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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024

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

For the transition period from_____to_____

Commission file number: 001-37990

LEAP THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware State or other jurisdiction of incorporation or organization	**27-4412575** (I.R.S. Employer Identification No.)
47 Thorndike St, Suite B1-1, Cambridge, MA Address of Principal Executive Offices	**02141** Zip Code

(617) 714-0360

Registrant's Telephone Number, Including Area Code

N/A

Former Name, Former Address and Former Fiscal Year, if Changed Since

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

Title of each class:	**Trading Symbol(s)**	**Name of each exchange on which registered:**
Common Stock, par value $0.001 per share	LPTX	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. Yes ☒ No ☐

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company.

See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

As of August 8, 2024, there were 38,264,464 shares of the registrant's common stock, par value $0.001 per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains forward-looking statements which reflect our current views with respect to, among other things, our operations and financial performance. Such statements are based upon our current plans, estimates and expectations that are subject to various risks and uncertainties that could cause actual results to differ materially from such statements. The inclusion of forward-looking statements should not be regarded as a representation that such plans, estimates and expectations will be achieved. Words such as "anticipate," "expect," "project," "intend," "believe," "may," "will," "should," "plan," "could," "continue," "target," "contemplate," "estimate," "forecast," "guidance," "predict," "possible," "potential," "pursue," "likely," and words and terms of similar substance used in connection with any discussion of future plans, actions or events identify forward-looking statements. All statements, other than historical facts, including statements regarding estimations of projected cash runway; our future product development plans; the potential, safety, efficacy, and regulatory and clinical progress of our product candidates, including the anticipated timing for initiation of clinical trials and release of clinical trial data and the expectations surrounding potential regulatory submissions, approvals and timing thereof; and any assumptions underlying any of the foregoing, are forward-looking statements. Important factors that could cause actual results to differ materially from our plans, estimates or expectations could include, but are not limited to: (i) our ability and plan to develop and commercialize DKN-01, FL-301 and our preclinical programs; (ii) status, timing and results of our preclinical studies and clinical trials; (iii) the potential benefits of DKN-01, FL-301 and our preclinical programs; (iv) the timing of our development programs and seeking regulatory approval of DKN-01, FL-301 and our preclinical programs; (v) our ability to obtain and maintain regulatory approval; (vi) our estimates of expenses and future revenues and profitability; (vii) our estimates regarding our capital requirements and our needs for additional financing; (viii) our estimates of the size of the potential markets for DKN-01, FL-301 and our preclinical programs; (ix) the benefits to be derived from any collaborations, license agreements, or other acquisition efforts, including the ongoing collaborations with BeiGene, NovaRock and Adimab; (x) sources of revenues and anticipated revenues, including contributions from any collaborations or license agreements for the development and commercialization of products; (xi) the rate and degree of market acceptance of DKN-01, FL-301 or our preclinical products; (xii) the success of other competing therapies that may become available; (xiii) the manufacturing capacity for our products; (xiv) our intellectual property position; (xv) our ability to maintain and protect our intellectual property rights; (xvi) our results of operations, financial condition, liquidity, prospects, and growth and strategies; (xvii) the industry in which we operate; (xviii) the trends that may affect the industry or us; (xix) the effect of inflation, currency rate and interest rate fluctuations, as well as fluctuations in the market price of our traded securities and (xx) that the initiation, conduct, and completion of clinical trials, laboratory operations, manufacturing campaigns, and other studies may be delayed, adversely affected, or impacted by global conflict or supply chain related issues.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events, competitive dynamics and industry change, and depend on economic circumstances that may or may not occur in the future or may occur on longer or shorter timelines than anticipated. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Quarterly Report, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this Quarterly Report. In addition, even if our results of operations, financial condition and liquidity, and events in the industry in which we operate are consistent with the forward-looking statements contained in this Quarterly Report, they may not be predictive of results or developments in future periods. You should carefully and completely read this Quarterly Report and any documents that we have filed as exhibits to this Quarterly Report.

You should refer to Part II, Item 1A, Risk Factors in this Quarterly Report and Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on March 18, 2024, for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this Quarterly Report will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard any such statement as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified timeframe, or at all. Any forward-looking statement that we make in this Quarterly Report speaks only as of the date of such statement, and, except to the extent required by applicable law, we undertake no obligation to update such statements to reflect events or circumstances after the date of this Quarterly Report or to reflect the occurrence of unanticipated events. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Quarterly Report. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

DKN-01 and FL-301 are investigational drugs undergoing clinical development and have not been approved by the U.S. Food and Drug Administration (the “FDA”), nor have they been submitted to the FDA for approval. DKN-01 and FL-301 have not been, and may never be, approved by any regulatory agency or marketed anywhere in the world. Statements contained in this Quarterly Report should not be deemed to be promotional.

INTRODUCTORY COMMENT

References to Leap

Throughout this Quarterly Report on Form 10-Q, the "Company," "Leap," "Leap Therapeutics," "we," "us," and "our," except where the context requires otherwise, refer to Leap Therapeutics, Inc. and its consolidated subsidiaries, and "Board of Directors" refers to the board of directors of Leap Therapeutics, Inc.

Part I – FINANCIAL INFORMATION

Item 1. Financial Statements

LEAP THERAPEUTICS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	June 30, 2024 (Unaudited)	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 78,479	$ 70,643
Research and development incentive receivable	754	771
Prepaid expenses and other current assets	354	183
Total current assets	79,587	71,597
Property and equipment, net	—	5
Right of use assets, net	475	257
Research and development incentive receivable, net of current portion	505	—
Deposits	859	966
Total assets	$ 81,426	$ 72,825
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 7,809	$ 6,465
Accrued expenses	7,347	5,957
Lease liability - current portion	443	262
Total current liabilities	15,599	12,684
Non current liabilities:		
Lease liability, net of current portion	39	—
Total liabilities	15,638	12,684
Stockholders' equity:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; 0 shares issued and outstanding	—	—
Common stock, $0.001 par value; 240,000,000 shares authorized; 38,264,464 and 25,565,414 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	38	26
Additional paid-in capital	499,511	459,591
Accumulated other comprehensive income	3	106
Accumulated deficit	(433,764)	(399,582)
Total stockholders' equity	65,788	60,141
Total liabilities and stockholders' equity	$ 81,426	$ 72,825

See notes to condensed consolidated financial statements.

LEAP THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share amounts)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating expenses:				
Research and development	$ 17,885	$ 11,104	$ 29,184	$ 50,046
General and administrative	3,367	3,558	6,893	7,342
Total operating expenses	21,252	14,662	36,077	57,388
Loss from operations	(21,252)	(14,662)	(36,077)	(57,388)
Interest income	865	1,157	1,640	2,005
Australian research and development incentives	253	298	499	570
Foreign currency gain (loss)	6	(145)	(10)	(452)
Change in fair value of Series X preferred stock warrant liability	—	(38)	—	12
Net loss	(20,128)	(13,390)	(33,948)	(55,253)
Dividend attributable to down round feature of warrants	(234)	—	(234)	—
Net loss attributable to common stockholders	$ (20,362)	$ (13,390)	$ (34,182)	$ (55,253)
Net loss per share				
Basic and diluted	$ (0.52)	$ (0.91)	$ (1.01)	$ (4.01)
Weighted average common shares outstanding				
Basic and diluted	39,122,662	14,710,375	33,830,083	13,794,605

See notes to condensed consolidated financial statements.

LEAP THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss	$ (20,128)	$ (13,390)	$ (33,948)	$ (55,253)
Other comprehensive income (loss):				
Foreign currency translation adjustments	123	59	(103)	286
Comprehensive loss	$ (20,005)	$ (13,331)	$ (34,051)	$ (54,967)

See notes to condensed consolidated financial statements.

LEAP THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY
For the Three and Six Months Ended June 30, 2023

(In thousands, except share amounts)

(Unaudited)

	Mezzanine Equity		Stockholders Equity					
	Series X Non Voting Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balances at March 31, 2023	13,625	$ 67,715	11,941,099	$ 12	$387,993	$ 355	$ (360,031)	$ 28,329
Conversion of Series X preferred stock to common stock	(13,625)	(67,715)	13,624,800	14	67,701	—	—	67,715
Reclassification of Series X preferred stock warrants to equity	—	—	—	—	78	—	—	78
Fractional shares paid in cash	—	—	(485)	—	1	—	—	1
Foreign currency translation adjustment	—	—	—	—	—	59	—	59
Stock-based compensation	—	—	—	—	1,265	—	—	1,265
Net loss	—	—	—	—	—	—	(13,390)	(13,390)
Balances at June 30, 2023	—	$ —	25,565,414	$ 26	$457,038	$ 414	$ (373,421)	$ 84,057

	Mezzanine Equity		Stockholders Equity					
	Series X Non Voting Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders Equity
	Shares	Amount	Shares	Amount				
Balances at December 31, 2022	—	$ —	9,902,137	$ 10	$376,896	$ 128	$ (318,168)	$ 58,866
Issuance of Series X Preferred Stock in connection with Flame merger	13,625	67,715	—	—	—	—	—	—
Issuance of common stock in connection with Flame merger	—	—	1,972,901	2	9,803	—	—	9,805
Issuance of common stock warrants in connection with Flame merger	—	—	—	—	13	—	—	13
Redemption of 2019 Warrants	—	—	—	—	(29)	—	—	(29
Issuance of common stock upon vest of restricted stock units	—	—	66,061	—	—	—	—	—
Conversion of Series X preferred stock to common stock	(13,625)	(67,715)	13,624,800	14	67,701	—	—	67,715
Reclassification of Series X preferred stock warrants to equity	—	—	—	—	78	—	—	78
Fractional shares paid in cash	—	—	(485)	—	1	—	—	1
Foreign currency translation adjustment	—	—	—	—	—	286	—	286
Stock-based compensation	—	—	—	—	2,575	—	—	2,575
Net loss	—	—	—	—	—	—	(55,253)	(55,253
Balances at June 30, 2023	—	$ —	25,565,414	$ 26	$457,038	$ 414	$ (373,421)	$ 84,057

See notes to condensed consolidated financial statements.

