REGENTS' sole remedy for breach of Paragraph 7.1 or 7.2.

7.4 At the request of either party, any controversy or claim arising out of or relating to the diligence provisions of Paragraphs 7.1 and 7.2 will be settled by arbitration

conducted in San Francisco, California in accordance with the then current Licensing Agreement Arbitration Rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) will be binding on the parties and may be entered by either party in the court or forum having jurisdiction. In determination of due diligence, the arbitrator may determine solely the issues of fact or law with respect to termination of LICENSEE's rights under this AGREEMENT but will not have the authority to award monetary damages or grant equitable relief.

1.1 To exercise either the right to terminate this AGREEMENT or to reduce the license to a non-exclusive license for lack of diligence under Paragraph 7.1 or 7.2, REGENTS will give LICENSEE written notice of the deficiency. LICENSEE thereafter has [***] days to cure the deficiency or to request arbitration. If REGENTS has not received a written request for arbitration or satisfactory tangible evidence that the deficiency has been cured by the end of the [***] - day period, then REGENTS may, at its option, either terminate the AGREEMENT or reduce LICENSEE's exclusive license to a non-exclusive license by giving written notice to LICENSEE. These notices will be subject to Article 23 (Notices).

8. PROGRESS AND ROYALTY REPORTS

8.1 For the period beginning May 1, 2021 LICENSEE will submit to REGENTS an annual progress report covering LICENSEE's activities related to the development and testing of all LICENSED PRODUCTS, LICENSED SERVICES and LICENSED METHOD and the obtaining of necessary governmental approvals, if any, for marketing in the United States. These progress reports will be made for all development activities until the first SALE occurs in the United States.

8.2 Each progress report will be a sufficiently detailed summary of activities of LICENSEE and any SUBLICENSEES so that REGENTS may evaluate and determine LICENSEE’s progress in development of LICENSED PRODUCTS, LICENSED SERVICES, and LICENSED METHOD, and in meeting its diligence obligations under Article 7, and will include (but not be limited to) the following: summary of work completed and in progress; current schedule of anticipated events and milestones, including diligence milestones under Paragraph 7.2; anticipated market introduction dates for the LICENSED TERRITORIES; and SUBLICENSEE’s activities during the reporting period.

8.3 LICENSEE also will report to REGENTS in its immediately subsequent progress and royalty reports, the date of first SALE.

8.4 After the first SALE in the LICENSED TERRITORY, LICENSEE will make quarterly royalty reports to REGENTS within [***] days after the quarters ending

March 31, June 30, September 30, and December 31, of each year. Each such royalty report will be substantially similar to APPENDIX C and include at least the following:

(a) The number of LICENSED PRODUCTS manufactured and the number SOLD;
(b) Gross revenue from SALE of LICENSED PRODUCTS, LICENSED SERVICES and LICENSED METHOD;
(c) NET SALES pursuant to Paragraph 2.5;
(d) Total royalties due REGENTS; and
(e) Names and addresses of any new SUBLICENSEES along with a summary of the material terms of each new SUBLICENSE AGREEMENT entered into during the reporting quarter.

1.1 If no SALEs have occurred during the report period, a statement to this effect is required in the royalty report for that period.

9. BOOKS AND RECORDS

9.1 LICENSEE shall keep, and shall require its AFFILIATES and SUBLICENSEES to keep, accurate books and records showing all payments due REGENTS and all LICENSED PRODUCTS manufactured, used, offered for sale, imported, sold, and/or otherwise exploited under the terms of this Agreement. Books and records may encompass data maintained on LICENSEE's accounting and enterprise resource planning systems including, but not limited to production and manufacturing data, general ledger data, and data showing territory of sale, customer name and location, invoice number and date, ship date, part number and/or description, quantity sold, gross sales, deductions taken, and net sales. Books and records shall be preserved for at least [***] years after the date of the payment to which they pertain and will be open to inspection by representatives or agents of REGENTS, no more than once during any [***] month period, at reasonable times to determine the completeness and accuracy of those payments and to assess the LICENSEE's compliance with terms of this Agreement. As necessary and reasonable, LICENSEE shall make its personnel available to interpret documents, understand accounting methodologies employed, and to run reports from LICENSEE's accounting and enterprise resource planning systems to permit REGENTS agents and representatives to verify the completeness and accuracy of Licensee's payments due REGENTS. The agents or representatives of REGENTS may retain one copy of books and records supporting their findings until the matters identified during the course of the inspection are resolved. Notwithstanding any other provision of this Agreement or any confidentiality agreement between LICENSEE and agents or representatives of REGENTS, such agents and representatives shall be permitted to disclose their findings regarding the completeness and accuracy of

LICENSEE's payments to REGENTS as well as the evidentiary bases therefore. REGENTS right to conduct an inspection shall be preserved for [***] following the later of the termination of this Agreement or the LICENSEE's final report setting forth royalties due in connection with LICENSED PRODUCTS manufactured or in inventory at the expiration or termination of the Agreement.