LEAP THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Three and Six Months Ended June 30, 2024

(In thousands, except share amounts)

(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balances at March 31, 2024	25,603,471	$ 26	$ 460,868	$ (120)	$ (413,402)	$ 47,372
April 2024 Private Placement (net of issuance costs of $2,948)	12,660,993	12	37,039	—	—	37,051
Dividend attributable to the down round feature of 2017 Warrants	—	—	234	—	(234)	—
Foreign currency translation adjustment	—	—	—	123	—	123
Stock-based compensation	—	—	1,370	—	—	1,370
Net loss	—	—	—	—	(20,128)	(20,128)
Balances at June 30, 2024	38,264,464	$ 38	$ 499,511	$ 3	$ (433,764)	$ 65,788

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balances at December 31, 2023	25,565,414	$ 26	$ 459,591	$ 106	$ (399,582)	$ 60,141
Issuance of common stock upon vest of restricted stock units	27,500	—	—	—	—	—
Issuance of common stock upon exercise of stock options	10,557	—	29	—	—	29
April 2024 Private Placement (net of issuance costs of $2,948)	12,660,993	12	37,039	—	—	37,051
Dividend attributable to the down round feature of 2017 Warrants	—	—	234	—	(234)	—
Foreign currency translation adjustment	—	—	—	(103)	—	(103)
Stock-based compensation	—	—	2,618	—	—	2,618
Net loss	—	—	—	—	(33,948)	(33,948)
Balances at June 30, 2024	38,264,464	$ 38	$ 499,511	$ 3	$ (433,764)	$ 65,788

See notes to condensed consolidated financial statements.

LEAP THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	$ (33,948)	$ (55,253)
Adjustments to reconcile net loss to net cash used in operating activities:		
In-process research and development costs acquired in connection with the acquisition of Flame	—	29,582
Depreciation expense	5	8
Stock-based compensation expense	2,618	2,575
Foreign currency transaction loss	10	452
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(169)	(70)
Research and development incentive receivable	(498)	(575)
Accounts payable and accrued expenses	2,687	(382)
Right-of-use asset	202	202
Lease liability	(201)	(203)
Other assets	107	779
Net cash used in operating activities	(29,187)	(22,885)
Cash flows from investing activities:		
Cash acquired in connection with the acquistion of Flame	—	50,362
Payment of direct and incremental costs of the asset acquisition	—	(1,393)
Net cash provided by investing activities	—	48,969
Cash flows from financing activities:		
Proceeds from April 2024 Private Placement	39,999	—
Payment of offering costs	(2,882)	—
Payment of redemption of 2019 warrants	—	(29)
Proceeds from the exercise of stock options	29	—
Net cash provided by (used in) financing activities	37,146	(29)
Effect of exchange rate changes on cash and cash equivalents	(123)	(140)
Net increase in cash and cash equivalents	7,836	25,915
Cash and cash equivalents at beginning of period	70,643	65,500
Cash and cash equivalents at end of period	$ 78,479	$ 91,415
Supplemental disclosure of non-cash financing activities:		
Remeasurement of right-of-use asset and lease liability	$ 420	$ —
Dividend attributable to the down round feature of 2017 Warrants	$ 234	$ —
Offering costs included in accounts payable	$ 66	$ —
Issuance and conversion of Series X Preferred Stock issued in connection with the acquisition of Flame to common stock	$ —	$ 67,715
Reclassification of Series X Preferred Stock Warrants from liability to equity	$ —	$ 78
Issuance of common stock in connection with the acquisition of Flame	$ —	$ 9,805
Issuance of warrants for the purchase of common stock in connection with the acquisition of Flame	$ —	$ 13
Net liabilities assumed from acquistion of Flame	$ —	$ 928

See notes to condensed consolidated financial statements.

Leap Therapeutics, Inc.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

(Unaudited)

1. Nature of Business, Basis of Presentation and Liquidity

Nature of Business

Leap Therapeutics, Inc. was incorporated in the state of Delaware on January 3, 2011. During 2015, HealthCare Pharmaceuticals Pty Ltd. was formed and is a wholly owned subsidiary of the Company.

On December 10, 2015, the Company entered into a merger agreement with GITR Inc. ("GITR"), an entity under common control, whereby a wholly owned subsidiary was merged with GITR and the surviving name of the wholly owned subsidiary was GITR Inc.

On August 29, 2016, the Company entered into a merger agreement with Macrocure Ltd. ("Macrocure"), a publicly held, clinical stage biotechnology company based in Petach Tikva, Israel. In connection with the merger, the Company applied to be listed on the Nasdaq Global Market. Nasdaq approved the listing, and trading in the Company's common stock commenced on January 24, 2017, under the trading symbol "LPTX." On February 1, 2017, Macrocure's name was changed to Leap Therapeutics Ltd. In 2020, Leap Therapeutics Ltd. was dissolved.

On December 15, 2021, Leap Securities Corp. was formed and is a wholly owned subsidiary of the Company.

On January 17, 2023, the Company entered into a merger agreement with Flame Biosciences, Inc., a privately held, biotechnology corporation ("Flame"), whereby Flame became a wholly owned subsidiary of the Company under the name Flame Biosciences LLC.

The Company is a biopharmaceutical company developing novel biomarker-targeted antibody therapies designed to treat patients with cancer by inhibiting fundamental tumor-promoting pathways, targeting cancer-specific cell surface molecules, and harnessing the immune system to attack cancer cells. The Company's strategy is to identify, acquire, and develop molecules that translate into therapeutics that generate durable clinical benefit and enhanced patient outcomes. The Company's lead clinical stage program is DKN-01, a monoclonal antibody that inhibits Dickkopf-related protein 1, or DKK1. The Company is currently studying DKN-01 in multiple ongoing clinical trials in patients with esophagogastric cancer, gynecologic cancers, or colorectal cancer. Its second clinical stage program is FL-301, a monoclonal antibody that targets cells that express Claudin18.2 on their cell surface. The Company also has two preclinical antibody programs, FL-302 and FL-501.

In January 2020, the Company entered into an Option and License Agreement with BeiGene, Ltd., or BeiGene, which granted BeiGene an option to obtain an exclusive license from the Company that would grant to BeiGene the right to develop and commercialize DKN-01 in Asia (excluding Japan), Australia, and New Zealand. In March 2023, BeiGene notified the Company that it did not intend to exercise its option, and the agreement is continuing as a clinical collaboration.

The Company intends to apply its experience identifying and developing products to build a pipeline of programs relating to the practice of cancer medicine.

Basis of Presentation

The December 31, 2023 year-end condensed consolidated balance sheet data in the accompanying interim condensed consolidated financial statements was derived from audited consolidated financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted pursuant to such rules and regulations. However, the Company believes that the disclosures are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended December 31, 2023, included in the Company's Annual Report on Form 10-K filed with the SEC on March 18, 2024.

The accompanying interim condensed consolidated financial statements are unaudited and have been prepared on the same basis as the audited consolidated financial statements as of and for the year ended December 31, 2023. In the opinion of management, the accompanying condensed consolidated financial statements contain all adjustments which are necessary for the fair presentation of the Company's financial position as of June 30, 2024, statements of operations and statements of comprehensive loss for the three and six months ended June 30, 2024 and 2023 and statements of cash flows for the six months ended June 30, 2024 and 2023. Such adjustments are of a normal and recurring nature. The results of operations for the three and six months ended June 30, 2024 are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2024.

Liquidity

Since inception, the Company has been engaged in organizational activities, including raising capital, and research and development activities. The Company does not yet have a product that has been approved by the FDA, has not generated any product sales revenues and has not yet achieved profitable operations, nor has it ever generated positive cash flows from operations. There is no assurance that profitable operations, if achieved, could be sustained on a continuing basis. Further, the Company's future operations are dependent on the success of the Company's efforts to raise additional capital, its research and commercialization efforts, regulatory approval, and, ultimately, the market acceptance of the Company's products.

In accordance with Accounting Standards Codification ("ASC") 205-40, Going Concern, the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the condensed consolidated financial statements are issued. As of June 30, 2024, the Company had cash and cash equivalents of $78,479. Additionally, the Company had an accumulated deficit of $433,764 at June 30, 2024, and during the six months ended June 30, 2024, the Company incurred a net loss attributable to common stockholders of $34,182. The Company expects to continue to generate operating losses for the foreseeable future. The Company believes that its cash and cash equivalents of $78,479 as of June 30, 2024 will be sufficient to fund its operating expenses for at least the next 12 months from issuance of these financial statements.

In addition, to support its future operations, the Company will likely seek additional funding through public or private equity financings or government programs and will seek funding or development program cost-sharing through collaboration agreements or licenses with larger pharmaceutical or biotechnology companies. If the Company does not obtain additional funding or development program cost-sharing, or exceeds its current spending forecasts or fails to receive the research and development tax incentive payment, the Company has the ability and would be forced to delay, reduce or eliminate certain clinical trials or research and development programs, reduce or eliminate discretionary operating expenses, and delay company and pipeline expansion, any of which could adversely affect its business prospects. The inability to obtain funding, as and when needed, could have a negative impact on the Company's financial condition and ability to pursue its business strategies.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions are eliminated upon consolidation.

Use of Estimates

The presentation of condensed consolidated financial statements in conformity with GAAP requires management 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 condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Research and development incentive income and receivable

The Company recognizes other income from Australian research and development incentives when there is reasonable assurance that the income will be received, the relevant expenditure has been incurred, and the consideration can be reliably measured. The research and development incentive is one of the key elements of the Australian government's support for Australia's innovation system and is supported by legislative law primarily in the form of the Australian Income Tax Assessment Act 1997, as long as eligibility criteria are met.

Management has assessed the Company's research and development activities and expenditures to determine which activities and expenditures are likely to be eligible under the research and development incentive regime described above. At each period end, management estimates the refundable tax offset available to the Company based on available information at the time.

Under the program, a percentage of eligible research and development expenses incurred by the Company through its subsidiary in Australia are reimbursed. The percentage was 43.5% for the year ended December 31, 2023 and for the six months ended June 30, 2024.

The research and development incentive receivable represents an amount due in connection with the above program. The Company recorded a research and development incentive receivable of $1,259 and $771 as of June 30, 2024 and December 31, 2023, respectively, in the condensed consolidated balance sheets and other income from Australian research and development incentives of $253 and $298, respectively, for the three months ended June 30, 2024 and 2023 and $499 and $570 for the six months ended June 30, 2024 and 2023, respectively, in the condensed consolidated statements of operations related to refundable research and development incentive program payments in Australia.

The following table shows the change in the research and development incentive receivable from January 1, 2023 to June 30, 2024 (in thousands):

Balance at January 1, 2023	$	2,099
Cash received for 2022 eligible expenses		(2,333)
Australian research and development incentive income, net		1,101
Foreign currency translation		(96)
Balance at December 31, 2023	$	771
Australian research and development incentive income, net		499
Foreign currency translation		(11)
Balance at June 30, 2024	$	1,259

Foreign Currency Translation

The financial statements of the Company's Australian subsidiary are measured using the local currency as the functional currency. The assets and liabilities of this subsidiary are translated into U.S. dollars at an exchange rate as of the consolidated balance sheet date. Equity is translated at historical exchange rates. Revenues and expenses are translated into U.S. dollars at average rates of exchange in effect during the period. The resulting cumulative translation adjustments have been recorded as a separate component of stockholders' equity. Realized and unrealized foreign currency transaction gains and losses are included in the results of operations.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to credit risk consist principally of cash and cash equivalents. All cash and cash equivalents are held in United States or Australian financial institutions and money market funds. At times, the Company may maintain cash balances in excess of the federally insured amount of $250 per depositor, per insured bank, for each account ownership category. Although the Company currently believes that the financial institutions with whom it does business will be able to fulfill their commitments to the Company, there is no assurance that those institutions will be able to continue to do so. The Company has not experienced any credit losses associated with its balances in such accounts for the year ended December 31, 2023 or for the six months ended June 30, 2024.

Deposits

As of June 30, 2024 and December 31, 2023, there were $859 and $966, respectively, of deposits made by the Company with certain service providers that are to be applied to future payments due under the service agreements or returned to the Company if not utilized, which were recorded in the condensed consolidated balance sheets.

Warrants

The Company will recognize on a prospective basis the value of the effect of the down round feature in the warrants to purchase shares of common stock that were issued in a private placement in November 2017 (the "2017 Warrants") and in the warrants that were issued in a private placement in March 2020 (the "March 2020 Coverage Warrants") when it is triggered (i.e., when the exercise

price is adjusted downward). This value is measured as the difference between (1) the financial instrument's fair value (without the down round feature) using the pre-trigger exercise price and (2) the financial instrument's fair value (with the down round feature) using the reduced exercise price. The value of the effect of the down round feature will be treated as a dividend and a reduction to income available to common stockholders in the basic earnings per share ("EPS") calculation. In connection with the private placement of common stock and prefunded warrants completed in April 2024 (the "April 2024 Private Placement"), when the 2017 Warrants were repriced from $10.55 to $2.82 as a result of a down round, the Company recorded a dividend of $234 during the three and six months ended June 30, 2024.

The Company initially classified the warrants that were exercisable for shares for Series X Non-Voting Convertible Preferred Stock (the "January 2023 Series X Preferred Stock Warrants") as a liability on its condensed consolidated balance sheet on January 17, 2023 and subsequently remeasured the warrant liability to fair value at each reporting date until the conversion of Series X Non-Voting Convertible Preferred Stock (the "Series X Preferred Stock") into common stock, which occurred on June 21, 2023. Changes in the fair value of the warrant liability were recognized as gains (losses) in the Company's condensed consolidated statement of operations.

In June 2023, in connection with obtaining Stockholder Approval to convert shares of Series X Preferred Stock into shares of common stock ("Stockholder Approval"), the January 2023 Series X Preferred Stock Warrants were reclassified from liability to equity.

Fair Value of Financial Instruments

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

A summary of the assets carried at fair value in accordance with the hierarchy defined above is as follows (in thousands):

	Total	Level 1	Level 2	Level 3
June 30, 2024				
Assets:				
Cash equivalents	$ 41,034	$ 41,034	$ —	$ —
Total assets	$ 41,034	$ 41,034	$ —	$ —
December 31, 2023				
Assets:				
Cash equivalents	$ 39,065	$ 39,065	$ —	$ —
Total assets	$ 39,065	$ 39,065	$ —	$ —

Cash equivalents of $41,034 and $39,065 as of June 30, 2024 and December 31, 2023, respectively, consisted of overnight investments and money market funds which are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets.

The carrying values of the research and development incentive receivable, accounts payable and accrued liabilities approximate their fair value due to the short-term nature of these assets and liabilities.

Leases

The Company accounts for leases in accordance with Accounting Standards Codification, or ASC, Topic 842, *Leases*.

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present. Most leases with a term greater than one year are recognized on the balance sheet as right-of-use assets, lease liabilities and, if applicable, long-term lease liabilities. The Company has elected not to recognize on the balance sheet leases with terms of one year or less. Operating lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected remaining lease term. The Company has determined that the rate implicit in the lease is not determinable and the Company does not have borrowings with similar terms and collateral. Therefore, the Company considered a variety of factors, including observable debt yields from comparable companies and the volatility in the debt market for securities with similar terms, in determining that 8% was reasonable to use as the incremental borrowing rate for purposes of the calculation of lease liabilities.

In accordance with the guidance in Topic 842, components of a lease should be split into three categories: lease components (e.g., land, building, etc.), non-lease components (e.g., common area maintenance, maintenance, consumables, etc.), and non-components (e.g., property taxes, insurance, etc.). Then the fixed and in-substance fixed contract consideration (including any related to non-components) must be allocated based on fair values to the lease components and non-lease components.

Although separation of lease and non-lease components is required, certain practical expedients are available. Entities may elect the practical expedient to not separate lease and non-lease components. Rather, they would account for each lease component and the related non-lease component together as a single component. The Company has elected to account for the lease and non-lease components of each of its operating leases as a single lease component and allocate all of the contract consideration to the lease component only. The lease component results in an operating right-of-use asset being recorded on the consolidated balance sheets and amortized such that lease expense is recorded on a straight line basis over the term of the lease.

Net Loss per Share

Basic net loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed using the weighted average number of common shares outstanding during the period and, if dilutive, the weighted average number of potential shares of common stock, including the assumed exercise of stock options and warrants.

Subsequent Events

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence for certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated as required.

Recent Adopted Accounting Pronouncements

For a discussion of recent accounting pronouncements please refer to Note 2, “Summary of Significant Accounting Policies” in the Company’s previously filed Annual Report on Form 10-K for the year ended December 31, 2023.

3. Acquisition of Flame Biosciences

Merger

On January 17, 2023 (the “Effective Date”), Leap acquired 100% of the outstanding equity of Flame, in accordance with the terms of the Agreement and Plan of Merger, dated as of the Effective Date (the “Merger Agreement”), by and among Leap, Fire Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Leap (“First Merger Sub”), Flame Biosciences LLC, a Delaware limited liability company and wholly owned subsidiary of Leap (“Second Merger Sub”), Flame, and the Stockholder Representative named therein. Pursuant to the Merger Agreement, First Merger Sub merged with and into Flame, and Flame was the surviving corporation of such merger and became a wholly owned subsidiary of Leap (the “First Merger”). Immediately following the First Merger, Flame merged with and into Second Merger Sub, and Second Merger Sub was the surviving entity of such merger (together with the First Merger, the “Merger”).

Pursuant to the Merger, Leap agreed to issue to the stockholders of Flame (the "Flame Stockholders") 1,972,901 shares of common stock, and 136,248 shares of Series X Preferred Stock, which was a newly designated series of preferred stock that was intended to have economic rights equivalent to the common stock, but with limited voting rights, and issued to the warrant holders of Flame (the "Flame Warrant Holders") the right to acquire 6,530 shares of common stock (the "January 2023 Common Stock Warrants") and 443 shares of Series X Preferred Stock (the "January 2023 Series X Preferred Stock Warrants"). Each share of Series X Preferred Stock converted into 100 shares of common stock during the three months ended June 30, 2023, as a result of the one-for-ten reverse stock split approved by the stockholders and effected by the Board of Directors. Under the terms of the Merger Agreement, Leap held back approximately 15,604 Series X Preferred shares (the "Holdback Shares"), which converted into 1,560,400 shares of common stock out of the aggregate number of shares that the Flame Stockholders otherwise would be entitled to receive pursuant to the Merger so that Leap can have recourse to the Holdback Shares for purposes of satisfying certain claims for indemnification that Leap may have against the Flame Stockholders in connection with the Merger. In January 2024, Leap released the Holdback Shares to the Flame Shareholders.

On June 16, 2023, the Company obtained Stockholder Approval to convert the Series X Preferred Stock into shares of its common stock, which occurred on June 21, 2023.

The Company accounted for the acquisition of Flame as an asset acquisition allocating the purchase price under GAAP of $79,016 to net assets acquired. Although there is a presumption under SEC Rule 11-01(d) ("11-01(d)") that when a legal entity is acquired, it represents a business acquisition, the Company concluded that, in this case, the transaction did not represent the acquisition of a business. After considering the criteria set forth in 11-01(d), the Company concluded that the acquisition of Flame by the Company was an acquisition of assets and not an acquisition of a business in accordance with 11-01(d). Specifically, the Company concluded that 1) the entity did not generate revenue and 2) there was not sufficient continuity of Flame's operations prior to and following the transaction, in that no facilities, employees, sales force, distribution system, customer base, trade names or production techniques remained with the entity after the acquisition.

Leap primarily acquired cash of $50,362, certain working capital items ($928) and a portfolio of clinical- and pre-clinical-stage intellectual property, in connection with the acquisition of Flame. The Company accounted for the acquisition of Flame by recording the cash and any other assets and liabilities of Flame on its condensed consolidated balance sheet at their historical carrying values, which approximates fair values. The remaining fair value of the consideration transferred was allocated to the in-process research and development ("IPR&D") assets acquired. Certain transaction costs that were not deemed to meet the criteria of costs directly attributable to the issuance of securities were capitalized in accordance with ASC 805-50-30-1 and recognized as part of fair value of assets acquired. As the Company concluded that such IPR&D does not have an alternative future use, the relative fair value allocated to acquired IPR&D of $29,582 was expensed in research and development expenses within the Company's condensed consolidated statement of operations during the three months ended March 31, 2023.

In addition, subject to and upon the terms and conditions set forth in the Merger Agreement, the Company may also (i) pay Contingent Merger Consideration (as defined in the Merger Agreement) that may become payable if, and only if, certain assets of Flame related to Flame's FL-101 program and/or FL-103 program are sold after the consummation of the Merger pursuant to the FL-101/103 Disposition Agreement (as defined in the Merger Agreement), which Contingent Merger Consideration shall be 80% of the after-tax net proceeds of such sale, if any, and the payment thereof is subject to the terms and conditions set forth in the Merger Agreement and (ii) issue pursuant to the Merger additional shares of Series X Preferred Stock or common stock as a result of any applicable post-closing purchase price adjustment in the event that Flame's actual Company Net Cash (as defined in the Merger Agreement) as of the Effective Date is determined to be greater than Flame's estimated Company Net Cash as of the closing.

Sale of FL - 101/FL - 103 to AlmataBio, Inc.

On December 6, 2023 the Company sold certain IPR&D assets previously acquired from Flame related to Flame's FL - 101/FL - 103 program, including permits, clinical trial material, clinical data, and related identified contracts, such as licensing, research, clinical trials, and various other agreements. The Company received total consideration in the form of a non - refundable closing date cash payment of $500.