The fees and expenses of representatives of REGENTS performing such an inspection will be borne by REGENTS. If, however, the payments made to REGENTS under this Agreement by the LICENSEE are found after REGENTS initiate their inspection to be less than [***] percent ([***]%) of the total payments due to REGENTS under this Agreement for any year, LICENSEE shall bear the cost of the inspection. Should an overpayment by LICENSEE be discovered after REGENTS initiate their inspection, LICENSEE shall be entitled to a credit equal to such excess payment against the payment obligations next accruing under the Agreement, provided such payments are due and payable.

LICENSEE will conduct an independent audit of SALEs and royalties at least every [***] years if annual SALEs of LICENSED PRODUCT are over ($[***]). The audit will address, at a minimum, the amount of gross SALEs by or on behalf of LICENSEE during the audit period, the amount of funds owed to REGENTS under this Agreement, and whether the amount owed has been paid to REGENTS and is reflected in the records of LICENSEE. LICENSEE will submit the auditor's report promptly to REGENTS upon completion. LICENSEE will pay for the entire cost of the audit.

10. LIFE OF THE AGREEMENT

10.1 Unless otherwise terminated by the operation of law or by acts of the parties in accordance with the terms of this AGREEMENT, this AGREEMENT will be in force from the Effective Date and will remain in effect for the life of the last-to-expire patent or last-to-be-abandoned patent application licensed under this AGREEMENT, whichever is later.

10.2 Any termination of this AGREEMENT shall not affect the rights and obligations set forth in the following articles:

Article 2 Definitions
Article 4 Sublicenses
Article 9 Books and Records Article 10 Life of the Agreement
Article 13 Disposition of Licensed Products Upon Termination Article 16 Use of Names and Trademarks
Article 17 Limited Warranties

Article 19 Indemnification
Article 23 Notices Article 24 Late
Payments Article 26 Confidentiality
Article 29 Applicable Law; Venue; Attorney's Fees

1.1 Any termination of this AGREEMENT will not relieve LICENSEE of its obligation to pay any monies due or owing at the time of such termination and will not relieve any obligations, of either party to the other party, established prior to termination.

11. TERMINATION BY REGENTS

11.1 If LICENSEE should violate or fail to perform any material term of this AGREEMENT, then REGENTS may give written notice of such default ("NOTICE OF DEFAULT") to LICENSEE. If LICENSEE should fail to repair (or progress thereto) such default within [***] days of the effective date of such notice, REGENTS will have the right to terminate this AGREEMENT and the licenses herein by a second written notice ("Notice of Termination") to LICENSEE. If a Notice of Termination is sent to LICENSEE, this AGREEMENT will automatically terminate on the effective date of such notice. Such termination will not relieve LICENSEE of its obligation to pay any royalty or license fees owing at the time of such termination and will not impair any accrued rights of REGENTS. These notices will be subject to Article 23 (Notices).

12. TERMINATION BY LICENSEE

12.1 LICENSEE will have the right at any time to terminate this AGREEMENT in whole or as to any portion of REGENTS' PATENT RIGHTS by giving notice in writing to REGENTS. Such notice of termination will be subject to Article 23 (Notices) and termination of this AGREEMENT will be effective [***] days after the effective date of such notice.

12.2 Any termination pursuant to Paragraph 12.1 will not relieve LICENSEE of any obligation or liability accrued hereunder prior to such termination or rescind anything done by LICENSEE or any payments made to REGENTS hereunder prior to the time such termination becomes effective, and such termination will not affect in any manner any rights of REGENTS arising under this AGREEMENT prior to such termination.

13. DISPOSITION OF LICENSED PRODUCTS UPON TERMINATION

13.1 Upon termination of this AGREEMENT, for a period of [***] after the date of termination LICENSEE may complete and SELL any partially made LICENSED PRODUCTS and continue to render any previously commenced LICENSED SERVICES, and continue the practice of LICENSED METHOD only to the extent necessary to do so; provided, however, that all such SALEs will be subject to the terms of this AGREEMENT including, but not limited to, the payment of royalties at the rate and at the time provided herein and the rendering of reports thereon.