Pursuant to the terms of the asset purchase agreement, the Company is entitled to receive milestone payments of up to $70,000 upon achievement of certain regulatory approval and sales milestones specified in the asset purchase agreement.

The IPR&D assets sold related to Flame's FL - 101/FL - 103 program did not meet the definition of a business and had a carrying value of $0 at the time of the sale. In addition, the Company estimated the likelihood of receiving any milestone payments to be

remote. As such, management elected the most likely amount method to determine the transaction price of the sale, which included the non - refundable closing date cash payment of $500 and future milestone payments of $0. Therefore, the Company recognized a non - operating gain in other income for the difference between the amount of non - refundable consideration received of $500 and the carrying value of $0 during the year ended December 31, 2023. In the event of a change in circumstances, such that it becomes likely that the Company will receive milestone payments, the Company will recognize income for the change in transaction price in the period in which the transaction price changes.

In addition, during the year ended December 31, 2023, the Company incurred various qualified expenses, such as legal fees, consulting and general and administrative expenses in connection with the sale of Flame's FL - 101 program. Such expenses exceeded the non - refundable consideration received of $500, and therefore, the Company was not obligated to pay Contingent Merger Consideration to the Flame Stockholders.

Series X Preferred Stock

Pursuant to the Merger, the Company agreed to issue 136,248 shares of Series X Preferred Stock to Flame Stockholders and January 2023 Series X Preferred Stock Warrants for 443 shares of Series X Preferred Stock to Flame Warrant Holders. The Company obtained Stockholder Approval during the three months ended June 30, 2023 to convert each issued share of Series X Preferred Stock and each share of Series X Preferred Stock issuable pursuant to the January 2023 Series X Preferred Stock Warrants into 100 shares of its common stock. The Series X Preferred Stock was converted to common stock on June 21, 2023.

January 2023 Common Stock Warrants and January 2023 Series X Preferred Stock Warrants

In January 2023, pursuant to the Merger, the warrants held by the Flame Warrant Holders became exercisable for 6,530 shares of Leap's common stock (the "January 2023 Common Stock Warrants"). The January 2023 Common Stock Warrants have an exercise price of $6.78 per share and expire in February 2025. The January 2023 Common Stock Warrants qualify for equity classification.

Also in January 2023, pursuant to the Merger, the warrants held by the Flame Warrant Holders became exercisable for 443 shares of Series X Preferred Stock (the "January 2023 Series X Preferred Stock Warrants"). Upon obtaining Stockholder Approval for the conversion of the Series X Preferred Stock and the one-for-ten reverse stock split, each share of Series X Preferred Stock converted into 100 shares of Common Stock. The January 2023 Series X Preferred Stock Warrants have an exercise price of $6.78 per share and expire in February 2025.

The Company initially recorded the January 2023 Series X Preferred Stock Warrants as a liability on the Effective Date and the warrant liability was subsequently remeasured to fair value at each reporting date and on the date on which Stockholder Approval to convert shares of Series X Preferred Stock into shares of common stock was obtained. On June 21, 2023, after obtaining stockholder approval for the conversion of the Series X Preferred Stock into common stock, the January 2023 Series X Preferred Stock Warrants were reclassified from liability to equity.

Changes in the fair value of the warrant liability are recognized as gains (losses) in the Company's consolidated statement of operations. During the three months ended March 31, 2023, the Company recorded a gain of $50 in its condensed consolidated statement of operations.

4. Accrued Expenses

Accrued expenses consist of the following:

	June 30, 2024	December 31, 2023
Clinical trials	$ 4,818	$ 2,522
Professional fees	157	254
Payroll and related expenses	2,372	3,181
Accrued expenses	$ 7,347	$ 5,957

5. Leases

The Company has an operating lease for real estate in the United States and does not have any finance leases. The Company's leases may contain options to renew and extend lease terms and options to terminate leases early. Reflected in the right-of-use asset and lease liability on the Company's consolidated balance sheets are the periods provided by renewal and extension options that the Company is reasonably certain to exercise, as well as the periods provided by termination options that the Company is reasonably certain to not exercise.

The Company's existing lease expires in July 2025 and includes variable lease and non-lease components that are not included in the right-of-use asset and lease liability and are reflected as an expense in the period incurred. Such payments primarily include common area maintenance charges.

In calculating the present value of future lease payments, the Company utilized its incremental borrowing rate based on the lease term. The Company has an existing net lease in which the non-lease components (e.g. common area maintenance, maintenance, consumables, etc.) are paid separately from rent based on actual costs incurred and therefore are not included in the right-of-use asset and lease liability and are reflected as an expense in the period incurred. During the six months ended June 30, 2024, the Company extended the term of its operating lease to July 31, 2025 and recorded an additional right-of-use asset and lease liability of $420. As of June 30, 2024, a right-of-use asset of $475 and lease liability of $482 are reflected on the condensed consolidated balance sheet. The Company recorded rent expense of $115 and $114, respectively, during the three months ended June 30, 2024 and 2023, and $225 and $228, respectively, during the six months ended June 30, 2024 and 2023. Cash paid for amounts included in the measurement of lease liabilities was $115 and $113, respectively, during the three months ended June 30, 2024 and 2023, and $229 and $226, respectively, during the six months ended June 30, 2024 and 2023.

Future lease payments under non-cancelable operating leases as of June 30, 2024 are detailed as follows:

Future Operating Lease Payments	
2024	233
2025	273
Total Lease Payments	**506**
Less: imputed interest	(24)
Total operating lease liabilities	**$ 482**

6. Warrants

As of June 30, 2024, the number of shares of common stock issuable upon the exercise of outstanding warrants, consisted of the following:

	June 30, 2024		
Description	**Number of Common Shares Issuable**	**Exercise Price**	**Expiration Date**
January 23 2017 Warrants	5,450	$ 0.10	Upon M&A Event
2017 Warrants	250,227	$ 2.82	November 2024
2019 Warrants	690,813	$ 19.50	February 2026
March 2020 Pre-funded Warrants	824,718	$ 0.01	No Expiry
March 2020 Coverage Warrants	2,594,503	$ 21.10	Jan - March 2027
September 2021 Pre-funded Warrants	591,603	$ 0.01	No Expiry
January 2023 Common Stock Warrants	50,830	$ 6.78	February 2025
April 2024 Pre-funded Warrants	1,523,404	$ 0.001	No Expiry
	6,531,548		

2017 Warrants

The 2017 Warrants contain full ratchet anti-dilution protection provisions. The Company will recognize on a prospective basis the value of the effect of the down round feature in the warrant when it is triggered (i.e., when the exercise price is adjusted downward). This value is measured as the difference between (1) the financial instrument's fair value (without the down round feature) using the pre-trigger exercise price and (2) the financial instrument's fair value (with the down round feature) using the reduced exercise price.

The value of the effect of the down round feature will be treated as a dividend and a reduction to income available to common stockholders in the basic EPS calculation. In connection with the April 2024 Private Placement, when the 2017 Warrants were repriced from $10.55 to $2.82, the Company recorded a dividend of $234 during the three and six months ended June 30, 2024.

2019 Warrants

During the three months ended March 31, 2023, the Company redeemed 10,000 of the 2019 Warrants at a purchase price of $2.90 per share.

January 2023 Common Stock Warrants

In January 2023, pursuant to the Merger, the warrants held by the Flame Warrant Holders became exercisable for 6,530 shares of Leap's common stock (the "January 2023 Common Stock Warrants"). The January 2023 Common Stock Warrants have an exercise price of $6.78 per share and expire in February 2025. The January 2023 Common Stock Warrants qualify for equity classification.

January 2023 Series X Preferred Stock Warrants

In January 2023, pursuant to the Merger, the warrants held by the Flame Warrant Holders also became exercisable for 443 shares of Series X Preferred Stock (the "January 2023 Series X Preferred Stock Warrants"). Following Stockholder Approval, each share of Series X Preferred Stock converted into 100 shares of common stock during the three months ended June 30, 2023. The January 2023 Series X Preferred Stock Warrants have an exercise price of $6.78 per share and expire in February 2025.

The Company initially recorded the January 2023 Series X Preferred Stock Warrants as a liability on its condensed consolidated balance sheet as of the Effective Date and subsequently remeasured the warrant liability to fair value at each reporting date and on the date Stockholder Approval was obtained to convert shares of Series X Preferred Stock into shares of common stock. Changes in the fair value of the warrant liability were recognized as gains (losses) in the Company's consolidated statement of operations. During the three months ended March 31, 2023, the Company recorded a gain of $50 in its condensed consolidated statement of operations.

During the three months ended June 30, 2023, upon obtaining Stockholder Approval, the January 2023 Series X Preferred Stock Warrants were converted into common stock warrants and reclassified from liability to equity.

7. Common Stock

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Common stockholders are entitled to receive dividends, as may be declared by the Board of Directors, if any, subject to the preferential dividend rights of the preferred stockholders. Through June 30, 2024, no dividends have been declared for shares of common stock.

Acquisition of Flame – January 2023

On January 17, 2023 Leap acquired 100% of the outstanding equity of Flame. Pursuant to the Merger, Leap issued to Flame Stockholders 1,972,901 shares of common stock. The Company also issued Series X Preferred Stock to Flame Stockholders pursuant to the Merger (see Note 3).

Private Placement - April 2024

On April 15, 2024, the Company completed a private placement whereby the Company issued 12,660,993 shares of its common stock at a purchase price of $2.82 per share, and 1,523,404 prefunded warrants at a purchase price of $2.819 per share (which is equal to the price per share less the $0.001 exercise price per warrant share). The aggregate net proceeds received by the Company from the offering was $37,051, net of $2,948 of underwriting discounts and commissions and offering expenses payable by the Company.

8. Equity Incentive Plans

Equity Incentive Plans

On January 20, 2017, the Company's stockholders approved the 2016 Equity Incentive Plan (the "2016 Plan"). Beginning on January 1, 2018, the number of shares of common stock authorized for issuance pursuant to the 2016 Plan was increased each January 1 by an amount equal to 4% of the Company's outstanding common stock as of the end of the immediately preceding calendar year or such lesser amount as determined by the compensation committee of the Company's Board of Directors.

On June 16, 2022, the Company's stockholders approved the 2022 Equity Incentive Plan (the "2022 Plan"), which provides for a total of 750,000 new shares of the Company's common stock to be granted. In addition, on June 16, 2023, stockholders approved 2,250,000 new shares of the Company's common stock to be added to the 2022 Plan for future issuance.

As of June 30, 2024, there were 597,727 shares available for grant under the Company's equity incentive plans.

A summary of stock option activity under the Equity Plans is as follows:

	Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Life in Years	Aggregate Intrinsic Value
Outstanding at December 31, 2023	3,384,366	$ 13.97	8.40	$ 3,431
Granted	1,637,500	$ 2.68		
Exercised	(10,557)	$ 2.77		
Forfeited	(189,088)	$ 6.13		
Outstanding at June 30, 2024	4,822,221	$ 10.47	8.50	$ 23
Options exercisable at June 30, 2024	2,017,082	$ 20.69	7.42	
Options vested and expected to vest at June 30, 2024	4,822,221	$ 10.47	8.50	$ 23

The grant date fair value of the options granted during the six months ended June 30, 2024 and 2023 was estimated at the date of grant using the Black-Scholes option valuation model. The expected life was estimated using the "simplified" method as defined by the SEC's Staff Accounting Bulletin 107, Share-Based Payment. The expected volatility was based on the historical volatility of the Company. The risk-free interest rate was based on the continuous rates provided by the U.S. Treasury with a term approximating the expected life of the option. The expected dividend yield was 0% because the Company does not expect to pay any dividends for the foreseeable future. The Company elected the straight-line attribution method in recognizing the grant date fair value of options issued over the requisite service periods of the awards, which are generally the vesting periods.

The weighted average grant date fair value for the stock options granted during the six months ended June 30, 2024 and 2023 was $2.12 and $2.66 per share, respectively.

The assumptions that the Company used to determine the grant-date fair value of stock options granted to employees and directors during the six months ended June 30, 2024 and 2023 were as follows, presented on a weighted average basis:

	Six Months Ended June 30,	
	2024	2023
Expected volatility	92.84 %	86.02 %
Weighted average risk-free interest rate	4.00 %	3.57 %
Expected dividend yield	0.00 %	0.00 %
Expected term (in years)	6.44	6.44

Stock options generally vest over a three or four year period, as determined by the compensation committee of the Board of Directors at the time of grant. The options expire 10 years from the grant date. As of June 30, 2024, there was approximately $6,542 of unrecognized compensation cost related to non-vested stock options, which is expected to be recognized over a remaining weighted-average period of approximately 2.06 years.

Restricted Stock Units ("RSUs")

The Company did not grant any RSUs during the six months ended June 30, 2024 and 2023.

The following table presents RSU activity under the 2016 Plan during the six months ended June 30, 2024:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2023	262,500	$ 19.97
Vested	(27,500)	$ 25.70
Forfeited	(7,500)	$ 19.40
Outstanding at June 30, 2024	227,500	$ 19.29

As of June 30, 2024, there were 227,500 shares outstanding covered by RSUs that are expected to vest with a weighted average grant date fair value of $19.29 per share and an aggregate grant date fair value of approximately $4,388. As of June 30, 2024, there was approximately $884 of unrecognized compensation costs related to RSUs granted to employees, which are expected to be recognized as expense over a remaining weighted average period of 0.62 years.

The Company recognized stock-based compensation expense related to the issuance of stock option awards and RSUs to employees and non-employees in the condensed consolidated statements of operations during the three and six months ended June 30, 2024 and 2023 as follows:

Stock Based Compensation Expense

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Research and development	$ 729	$ 645	$ 1,356	$ 1,349
General and administrative	641	620	1,262	1,226
Total	$ 1,370	$ 1,265	$ 2,618	$ 2,575

9. Net Loss Per Share

Basic and diluted net loss per share for the three and six months ended June 30, 2024 and 2023 was calculated as follows (in thousands except share and per share amounts).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net loss	$ (20,128)	$ (13,390)	$ (33,948)	$ (55,253)
Dividend attributable to down round feature of warrants	(234)	—	(234)	—
Net loss attributable to common stockholders for basic and diluted loss per share	$ (20,362)	$ (13,390)	$ (34,182)	$ (55,253)
Denominator:				
Weighted average number of common shares outstanding – basic and diluted	39,122,662	14,710,375	33,830,083	13,794,605
Net loss per share attributable to common stockholders – basic and diluted	$ (0.52)	$ (0.91)	$ (1.01)	$ (4.01)

Included within weighted average common shares outstanding for the three and six months ended June 30, 2024 and 2023 are 2,945,175 common shares issuable upon the exercise of certain warrants, which are exercisable at any time for nominal consideration, and as such, the shares are considered outstanding for the purpose of calculating basic and diluted net loss per share attributable to common stockholders.

All warrants exercisable for common stock participate on a one-for-one basis and shares and warrants exercisable for Series X Preferred Stock issued participate on an as converted basis with common stock in the distribution of dividends, if and when declared by the board of directors, on the Company's common stock. For purposes of computing EPS, these securities are considered to participate with common stock in earnings of the Company. Therefore, the Company calculates basic and diluted EPS using the two-class method. Under the two-class method, net income for the period is allocated between common stockholders and participating securities according to dividends declared and participation rights in undistributed earnings. No income was allocated to the warrants and Series X Preferred Stock for the six months ended June 30, 2024 and 2023, as results of operations were a loss for the period.

The Company's potentially dilutive securities include RSUs, stock options and warrants. These securities were excluded from the computations of diluted net loss per share for the three and six months ended June 30, 2024 and 2023, as the effect would be to reduce the net loss per share. The following table includes the potential shares of common stock, presented based on amounts outstanding at each period end, that were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods indicated because including them would have had an anti-dilutive effect:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Restricted stock units to purchase common stock	227,500	285,000	227,500	285,000
Options to purchase common stock	4,822,221	2,012,684	4,822,221	2,012,684
Warrants to purchase common stock	3,586,373	3,586,371	3,586,373	3,586,371
	8,636,094	5,884,055	8,636,094	5,884,055

10. Commitments and Contingencies

Manufacturing Agreements—The Company is party to manufacturing agreements with vendors to manufacture DKN-01, its lead product candidate, for use in clinical trials. As of June 30, 2024, there were $1,501 noncancelable commitments under these agreements.

License and Service Agreement—On January 3, 2011, the Company entered into a license agreement with Eli Lilly and Company ("Lilly"), a shareholder, to grant a license to the Company for certain intellectual property rights relating to pharmaceutically active compounds that may be useful in the treatment of bone healing, cancer and, potentially, other medical conditions. As defined in the license agreement, the Company would be required to pay royalties to Lilly based upon a percentage in the low single digits of net sales of developed products, if and when achieved. However, there can be no assurance that clinical or commercialization success of developed products will occur, and no royalties have been paid or accrued through June 30, 2024.

License Agreement—On May 28, 2015, the Company entered into a license agreement with Lonza Sales AG ("Lonza"), pursuant to which Lonza granted the Company a world-wide, non-exclusive license for certain intellectual property relating to a gene expression system for manufacturing DKN-01. As defined in the license agreement, the Company would be required to pay royalties to Lonza based on a percentage in the low single digits of net sales of DKN-01, if and when achieved. However, there can be no assurance that clinical or commercialization success will occur, and no royalties have been paid or accrued through June 30, 2024.

Collaboration Agreement—On April 2, 2024, the Company amended and restated its existing collaboration agreement with Adimab, LLC (the "Adimab Agreement"), pursuant to which Adimab will conduct research programs to develop monoclonal antibodies to certain targets identified by the Company and provide it with an option to acquire exclusive rights to such antibodies. Upon payment of an option fee, on a product-by-product basis, Adimab will grant the Company a world-wide, exclusive license for, or assign ownership to the Company of, certain intellectual property rights and grant the Company a non-exclusive license with respect to the Adimab platform technology. As defined in the Adimab Agreement, after exercising an option and making the option payment, the Company would be required to pay Adimab milestones upon the completion of clinical development and regulatory milestones, along with a royalty in the low-single digits of net sales of each product, if and when achieved. However, there can be no assurance that clinical, or commercialization success will occur, and no royalties have been paid or accrued through June 30, 2024.

License Agreement—On August 13, 2021, the Company entered into a strategic partnership and license agreement with NovaRock Biopharmaceuticals, Inc. (the "NovaRock Agreement"), pursuant to which NovaRock granted the Company a world-wide, excluding the People's Republic of China, Hong Kong, Macau, and Taiwan, exclusive license for certain intellectual property rights relating to FL-301 and FL-302. As defined in the license agreement, the Company would be required to pay NovaRock milestones upon the completion of development, regulatory and sales milestones for up to three different products (FL-301, FL-302 and potentially one additional target), along with a royalty in the mid-single digits of net sales of each product in the territory, if and when achieved. However, there can be no assurance that clinical, or commercialization success will occur, and no royalties have been paid or accrued through June 30, 2024.

Legal Proceedings—At each reporting date, the Company evaluates whether a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. The Company expenses as incurred the costs related to its legal proceedings. As of the date of this report, the Company is not currently a party to any material legal proceedings.

Indemnification Agreements—In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company is not aware of any claims under indemnification arrangements, and it has not accrued any liabilities related to such obligations in its condensed consolidated financial statements as of June 30, 2024 or December 31, 2023.

11. Income Taxes

Due to current and prior year losses, the Company does not expect to have any income tax provision for 2024. In addition, the Company continues to record a valuation allowance on its net deferred tax assets.

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand our results of operations and financial condition. This MD&A is provided as a supplement to, and should be read in conjunction with, our condensed consolidated financial statements and the accompanying notes thereto and other disclosures included in this Quarterly Report on Form 10-Q, including the disclosures under Part II, Item IA "Risk Factors," and our audited condensed consolidated financial statements and the accompanying notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the Securities and Exchange Commission, or the SEC, on March 18, 2024. Our condensed consolidated financial statements have been prepared in accordance with U.S. GAAP and, unless otherwise indicated, amounts are presented in U.S. dollars.

Company Overview

We are a biopharmaceutical company developing biomarker-targeted antibody therapies designed to treat patients with cancer by inhibiting fundamental tumor-promoting pathways, targeting cancer-specific cell surface molecules, and harnessing the immune system to attack cancer cells. Our strategy is to identify, acquire, and develop molecules that will rapidly translate into high impact therapeutics that generate durable clinical benefit and enhanced patient outcomes.

Our lead clinical stage program is DKN-01, a monoclonal antibody that inhibits Dickkopf-related protein 1, or DKK1. We are currently studying DKN-01 in multiple ongoing clinical trials in patients with esophagogastric cancer, gynecologic cancers, or colorectal cancer. Our second clinical stage program is FL-301, a monoclonal antibody that targets cells that express Claudin18.2 on their cell surface. We also have two preclinical antibody programs, FL-302 and FL-501.

We intend to apply our extensive experience identifying and developing transformational products to build a pipeline of programs that have the potential to change the practice of cancer medicine.