14. PATENT PROSECUTION AND MAINTENANCE

14.1 REGENTS will diligently prosecute and maintain the United States and foreign patent applications and patents under REGENTS' PATENT RIGHTS, subject to LICENSEE'S reimbursement REGENTS' out of pocket costs under Paragraph 14.3 below, and all patent applications and patents under REGENTS' PATENT RIGHTS will be held in the name of REGENTS. REGENTS will have sole responsibility for retaining patent counsel, but continued use of such counsel at any point in the patent prosecution process subsequent to initial filing of a U.S. patent application covering the INVENTION shall be subject to the approval of LICENSEE. If LICENSEE rejects three of REGENTS' choice of prosecution counsel, then REGENTS may select new prosecution counsel without LICENSEE's consent. REGENTS shall promptly provide LICENSEE with copies of all relevant documentation so that LICENSEE may be currently informed and apprised of the continuing prosecution and LICENSEE agrees to keep this documentation confidential in accordance with Article 26. LICENSEE may comment upon such documentation, provided, however, that if LICENSEE has not commented upon such documentation in reasonable time for REGENTS to sufficiently consider LICENSEE's comments prior to the deadline for filing a response with the relevant government patent office, REGENTS will be free to respond appropriately without consideration of LICENSEE's comments. LICENSEE and LICENSEE's patent counsel will have the right to consult with patent counsel chosen by REGENTS.

14.2 REGENTS will use reasonable efforts to prepare or amend any patent application to include claims reasonably requested by LICENSEE to protect the LICENSED PRODUCTS contemplated to be SOLD or to be practiced under this AGREEMENT.

14.3 Subject to Paragraphs 14.4 all costs, initiating on the Effective Date and thereafter, for preparing, filing, prosecuting, and maintaining all United States and foreign patent applications, and patents under REGENTS' PATENT RIGHTS will be borne by LICENSEE, so long as the licenses granted to LICENSEE herein are exclusive.

Payments are due within [***] days after receipt of invoice from REGENTS. If, however, REGENTS reduces the exclusive licenses granted herein to non-exclusive licenses pursuant to Paragraphs 7.3, 7.4, or 7.5 and REGENTS grants additional license(s), the costs of preparing, filing, prosecuting and maintaining such patent applications and patents will be divided equally among the licensed parties from the effective date of each subsequently granted license AGREEMENT.

1.1 LICENSEE's obligation to underwrite and to pay all domestic and foreign patent filing, prosecution, and maintenance costs will continue for so long as this AGREEMENT remains in effect, provided, however, that LICENSEE may terminate its obligations with respect to any given patent application or patent in any or all designated countries upon [***] months' written notice to REGENTS. REGENTS will use its best efforts to curtail patent costs when such a notice is received from LICENSEE. REGENTS may continue prosecution and/or maintenance of such applications or patents at its sole discretion and expense; provided, however, that LICENSEE will have no further right or licenses thereunder.

15. MARKING

15.1 Prior to the issuance of patents under REGENTS' PATENT RIGHTS, LICENSEE agrees to mark LICENSED PRODUCT(S) (or their containers or labels) made, had made, SOLD, licensed or otherwise disposed of by it in the United States under the license granted in this AGREEMENT with the words "Patent Pending," and following the issuance in the United States of one or more patents under REGENTS' PATENT RIGHTS, with the numbers of REGENTS' PATENT RIGHTS. All LICENSED PRODUCTS shipped to, manufactured, or SOLD in other countries will be marked in such manner as to conform with the patent laws and practice of such countries.

16. USE OF NAMES AND TRADEMARKS

16.1 Nothing contained in this AGREEMENT will be construed as conferring any right to use in advertising, publicity or other promotional activities any name, trademark, trade name, or other designation of either party hereto by the other (including any contraction, abbreviation, or simulation of any of the foregoing). Unless required by law or consented to in writing by REGENTS, the use by LICENSEE of the name "REGENTS of the University of California" or the name of any University of California campus in advertising, publicity or other promotional activities is expressly prohibited.

17. LIMITED WARRANTIES

1.1 REGENTS warrants that it has the lawful right to grant the license set forth in this Agreement. Except as expressly set forth in this Agreement, this license and the associated INVENTION are provided WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESSED OR IMPLIED. Except as expressly set forth in this Agreement, REGENTS MAKES NO REPRESENTATION OR WARRANTY THAT THE INVENTION, REGENTS' PATENT RIGHTS, LICENSED PRODUCTS, LICENSED SERVICES OR LICENSED METHOD WILL NOT INFRINGE ANY PATENT OR OTHER PROPRIETARY RIGHT.