We have devoted substantially all of our resources to development efforts relating to our product candidates, including manufacturing and conducting clinical trials of our product candidates, providing general and administrative support for these operations and protecting our intellectual property. We do not have any products approved for sale and have not generated any revenue from product sales. We have funded our operations primarily through proceeds from our sales of common stock and preferred stock and proceeds from the issuance of notes payable.

Recent Developments

Since March 31, 2024, we have continued to make progress with the development of DKN-01 and our business strategy.

Business Update

- ***Completed a $40 million private placement.*** In April 2024, we entered into a securities purchase agreement with a select group of institutional investors to issue and sell an aggregate of 12,660,993 shares of our common stock at a price of $2.82 per share and pre-funded warrants to purchase 1,523,404 shares of common stock at a price of $2.819 per share of common stock issuable upon exercise of the pre-funded warrants, in a private placement. Net proceeds from the private placement were $37.1 million with participation from new and existing investors, including Gilead Sciences, Inc., a life sciences-focused investor, Samsara BioCapital, LP, 683 Capital Partners, LP, Laurion Capital Management LP, and Rock Springs Capital Management LP. The net proceeds from this financing, combined with existing cash, cash equivalents and marketable securities, are expected to fund our operating and capital expenditures into the second quarter of 2026 and enable expansion of the DKN-01 DeFianCe clinical trial and development program.

DKN-01 Development Update

- ***ORR increases in updated data from Part A of the DeFianCe Study.*** The DeFianCe study is a Phase 2 study evaluating DKN-01 in combination with bevacizumab and chemotherapy in second-line patients with advanced microsatellite stable CRC. Preliminary results from Part A of the study were previously reported at the 2024 American Society of Clinical Oncology ("ASCO") Gastrointestinal Cancers Symposium in January 2024. In April 2024, a ninth Part A patient was identified as having a partial response ("PR"). This patient, who has left-sided Consensus Molecular Subtype 4 CRC with APC and TP53 mutations and KRAS wildtype genetics, had been previously treated with cetuximab and chemotherapy. The patient enrolled in Part A in March 2023 and had a best response of stable disease ("SD") for over a year before the tumor reduction deepened into a PR. The patient remains on study with a confirmed PR.

- ***Key Updated Part A Findings*** *(as of June 7, 2024 data cut-off)**:***
  - Across all patients enrolled (n=33):
    - ORR among response-evaluable patients (n=27) was 33% and disease control rate ("DCR") was 93%, including 9 PRs and 16 patients with a best response of SD
    - Median progression-free survival ("PFS") was unchanged at 6.3 months
  - Enhanced activity in patients with left-sided tumors (n=25), a group that has more frequent activation of the Wnt pathway modulated by DKK1
    - 38% ORR and 100% DCR in response-evaluable population (8 PRs, 13 SDs)
    - Median PFS was unchanged at 8.6 months
  - DKN-01 plus bevacizumab and chemotherapy was well-tolerated, with a majority of DKN-01 related events being low grade (Grade 1/2)

- ***Enrollment in Part B of the DeFianCe Study in CRC patients is ongoing and expected to be completed by the end of September 2024.*** We expanded the randomized controlled Part B of the DeFianCe study from 130 to 180 patients and included PFS in the subpopulation of patients with left-sided CRC as an additional primary endpoint. As of August 9, 2024, 161 patients have enrolled in Part B. We expect to complete enrollment by the end of September 2024, with data expected mid-2025.

- ***Randomized controlled Part C of the DisTinGuish study in patients with GEJ and gastric cancer is ongoing with initial data expected in Q4 2024 or early 2025.*** The DisTinGuish study is a Phase 2, randomized, open-label, multicenter study of DKN-01 in combination with tislelizumab and chemotherapy in first-line, HER-2 negative patients with GEJ and gastric cancer. Part C enrolled 170 patients randomized 1:1 to evaluate DKN-01 in combination with tislelizumab and chemotherapy, compared to tislelizumab and chemotherapy alone. We expect to report initial data from Part C of the DisTinGuish study in Q4 2024 or early 2025.

Financial Overview

Research and Development Expenses

Our research and development activities have included conducting nonclinical studies and clinical trials, manufacturing development efforts and activities related to regulatory filings for our product candidates, primarily DKN-01. We recognize research and development expenses as they are incurred. Our research and development expenses during the three and six months ended June 30, 2024 consisted primarily of:

- salaries and related overhead expenses for personnel in research and development functions, including costs related to stock-based compensation;

- fees paid to consultants and CROs for our nonclinical and clinical trials, and other related clinical trial fees, including but not limited to laboratory work, clinical trial database management, clinical trial material management and statistical compilation and analysis;

- costs related to acquiring and manufacturing clinical trial material; and

- costs related to compliance with regulatory requirements.

We plan to increase our research and development expenses for the foreseeable future as we continue the development of DKN-01 and any other product candidates, subject to the availability of additional funding.

Our direct research and development expenses are tracked on a program-by-program basis and consist primarily of internal and external costs, such as employee costs, including salaries and stock-based compensation, other internal costs, fees paid to consultants, central laboratories, contractors and CROs in connection with our clinical and preclinical trial development activities. We use internal resources to manage our clinical and preclinical trial development activities and perform data analysis for such activities.

We participate, through our subsidiary in Australia, in the Australian government's research and development ("R&D") Incentive program ("R&D Incentive Program"), such that a percentage of our eligible research and development expenses are reimbursed by the Australian government as a refundable tax offset and such incentives are reflected as other income.

The table below summarizes our research and development expenses incurred by development program and the R&D Incentive income for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands)		(in thousands)	
Direct research and development by program:				
DKN-01 program	$ 17,806	$ 10,795	$ 28,989	$ 20,137
TRX518 program	3	4	9	22
FL-301 program	20	—	31	—
FL-302 program	11	—	52	—
FL-501 program	45	—	103	—
FL-101 program	—	305	—	305
In-process research and development acquired from Flame	—	—	—	29,582
Total research and development expenses	$ 17,885	$ 11,104	$ 29,184	$ 50,046
Australian research and development incentives	$ 253	$ 298	$ 499	$ 570

The successful development of our clinical product candidates is highly uncertain. At this time, we cannot reasonably estimate the nature, timing or costs of the efforts that will be necessary to complete the remainder of the development of any of our product candidates or the period, if any, in which material net cash inflows from these product candidates may commence. This is due to the numerous risks and uncertainties associated with developing drugs, including the uncertainty of:

- the scope, rate of progress and expense of our ongoing, as well as any additional, clinical trials and other research and development activities;
- future clinical trial results; and
- the timing and receipt of any regulatory approvals.

A change in the outcome of any of these variables with respect to the development of a product candidate could result in a significant change in the costs and timing associated with the development of that product candidate. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we currently anticipate will be required for the completion of clinical development of a product candidate, or if we experience significant delays in enrollment in any of our clinical trials, we could be required to expend significant additional financial resources and time on the completion of clinical development.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related costs, including stock-based compensation, for personnel in executive, finance and administrative functions. General and administrative expenses also include direct and allocated facility-related costs as well as professional fees for legal, patent, consulting, accounting and audit services.

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

Interest income

Interest income consists primarily of interest income earned on cash and cash equivalents.

Research and development incentive income

Research and development incentive income includes payments under the R&D Incentive Program from the government of Australia. The R&D Incentive Program is one of the key elements of the Australian government's support for Australia's innovation system. It was developed to assist businesses in recovering some of the costs of undertaking research and development. The research and development tax incentive provides a tax offset to eligible companies that engage in research and development activities.

Companies engaged in research and development may be eligible for either:

- a refundable tax offset at a rate of 18.5% above the company's tax rate for entities with income of less than A$20 million per annum; or
- a non-refundable tax offset for all other entities which is a progressive marginal tiered R&D intensity threshold. Increasing rates of benefit apply for incremental research and development expenditure by intensity:
    - 0 to 2% intensity: an 8.5% premium to the company's tax rate
    - Greater than 2% intensity: a 16.5% premium to the company's tax rate;

We recognize as income the amount we expect to be reimbursed for qualified expenses.

Foreign currency translation adjustment

Foreign currency translation adjustment consists of gains (losses) due to the revaluation of foreign currency transactions attributable to changes in foreign currency exchange rates associated with our Australian subsidiary.

Critical Accounting Policies and Estimates

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

Our critical accounting policies are described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations— Critical Accounting Policies and Significant Judgments and Estimates" in our Annual Report on Form 10-K filed with the SEC on March 18, 2024, and the notes to the condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q. We believe that of our critical accounting policies, the following accounting policies involve the most judgment and complexity:

- accrued research and development expenses;
- research and development incentive receivable; and
- stock-based compensation.

Results of Operations

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

The following table summarizes our results of operations for the three months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Change
	2024	2023	
	(in thousands)		
Operating expenses:			
Research and development	$ 17,885	$ 11,104	$ 6,781
General and administrative	3,367	3,558	(191)
Total operating expenses	21,252	14,662	6,590
Loss from operations	(21,252)	(14,662)	(6,590)
Interest income	865	1,157	(292)
Australian research and development incentives	253	298	(45)
Foreign currency gain (loss)	6	(145)	151
Change in fair value of Series X preferred stock warrant liability	—	(38)	38
Net loss	$ (20,128)	$ (13,390)	$ (6,738)

Research and Development Expenses

	Three Months Ended June 30,		Increase (Decrease)
	2024	2023	
	(in thousands)		
Direct research and development by program:			
DKN-01 program	$ 17,806	$ 10,795	$ 7,011
TRX518 program	3	4	(1)
FL-301 program	20	—	20
FL-302 program	11	—	11
FL-501 program	45	—	45
FL-101 program	—	305	(305)
Total research and development expenses	$ 17,885	$ 11,104	$ 6,781

Research and development expenses were $17.9 million for the three months ended June 30, 2024, compared to $11.1 million for the three months ended June 30, 2023. The increase of $6.8 million in research and development expenses during the three months ended June 30, 2024 as compared to the same period in 2023, was primarily due to an increase of $5.7 million in clinical trial costs due to patient enrollment, the duration of patients on study, the enhancement of correlative studies, increase in site activity associated with Part C of the DisTinGuish study, and the expansion of the size of Part B of the DeFianCe study. There was also an increase of $0.6 million in manufacturing costs related to clinical trial material and manufacturing campaigns and an increase of $0.5 million in payroll and other related expenses due to an increase in headcount of our R&D full-time employees.

General and Administrative Expenses

General and administrative expenses were $3.4 million for the three months ended June 30, 2024, compared to $3.6 million for the three months ended June 30, 2023. The decrease of $0.2 million in general and administrative expenses during the three months ended June 30, 2024 as compared to the same period in 2023, was due to a $0.3 million decrease in professional fees, partially offset by a $0.1 million increase in payroll and other related expenses.