1.2 REGENTS WILL NOT BE LIABLE FOR ANY LOST PROFITS, COSTS OF PROCURING SUBSTITUTE GOODS OR SERVICES, LOST BUSINESS, ENHANCED DAMAGES FOR INTELLECTUAL PROPERTY INFRINGEMENT, OR FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR OTHER SPECIAL DAMAGES SUFFERED BY LICENSEE, SUBLICENSEES, JOINT VENTURES, OR AFFILIATES ARISING OUT OF OR RELATED TO THIS AGREEMENT FOR ALL CAUSES OF ACTION OF ANY KIND (INCLUDING TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, AND BREACH OF WARRANTY) EVEN IF REGENTS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. REGENTS WILL NOT BE LIABLE FOR ANY DIRECT DAMAGES SUFFERED BY LICENSEE, SUBLICENSEES, JOINT VENTURES OR AFFILIATES ARISING OUT OF OR RELATED TO PATENT RIGHTS TO THE EXTENT ASSIGNED OR LICENSED BY REGENTS' INVENTORS TO THIRD PARTIES.

1.3 Nothing in this AGREEMENT is or will be construed as:

(a) A warranty or representation by REGENTS as to the validity, enforceability or scope of any REGENTS' PATENT RIGHTS; or

(b) A warranty or representation that anything made, used, or SOLD under any license granted in this AGREEMENT is or will be free from infringement of patents of third parties; or

(c) An obligation to bring or prosecute actions or suits against third parties for patent infringement, except as provided in Article 18; or

(d) Conferring by implication, estoppel, or otherwise any license or rights under any patents of REGENTS other than REGENTS' PATENT RIGHTS as defined herein, regardless of whether such patents are dominant or subordinate to REGENTS' PATENT RIGHTS; or

(e) An obligation to furnish any know-how not provided in the patents and patent applications under REGENTS' PATENT RIGHTS.

18. PATENT INFRINGEMENT

18.1 If either party learns of infringement of potential commercial significance of any of the REGENTS' PATENT RIGHTS, it will provide the other with (i) written notice of such infringement and (ii) any evidence of such infringement available to it (the "Infringement Notice"). Neither party will put an alleged infringer on notice of the existence of any of the REGENTS' PATENT RIGHTS without first obtaining consent of the other (not to be unreasonably withheld, conditioned or delayed). Both REGENTS and the LICENSEE will use their diligent efforts to terminate such infringement without litigation.

18.2 If the matter described in the Infringement Notice is not resolved within [***] days of receipt of the Infringement Notice, then LICENSEE may institute suit for patent infringement. LICENSEE may not join REGENTS as a party in such suit without REGENTS' prior written consent (not to be unreasonably withheld, conditioned or delayed) and which consent will be granted it REGENTS' joining as a party is required in order for LICENSEE to bring or pursue such suit. If REGENTS joins such suit at LICENSEE'S request, LICENSEE will pay all out-of-pocket costs incurred by REGENTS arising out of such suit.

18.3 If, within a [***] days of receipt of the Infringement Notice, the matter described in the Infringement Notice has not been resolved and LICENSEE has not filed suit against the infringer, then REGENTS may institute suit for patent infringement against the infringer. If REGENTS institutes such suit, then LICENSEE may not join such suit without REGENTS' consent and may not thereafter commence suit against the infringer for the acts of infringement that are the subject of REGENTS' suit or any judgment rendered in that suit.

18.4 Notwithstanding anything to the contrary in this Agreement, in the event that either party receives written notice of infringement under the Drug Price Competition and Patent Term Restoration Act of 1984 (and/or foreign counterparts of this Law) ("The Act"), then the party in receipt of such notice under the Act shall promptly provide the Infringement Notice to the other party. If under the Act the Licensee will lose the right to pursue legal remedies for infringement by not filing suit, the notification period and the time period to file suit under Paragraph 18.2 will be accelerated to within [***] days from receipt of the Infringement Notice to either party.

18.5 Any recovery or settlement received in connection with any suit will first be shared by REGENTS and LICENSEE equally to cover any litigation costs each incurred and next shall be paid to REGENTS or LICENSEE to cover any litigation costs it incurred in excess of the litigation costs of the other. In any suit initiated by LICENSEE, any recovery in excess of litigation costs will belong [***] percent ([***]%) to

LICENSEE, provided that such excess funds shall be subject to the then-applicable royalty rate paid by LICENSEE to REGENTS under this Agreement. In any suit initiated by REGENTS, any recovery in excess of litigation costs will belong [***] percent ([***]%) to REGENTS. REGENTS and LICENSEE agree to be bound by all determinations of patent infringement, validity and enforceability (but no other issue) resolved by any adjudicated judgment in a suit brought in compliance with this Article 18 (Patent Infringement).

1.1 Any agreement made by the Licensee for purposes of settling litigation or other dispute shall comply with the requirements of Article 4 (Sublicenses) of this Agreement.

19. INDEMNIFICATION

19.1 LICENSEE will, and will require its SUBLICENSEES to, indemnify, hold harmless, and defend REGENTS and its officers, employees, and agents; sponsor(s) of the research that led to the INVENTION; and the inventors of any patents and patent applications under REGENTS' PATENT RIGHTS and their employers against any and all third party claims and suits, including any resulting losses, damages, costs, fees, and expenses, to the extent resulting from or arising out of exercise of this license or any sublicense. This indemnification will include, but not be limited to, any product liability. Notwithstanding anything contained herein to the contrary, LICENSEE shall not have any obligations under this Article 19 to the extent any claim or suit arises from REGENTS' breach of this Agreement or the negligence or willful misconduct on the part of REGENTS or any of the indemnified parties.

19.2 LICENSEE, at its sole cost and expense, will insure its activities in connection with any work performed hereunder and will obtain, keep in force, and maintain the following insurance:

(a) Commercial Form General Liability Insurance (contractual liability included) with limits as follows:

Each Occurrence $[***]
Products/Completed Operations Aggregate $[***]
Personal and Advertising Injury $[***]
General Aggregate $[***]

If the above insurance is written on a claims-made form, it shall continue for [***] years following termination or expiration of this AGREEMENT. The insurance shall have a retroactive date of placement prior to or coinciding with the Effective Date of this AGREEMENT; and

(b) Worker's Compensation as legally required in the jurisdiction in which LICENSEE is doing business.

1.1 The coverage and limits referred to in Subparagraphs 19.2a and 19.2b above will not in any way limit the liability of LICENSEE under this Article. Within [***] days of the execution of this AGREEMENT, LICENSEE will furnish REGENTS with certificates of insurance evidencing compliance with all requirements. Such certificates will:

(a) provide for [***] days' ([***] days for non-payment of premium) advance written notice to REGENTS of any cancellation of insurance coverages; LICENSEE will promptly notify REGENTS of any material modification of the insurance coverages;

(b) indicate that REGENTS has been endorsed as an additional insured under the coverage described above in Subparagraph l9.2; and

(c) include a provision that the coverage will be primary and will not participate with, nor will be excess over, any valid and collectable insurance or program of self-insurance maintained by REGENTS.

1.2 LICENSEE’s obligations under this Article 19 are conditioned upon REGENTS (a) promptly notifying LICENSEE in writing of any claim or suit brought against REGENTS for which REGENTS intends to invoke the provisions of this Article 19;
(b) giving LICENSEE sole control over the defense thereof and any related settlement negotiations; and (c) cooperating and, at LICENSEE’s request and expense, assisting in such defense. Notwithstanding the foregoing, REGENTS may participate at its own expense in the defense and any settlement discussions, and will have the right to approve any settlement agreement that involves an admission of fault by REGENTS or imposes non-monetary obligations on REGENTS; provided, however, that such approval will not be unreasonably withheld. LICENSEE will keep REGENTS informed of its defense of any claims pursuant to this Article 19.

20. COMPLIANCE WITH LAWS

20.1 LICENSEE will comply with all applicable international, national, state, regional, and local laws and regulations in performing its obligations hereunder and in its use, manufacture, SALE or import of the LICENSED PRODUCTS, LICENSED SERVICES, or practice of the LICENSED METHOD. LICENSEE understands that REGENTS is subject to United States laws and regulations (including the Arms Export Control Act, as amended, and the Export Administration Act of 1979), controlling the export of technical data, computer software, laboratory prototypes and other commodities, and REGENTS' obligations under this AGREEMENT are

contingent on compliance with such laws and regulations. The transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by LICENSEE that LICENSEE will not export such technical data and/or commodities to certain foreign countries without prior approval of such agency. REGENTS neither represents that a license will not be required nor that, if required, it will be issued.

21. GOVERNMENT APPROVAL OR REGISTRATION

21.1 LICENSEE shall have sole right and responsibility, at LICENSEE's sole expense, for the preparation, submission and maintenance of regulatory materials and for seeking regulatory approval for LICENSED PRODUCTS in the LICENSED FIELD OF USE in the LICENSED TERRITORY.

21.2 If this AGREEMENT or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, LICENSEE will assume all legal obligations to do so. LICENSEE will notify REGENTS if it becomes aware that this AGREEMENT is subject to a United States or foreign government reporting or approval requirement. LICENSEE will make all necessary filings and pay all costs including fees, penalties, and all other out-of-pocket costs associated with such reporting or approval process.