Interest Income

During the three months ended June 30, 2024, we recorded interest income of $0.9 million. During the three months ended June 30, 2023, we recorded interest income of $1.2 million. The decrease was due to a higher average cash and cash equivalent balance during the three months ended June 30, 2023.

Australian Research and Development Incentives

We recorded R&D incentive income of $0.3 million during both the three months ended June 30, 2024 and 2023, respectively, based upon the applicable percentage of eligible research and development activities under the R&D Incentive Program, which expenses included the cost of manufacturing clinical trial material.

The R&D incentive receivable has been recorded as "Research and development incentive receivable" in the condensed consolidated balance sheets.

Foreign Currency Loss

During the three months ended June 30, 2023, we recorded foreign currency transaction losses of $0.1 million. During the three months ended June 30, 2024, we recorded an immaterial amount of foreign currency transaction gains. Foreign currency transaction gains and losses are due to changes in the Australian dollar exchange rate related to activities of the Australian entity.

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

The following table summarizes our results of operations for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,		
	2024	2023	Change
		(in thousands)	
Operating expenses:			
Research and development	$ 29,184	$ 50,046	$ (20,862)
General and administrative	6,893	7,342	(449)
Total operating expenses	36,077	57,388	(21,311)
Loss from operations	(36,077)	(57,388)	21,311
Interest income	1,640	2,005	(365)
Australian research and development incentives	499	570	(71)
Foreign currency loss	(10)	(452)	442
Change in fair value of Series X preferred stock warrant liability	—	12	(12)
Net loss	$ (33,948)	$ (55,253)	$ 21,305

Research and Development Expenses

	Six Months Ended June 30,		Increase (Decrease)
	2024	2023	
	(in thousands)		
Direct research and development by program:			
DKN-01 program	$ 28,989	$ 20,137	$ 8,852
TRX518 program	9	22	(13)
FL-301 program	31	—	31
FL-302 program	52	—	52
FL-501 program	103	—	103
FL-101 program	—	305	(305)
In-process research and development acquired from Flame	—	29,582	(29,582)
Total research and development expenses	$ 29,184	$ 50,046	$ (20,862)

Research and development expenses were $29.2 million for the six months ended June 30, 2024, compared to $50.0 million for the six months ended June 30, 2023. The decrease of $20.8 million in research and development expenses during the six months ended June 30, 2024 as compared to the same period in 2023, was primarily due to $29.6 million of in-process research and development ("IPR&D") acquired in the Flame merger which we expensed during the six months ended June 30, 2023 and a decrease of $0.3 million in consulting fees associated with research and development activities. These decreases were partially offset by an increase of $7.8 million in clinical trial costs due to patient enrollment, the duration of patients on study, the enhancement of correlative studies, increase in site activity associated with Part C of the DisTinGuish study, and the expansion of the size of Part B of the DeFianCe study; an increase of $1.1 million in payroll and other related expenses due to an increase in headcount of our R&D full-time employees; and an increase of $0.2 million in manufacturing costs related to clinical trial material and manufacturing campaigns.

General and Administrative Expenses

General and administrative expenses were $6.9 million for the six months ended June 30, 2024, compared to $7.3 million for the six months ended June 30, 2023. The decrease of $0.4 million in general and administrative expenses during the six months ended June 30, 2024 as compared to the same period in 2023, was due to a decrease of $0.6 million in professional fees associated with our business development activities, partially offset by an increase of $0.2 million in payroll and other related expenses.

Interest Income

During the six months ended June 30, 2024, we recorded interest income of $1.6 million. During the six months ended June 30, 2023, we recorded interest income of $2.0 million. The decrease was due to a higher average cash and cash equivalent balance during the six months ended June 30, 2023.

Australian Research and Development Incentives

We recorded R&D incentive income of $0.5 million and $0.6 million during the six months ended June 30, 2024 and 2023, respectively, based upon the applicable percentage of eligible research and development activities under the R&D Incentive Program, which expenses included the cost of manufacturing clinical trial material.

The R&D incentive receivable has been recorded as "Research and development incentive receivable" in the condensed consolidated balance sheets.

Foreign Currency Loss

During the six months ended June 30, 2023, we recorded foreign currency transaction losses of $0.5 million. During the six months ended June 30, 2024, we recorded an immaterial amount of foreign currency transaction losses. Foreign currency transaction gains and losses are due to changes in the Australian dollar exchange rate related to activities of the Australian entity.

Financial Position, Liquidity and Capital Resources

Since our inception, we have been engaged in organizational activities, including raising capital, and research and development activities. We do not yet have a product that has been approved by the Food and Drug Administration (the "FDA"), have not yet achieved profitable operations, nor have we ever generated positive cash flows from operations. There is no assurance that profitable operations, if achieved, could be sustained on a continuing basis. Further, our future operations are dependent on the success of efforts to raise additional capital, our research and commercialization efforts, regulatory approval, and, ultimately, the market acceptance of our products.

In accordance with Accounting Standards Codification ("ASC") 205-40, Going Concern, we have evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that the condensed consolidated financial statements are issued. As of June 30, 2024, we had cash and cash equivalents of $78.5 million. Additionally, we had an accumulated deficit of $433.8 million at June 30, 2024, and during the six months ended June 30, 2024, we incurred a net loss of $34.2 million. We expect to continue to generate operating losses in the foreseeable future. We believe that our cash and cash equivalents of $78.5 million as of June 30, 2024, will be sufficient to fund our operating expenses for at least the next 12 months from the issuance of this report on Form 10-Q.

In addition, to support our future operations, we will seek additional funding through public or private equity financings or government programs and will seek funding or development program cost-sharing through collaboration agreements or licenses with larger pharmaceutical or biotechnology companies. If we do not obtain additional funding or development program cost-sharing, we could be forced to delay, reduce or eliminate certain clinical trials or research and development programs, reduce or eliminate discretionary operating expenses, and delay company and pipeline expansion, which could adversely affect our business prospects. The inability to obtain funding, as and when needed, could have a negative impact on Leap's financial condition and our ability to pursue our business strategies.

Cash Flows

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

	Six Months Ended June 30,	
	2024	2023
	(in thousands)	
Cash used in operating activities	$ (29,187)	$ (22,885)
Cash provided by investing activities	—	48,969
Cash provided by (used in) financing activities	37,146	(29)
Effect of exchange rate changes on cash and cash equivalents	(123)	(140)
Net increase in cash and cash equivalents	$ 7,836	$ 25,915

*Operating activities***.** Net cash used in operating activities for the six months ended June 30, 2024 was primarily related to our net loss from the operation of our business of $33.9 million and net changes in working capital, including an increase in research and development incentive receivable of $0.5 million, an increase of $0.2 million in prepaid expenses and other assets and a decrease in lease liabilities of $0.1 million. These changes were partially offset by an increase in accounts payable and accrued expenses of $2.7 million, a decrease of $0.2 million in right-of-use asset, a decrease of $0.1 million in other assets and noncash stock-based compensation expense of $2.6 million.

Net cash used in operating activities for the six months ended June 30, 2023 was primarily related to our net loss from the operation of our business of $55.3 million and net changes in working capital, including an increase in research and development incentive receivable of $0.6 million, a decrease in accounts payable and accrued expenses of $0.4 million, an increase in prepaid expenses and other assets of $0.1 million and a decrease in lease liabilities of $0.2 million. These changes were partially offset by a noncash IPR&D expense of $29.6 million, noncash stock based compensation expense of $2.6 million, a decrease of $0.8 million in other assets, change in a right-of-use asset of $0.2 million and foreign currency transaction losses of $0.5 million.

Investing Activities. Net cash provided by investing activities for the six months ended June 30, 2023 was related to cash acquired in connection with the acquisition of Flame of $50.4 million and payment of direct and incremental costs of $1.4 million associated with the acquisition of Flame. There were no investing activities during the six months ended June 30, 2024.

Financing Activities. Net cash provided by financing activities for the six months ended June 30, 2024 consisted of $40.0 million in gross proceeds from the April 2024 Private Placement and an immaterial amount of proceeds upon the exercise of stock options, partially offset by $2.9 million of offering costs paid. Net cash used in financing activities for the six months ended June 30, 2023 consisted of an immaterial amount we paid for the redemption of 10,000 of the 2019 warrants.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not Applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our President and Chief Executive Officer, who is also serving as Chief Financial Officer and therefore currently serves as both our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As of June 30, 2024, our management, with the participation of our Chief Executive Officer, who is also serving as Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013 Framework). Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our principal executive officer and principal financial officer has concluded, based upon the evaluation described above, that, as of June 30, 2024, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such material information is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the three months ended June 30, 2024, there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that materially affected, or are reasonably likely to affect, internal control over financial reporting.

Part II — OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

An investment in our ordinary shares involves a high degree of risk. 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 year ended December 31, 2023 as filed with the SEC on March 18, 2024, which could materially affect our business, financial condition, operating results or cash flows.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

(c) Rule 10b5-1 Trading Plan

During the three months ended June 30, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

See the Exhibit Index immediately prior to the signature page to this Quarterly Report on Form 10-Q for a list of exhibits filed or furnished with this report, which Exhibit Index is incorporated herein by reference.

EXHIBIT INDEX

4.1	Form of Pre - Funded Warrant (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8 - K as filed on April 11, 2024).
10.1	Form of Securities Purchase Agreement by and among the Company and the purchasers named therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8 - K as filed on April 11, 2024).
10.2*+	First Amended and Restated Collaboration Agreement, dated April 2, 2024, by and between Adimab, LLC and Leap Therapeutics, Inc.
31.1*	Certification of Chief Executive Officer and Chief Financial Officer Required Under Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following materials from Leap Therapeutics, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets at June 30, 2024 and December 31, 2023, (ii) Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2024 and 2023, (iii) Condensed Consolidated Statements of Comprehensive Loss for the three and six months ended June 30, 2024 and 2023, (iv) Condensed Consolidated Statements of Stockholders' Equity for the three and six months ended June 30, 2024 and 2023, (v) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2024 and 2023, and (vi) Notes to the Condensed Consolidated Financial Statements, tagged as blocks of text.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

**Furnished with this report.

+ Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601 (b)(10).

SIGNATURES

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

LEAP THERAPEUTICS, INC.

Date: August 9, 2024

By: /s/ Douglas E. Onsi
Douglas E. Onsi
President, Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer, Principal Financial Officer and Duly Authorized Signatory)

Information in this exhibit identified by [***] is confidential and has been excluded pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both (i) not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed.