22. ASSIGNMENT

22.1 This AGREEMENT is binding upon and shall inure to the benefit of REGENTS, its successors and assigns. This AGREEMENT will be personal to LICENSEE and assignable by LICENSEE only with the written consent of REGENTS, except that LICENSEE may freely assign this AGREEMENT to its AFFILIATE or an acquirer of all or substantially all of LICENSEE's stock, assets or business to which this AGREEMENT relates. If LICENSEE assigns this AGREEMENT to a non- AFFILIATE third party, then upon execution of the assignment, LICENSEE (i) will provide REGENTS with the updated contact information, and (ii) LICENSEE or the applicable assignee pay REGENTS **[***] US DOLLARS ($[***])** within [***] days of the execution of the assignment.

23. NOTICES

23.1 All notices under this AGREEMENT will be deemed to have been fully given and effective when done in writing and delivered in person, or mailed by registered or certified U.S. mail, or deposited with a carrier service requiring signature by recipient, and addressed as follows:

To REGENTS: Office of Technology Licensing
2150 Shattuck Avenue, Suite 510
Berkeley, CA 94720-1366
Attn.: Director (UC Case No.: 2009-005)

Remittance address for royalties and fee payment, as well as legal reimbursements associated with this license AGREEMENT are to be sent to:

University of California Knowledge Transfer
Office Attn: Accounts Receivable 1111 Franklin
Street, 5th Floor

Oakland, CA 94607 For Electronic

Funds Transfer:

[***]

Please reference the UC Berkeley case number and AGREEMENT control number with your payment.

To LICENSEE: Yellowbrick Bio, LLC
Attn.: Brian M Strem, PhD – CEO 341 N Sierra Ave
Solana Beach, CA 92075

Either party may change its address upon written notice to the other party.

Without limiting the foreoing, applicable LICENSEE contact information (not for official notices) for the administration of this Agreement is attached hereto as APPENDIX D.

24. LATE PAYMENTS

24.1 If monies owed to REGENTS under this AGREEMENT are not received by REGENTS when due, LICENSEE will pay to REGENTS interest charges at a rate of [***] percent ([***]%) per annum. Such interest will be calculated from the date payment was due until actually received by REGENTS. Such accrual of interest will be in addition to, and not in lieu of, enforcement of any other rights of REGENTS related to such late payment. Acceptance of any late payment will not constitute a waiver under Article 25 (Waiver) of this AGREEMENT.

25. WAIVER

25.1 The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition of this AGREEMENT will not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other party. None of the terms and conditions of this AGREEMENT can be waived except by the written consent of the party waiving compliance.

26. CONFIDENTIALITY

26.1 Each party will hold the other party's proprietary business and technical information, patent prosecution material and other proprietary information, including the negotiated terms of this AGREEMENT, in confidence and against disclosure to third parties with at least the same degree of care as it exercises to protect its own data and license AGREEMENTs of a similar nature. This obligation will expire [***] ([***]) years after the termination or expiration of this AGREEMENT.

26.2 Nothing contained herein will in any way restrict or impair the right of LICENSEE or REGENTS to use, disclose, or otherwise deal with any information or data which:

(a) at the time of disclosure to a receiving party is generally available to the public or thereafter becomes generally available to the public by publication or otherwise through no act of the receiving party;

(b) the receiving party can show by written record was in its possession prior to the time of disclosure to it hereunder and was not acquired directly or indirectly from the disclosing party;

(c) is independently made available to the receiving party without restrictions as a matter of right by a third party; or

(d) is subject to disclosure under the California Public Records Act or other requirements of law.

1.1 REGENTS will be free to release to the inventors and senior administrators employed by REGENTS the terms and conditions of this AGREEMENT upon their request. If such release is made, REGENTS will inform such employees of the confidentiality obligations set forth above and will request that they do not disclose such terms and conditions to others. Should a third party inquire whether a license to REGENTS' PATENT RIGHTS is available, REGENTS may disclose the existence of this AGREEMENT and the extent of the grant in Articles 3 and 4 to such third party, but will not disclose the name of LICENSEE unless LICENSEE has already made such disclosure publicly, except where REGENTS is required to release information under either the California Public Records Act or other applicable law, provided REGENTS gives prior written notice to LICENSEE of such disclosure.

1.2 LICENSEE and REGENTS agree to destroy or return to the disclosing party proprietary information received from the other in its possession within [***] days following the effective date of termination of this AGREEMENT. However, each party may retain one copy of proprietary information of the other solely for archival purposes in non-working files for the sole purpose of verifying the ownership of the proprietary information, provided such proprietary information will be subject to the confidentiality provisions set forth in Paragraph 26.1. LICENSEE and REGENTS agree to provide each other, within [***] days following termination of this AGREEMENT, with a written notice that proprietary information has been returned or destroyed.

27. FORCE MAJEURE

27.1 Except for LICENSEE’s obligation to make any payments to REGENTS hereunder, the parties to this AGREEMENT shall be excused from any performance required hereunder if such performance is rendered impossible or unfeasible due to any catastrophes or other major events beyond their reasonable CONTROL, including, without limitation, war, riot, and insurrection; laws, proclamations, edicts, ordinances, or regulations; strikes, lockouts, or other serious labor disputes; and floods, fires, explosions, or other natural disasters. When such events have abated, the parties' respective obligations hereunder will resume.

28. SEVERABILITY

28.1 The provisions of this AGREEMENT are severable, and in the event that any provision of this AGREEMENT will be determined to be invalid or unenforceable

under any controlling body of law, such invalidity or enforceability will not in any way affect the validity or enforceability of the remaining provisions hereof.

29. APPLICABLE LAW; VENUE; ATTORNEYS' FEES

29.1 THIS AGREEMENT WILL BE CONSTRUED, INTERPRETED, AND APPLIED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA,
excluding any choice of law rules that would direct the application of the laws of another jurisdiction, but the scope and validity of any patent or patent application under REGENTS' PATENT RIGHTS will be determined by the applicable law of the country of such patent or patent application. Any legal action brought by the parties relating to this AGREEMENT will be conducted in San Francisco, California. The prevailing party in any legal action under this AGREEMENT will be entitled to recover its reasonable attorneys' fees in addition to its costs and necessary disbursements.

30. SCOPE OF AGREEMENT

30.1 This AGREEMENT incorporates the entire AGREEMENT between the parties with respect to the subject matter hereof, and this AGREEMENT may be altered or modified only by written amendment duly executed by the parties hereto.

31. ELECTRONIC COPY

31.1 The parties to this document agree that a copy of the original signature (including an electronic copy) may be used for any and all purposes for which the original signature may have been used. The parties further waive any right to challenge the admissibility or authenticity of this document in a court of law based solely on the absence of an original signature.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT in **duplicate originals by their duly authorized officers or representatives.**

REGENTS OF THE
UNIVERSITY OF CALIFORNIA

By /s/ Javed Afzal
Title Associate Director
Date April 23, 2020

YELLOWBRICK BIO, LLC.

By /s/ Brian M Strem
Title Member
Date April 10, 2020

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL TO THE REGISTRANT AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS SUCH INFORMATION AS PRIVATE OR CONFIDENTIAL. REDACTED PORTIONS OF THIS EXHIBIT ARE MARKED BY [***].

FIRST AMENDMENT TO THE LICENSE AGREEMENT

UC Control No. 2020-04-0147

This first amendment (the "FIRST AMENDMENT") dated November 5, 2023 (the "AMENDMENT EFFECTIVE DATE"), is made by and between The Regents of the University of California (the "REGENTS"), a California corporation having its corporate offices located at 1111 Franklin Street, Oakland, CA 94607-5200, acting through the Office of Technology Licensing at the University of California, Berkeley, 2150 Shattuck Avenue, Suite 510, Berkeley, CA 94704-1366 and BAYON THERAPEUTICS, INC ("LICENSEE"), a Delaware corporation having a principal place of business at 332 Encinitas Blvd, Suite 102, Encinitas, CA 92024. This FIRST AMENDMENT amends the Exclusive License Agreement (UC Agreement Control No. 2020-04-0147) entitled "Photochromic Ligands for Optical Control of Protein and Cellular Function" that was effective May 1, 2020 (the "LICENSE AGREEMENT").

RECITALS

WHEREAS, The REGENTS filed a number of sole patent applications ("REGENTS' PATENT RIGHTS") to INVENTIONS;

WHEREAS, the LICENSE AGREEMENT exclusively licensed the REGENTS' PATENT RIGHTS to LICENSEE;

WHEREAS, the LICENSEE and REGENTS filed a jointly invented and owned INVENTION

WHEREAS, the REGENTS and LICENSEE desire to amend the LICENSE AGREEMENT to accurately reflect the addition of new INVENTIONS into this LICENSE AGREEMENT under the same terms and conditions;

NOW THEREFORE, in consideration of the foregoing premises and the mutual promises, covenants, and agreements hereinafter set forth, all parties to this FIRST AMENDMENT mutually agree to amend the LICENSE AGREEMENT as follows:

1. In the BACKGROUND and APPENDIX A sections, the following case and INVENTION is added and, thereby, incorporated into the LICENSE AGREEMENT;

i) UC Case No.: BK-2021-097 entitled "*Cyclodextrin Formulation for Photoswitch Delivery" filed on October 27, 2020 as a provisional application 63/106,297.*

2. Article 22 is hereby replaced in its entirely and amended with the following:

22.1 This AGREEMENT is binding upon, and will inure to the benefit of, REGENTS, its successors and assigns. LICENSEE may assign or transfer this Agreement only with the prior written consent of REGENTS. The prior written consent of REGENTS will not be required if the assignment or transfer of this Agreement is in conjunction with a bona fide arms' length transaction involving a merger, reorganization, consolidation, change of control, or the transfer of all or substantially all of the capital stock or business or asset of LICENSEE to which this license relates, so long as LICENSEE is in good standing with its obligations under this Agreement and REGENT is legally, contractually, and, per its policies, able to enter into an agreement with such assignee. In any assignment or transfer of this Agreement, the conditions (a)-(c) below shall be timely met. Any attempted assignment by LICENSEE other than in accordance with this Section will be null and void.

(a) provide REGENTS written notice identifying the proposed acquirer's or successor entity's name and contact information **at least [***] days prior to any such assignment**;

(b) provide REGENTS with a written agreement signed by the proposed acquirer or successor entity agreeing to be bound by all of the provisions of this Agreement, as well as assume all responsibilities and liabilities that arose under this Agreement prior to the effective date of the proposed assignment, as if such acquirer or successor entity were the original LICENSEE within [***] days after any such assignment; and

(c) pay to REGENTS an assignment fee of THIRTY THOUSAND US DOLLARS ($30,000.00) ("ASSIGNMENT FEE") within thirty (30) days after any such assignment.

Although LICENSEE is prosecuting said INVENTION, LICENSEE will be responsible for reimbursing the REGENTS for all patent costs and expenses incurred by REGENTS in connection with such cases. All other terms and conditions of the LICENSE AGREEMENT remain the same.

Furthermore, in consideration for adding this case and INVENTION to the LICENSE

AGREEMENT, LICENSSE shall pay the REGENTS, **FIFTEEN THOUSAND DOLLARS ($15,000)** within thirty (30) days of execution of this FIRST AMENDMENT.

This FIRST AMENDMENT may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of executed documents or counterparts by facsimile, Portable Document Format (PDF) or photocopy will have the same legal validity as delivery of original, ink-signed documents or counterparts.

IN WITNESS WHEREOF, the parties have executed this FIRST AMENDMENT by their duly authorized representatives for good and valuable consideration.

BAYON THERAPEUTICS, INC.

By /s/ Brian M Strem
Signature
Name: Brian M Strem
Title: CEO
Date: 10/30/2023

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By /s/ Terri Sale, J.D.
Signature
Name: Terri Sale, J.D. Title: Associate Director, OTL
Date: 10/30/2023

EXHIBIT 31.1

Certification

I, Brian M. Strem, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kiora Pharmaceuticals, 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: November 9, 2023

/s/ Brian M. Strem, Ph.D.

Brian M. Strem, Ph.D.
President and Chief Executive Officer
(Principal executive officer)

EXHIBIT 31.2

Certification

I, Melissa Tosca, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kiora Pharmaceuticals, 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: November 9, 2023

/s/ Melissa Tosca

Melissa Tosca
Executive Vice President of Finance
(Principal financial and accounting officer)

EXHIBIT 32.1

CERTIFICATION OF PERIODIC FINANCIAL REPORT
PURSUANT TO 18 U.S.C. SECTION 1350

The undersigned officer of Kiora Pharmaceuticals, Inc. (the "Company") hereby certifies to his knowledge that the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023 (the "Report") to which this certification is being furnished as an exhibit, as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely pursuant to 18 U.S.C. Section 1350 and Item 601(b)(32) of Regulation S-K ("Item 601(b)(32)") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and the Exchange Act. In accordance with clause (ii) of Item 601(b)(32), this certification (A) shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and (B) shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Date: November 9, 2023

/s/ Brian M. Strem, Ph.D.

Brian M. Strem, Ph.D.
President and Chief Executive Officer
(Principal executive officer)

EXHIBIT 32.2

CERTIFICATION OF PERIODIC FINANCIAL REPORT
PURSUANT TO 18 U.S.C. SECTION 1350

The undersigned officer of Kiora Pharmaceuticals, Inc. (the "Company") hereby certifies to her knowledge that the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023 (the "Report") to which this certification is being furnished as an exhibit, as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely pursuant to 18 U.S.C. Section 1350 and Item 601(b)(32) of Regulation S-K ("Item 601(b)(32)") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and the Exchange Act. In accordance with clause (ii) of Item 601(b)(32), this certification (A) shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and (B) shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Date: November 9, 2023

/s/ Melissa Tosca

Melissa Tosca
Executive Vice President of Finance
(Principal financial and accounting officer)