FIRST AMENDED AND RESTATED COLLABORATION AGREEMENT

THIS COLLABORATION AGREEMENT (the "**Agreement**") is made effective as of April 2, 2024 (the "**Restatement Date**"), and amends and restates the Collaboration Agreement (the "**Original Agreement**") dated August 10, 2020 (the "**Effective Date**"), by and between Adimab, LLC, a Delaware limited liability company having an address at 7 Lucent Drive, Lebanon, NH 03766 ("**Adimab**"), and Leap Therapeutics, Inc., 47 Thorndike Street, Suite Bl, Cambridge, MA 02141, which acquired Flame Biosciences, Inc., 555 Madison Ave., Suite 1201, New York, NY 10022 on January 17, 2023 ("**Leap**").

BACKGROUND

WHEREAS, Adimab is a leader in yeast-based, fully human antibody discovery and optimization using its proprietary core technology platform;

WHEREAS, Leap is a biotechnology company in the business of, among other things, developing and commercializing therapeutic products;

WHEREAS, Leap wishes to collaborate with Adimab on at least four and potentially as many as six projects pursuant to which Adimab will discover new antibodies against the Targets of Leap's choosing and optimize antibodies provided by Leap;

WHEREAS, Leap will have the option to develop, manufacture and commercialize the resulting Program Antibodies in accordance with the terms hereof;

WHEREAS, Adimab and Leap have collaborated on the FL-103 Research Program;

WHEREAS, Leap has sold all of its assets related to the FL-103 Research Program to AlmataBio, Inc. ("**Almata**");

WHEREAS, Adimab and Leap would like (i) Leap to retain all rights and obligations with respect to all Research Programs other than the FL-103 Research Program and (ii) Almata to assume all rights and obligations with respect to the FL-103 Research Program;

WHEREAS, in order to memorialize the rights and obligations of Adimab and Almata with respect to the FL-103 Research Program, Adimab and Almata have entered into a Collaboration Agreement as of the Restatement Date (the "**Almata Agreement**"); and

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth below, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Adimab and Leap hereby agree as follows:

ARTICLE 1
DEFINITIONS

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

1.1 "**AAA**" has the meaning set forth in Section 10.2(c)(i) *(Arbitration)*.

1.2 "**Adimab**" has the meaning set forth in the recitals.

1.3 "**Adimab Indemnitees**" has the meaning set forth in Section 8.2 *(Indemnification by Leap)*.

1.4 "**Adimab Materials**" means any tangible biological or chemical materials (including all vectors, antibodies and other Know-How in the form of tangible biological or chemical materials) used or created by Adimab under a Research Program, including quantities of Program Antibodies (and DNA encoding these Program Antibodies), but excluding from and after the time of Option exercise for the relevant Target any quantities of Optioned Antibodies (and DNA encoding these Optioned Antibodies) provided to Leap for such Target.

1.5 "**Adimab Platform Patents**" means all Patents Adimab Controls during the term of this Agreement that claim or Cover Adimab Platform Technology. (For clarity, Adimab Platform Patents exclude Program Antibody Patents.)

1.6 "**Adimab Platform Technology**" means (a) the discovery and optimization of antibodies via methods that include the use of synthetic DNA antibody libraries and engineered strains of yeast, (b) all methods, materials and other Know-How used in the foregoing and (c) platforms embodying, components, component steps and other portions of any of the foregoing in (a) or (b). For clarity, Adimab Platform Technology excludes Program Antibodies, but includes technology used in the discovery and optimization of any Program Antibody, in each case not based on the specific composition of such Program Antibody (or product containing a Program Antibody), but based instead on the manner in which such Program Antibody was discovered or optimized under a Research Program.

1.7 "**Adimab Platform Technology Improvement**" means all Know-How developed or discovered through or as a result of a Research Program, and all Program Inventions (and Patents claiming them) that constitute, Cover, claim or are directed to Adimab Platform Technology, including any and all improvements, enhancements, modifications, substitutions, alternatives or alterations to Adimab Platform Technology.

1.8 "**Adimab Program Inventions**" means all Program Inventions made solely by employees of, or others obligated to assign Program Inventions to, Adimab.

1.9 "**Affiliate**" means an entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with a Party. For this purpose, "control" means the ownership of fifty percent (50%) or more of the voting securities entitled to elect the directors or management of the entity, or the actual power to elect or direct the management of the entity. Almata shall not be considered an Affiliate of Leap.

1.10 "**Agreement**" has the meaning set forth in the recitals.

1.11 "**Back-Up Candidate**" means a Product that (a) is directed to the same Target (or, with respect to a multispecific antibody, the same set of Targets) as another Product (the "**Lead Product**"), and (b) has been selected by Leap as a back-up to the Lead Product for development and commercialization.

1.12 "**CAR Product**" means a Product consisting of a chimeric antigen receptor, designed to bind to a cell surface tumor antigen, linked to intracellular T cell activating domains.

1.13 "**Commercially Reasonable Efforts**" means the level of efforts required to carry out a task in a diligent and sustained manner without undue interruption, pause or delay; which level is at least commensurate with the level of efforts that a similarly situated biopharmaceutical company would devote to a product [***]; and all other relevant commercial factors.

1.14 "**Confidential Information**" has the meaning set forth in Section 6.1(a) *(General Confidentiality Obligations)*.

1.15 "**Combination Product**" means a Product (a) containing a Licensed Product together with one or more other active ingredients (excluding antibody-drug conjugates, CAR Products and bispecifics), or (b) marketed with one or more products, devices, pieces of equipment or components, but sold for an integrated price (e.g., with the purchase of one product the customer gets a coupon for the full price of the other) or for a single price.

1.16 "**Control**" means, with respect to any Know-How or Patent, possession by a Party, whether by ownership or license (other than pursuant to this Agreement) of the ability to grant a license or sublicense as provided for in this Agreement without violating the terms of any written agreement with any Third Party.

1.17 "**Cover**" means, with respect to a particular item and a particular Patent, that such Patent claims or covers, in any of the countries of manufacture, use, and/or sale, (a) the composition of such item, or of any product containing such item or that is made using such item by virtue of such product containing or being made using such item; and (b) a method of making or using any of the things referred to in (a).

1.18 "**Discovery Term**" means the term beginning on the Effective Date and ending twelve (12) months after the Effective Date; *provided, however,* that in the event that Leap exercises the Extension Option, the Discovery Term shall be extended by six (6) months such that it ends on the date which is eighteen (18) months after the Effective Date.

1.19 "**Dispute**" has the meaning set forth in Section 10.2(a) *(Initial Dispute Resolution)*.

1.20 "**Effective Date**" has the meaning set forth in the recitals.

1.21 "**Evaluation Term**" means, with respect to each Research Program, the time period beginning at the end of the Research Term for such Research Program and ending [***] thereafter.

1.22 "**Excluded Technology**" means technology (and the Patents that Cover such technology) related to:

(a) product formulation;

(b) manufacturing or production;

(c) the sequence of, or any modification to, a Program Antibody (including Patents relating to pegylation or other chemical modification) or sequences of antibodies against a Target;

(d) technology used in activities performed by or on behalf of Leap or its Licensees, including assays, *in vivo* testing, and modifications to Program Antibodies;

(e) any Target (including any antigen representation thereof), or any mechanism of action via interaction with a Target, or antibodies based on their interaction with a Target, or their having been tested for their activity against a Target in a biological assay;

(f) the use of Leap Materials;

(g) if other than an IgG, the construct of any Product; and

(h) technology related to anything other than the manner in which Adimab discovered the antibody, the Adimab Platform, or its operation generally.

1.23 "**Extension Option**" means Leap's option to add two (2) additional Research Programs to this Agreement, exercisable by notice to Adimab thirty (30) days prior to the first anniversary of the Effective Date.

1.24 "**Field**" means any and all uses and purposes, including, without limitation, diagnostic, prophylactic, and therapeutic uses, in humans and animals.

1.25 "**First Commercial Sale**" means, with respect to a Product in any country, the first sale, transfer or disposition for value or for end use or consumption of such Product in such country after Marketing Approval for such Product has been received in such country.

1.26 "**FL-103 Research Program**" means the Research Program for the discovery and optimization of antibodies against the Target IL- lb, which Research Program had commenced under the Original Agreement, and the rights and obligations to which Research Program are being removed from this Agreement and being memorialized in the Almata Agreement. For clarity, from and after the Restatement Date, the FL-103 Research Program shall no longer be a Research Program hereunder.

1.27 "**Force Majeure**" means conditions beyond a Party's reasonable control or ability to plan for, including acts of God, war, terrorism, civil commotion, labor strike or lock-out; epidemic; failure or default of public utilities or common carriers; and destruction of facilities or materials by fire, earthquake, storm or like catastrophe; *provided, however,* the payment of

invoices due and owing under this Agreement shall not be excused by reason of a Force Majeure affecting the payor.

1.28 "**FTE**" means the equivalent of a full-time employee's working days over a [***] period (taking account of normal vacations, sick days and holidays not being considered working days), which equates to a total of [***] hours per [***] period of work performed by a fully qualified [***] employee or consultant in a Research Program. To provide an FTE over a given time period that is less than [***] means to provide the proportionate share (corresponding to the proportion that such time period bears to a [***]) during such time period of a [***] FTE. In no event shall the work over the course of a year of one individual person account for [***].

1.29 "**FTE Rate**" means [***] per FTE.

1.30 "**Indemnify**" has the meaning set forth in Section 8.1 *(Indemnification by Adimab)*.

1.31 "**Joint Inventions**" means any and all Program Inventions made jointly by employees of, or others obligated to assign Program Inventions to, each of Adimab and Leap.

1.32 "**Joint Serendipitous Inventions**" means all Joint Inventions other than those claimed by Program Antibody Patents or constituting Adimab Platform Technology Improvements.

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

1.34 "**Lead Product**" has the meaning set forth in Section 1.11 *(Back-Up Candidate)*.

1.35 "**Leap**" has the meaning set forth in the recitals.

1.36 "**Leap Indemnitees**" has the meaning set forth in Section 8.1 *(Indemnification by Adimab)*.

1.37 "**Leap Materials**" means (a) any tangible biological or chemical materials (including antigen samples and other Know-How in the form of tangible biological or chemical materials) provided by Leap to Adimab under a Research Program (other than commercial material purchased by Leap and delivered to Adimab), and (b) from and after the time of the Option exercise for a Target, the quantities of Optioned Antibody to such Target provided to Leap by Adimab under this Agreement.

1.38 "**Leap Program Inventions**" means all Program Inventions made solely by employees of, or others obligated to assign Program Inventions to, Leap.

1.39 "**License Agreements**" has the meaning set forth in Section 9.6 *(Additional Effects of Termination)*.

1.40 "**Licensee**" means a Third Party to whom Leap has granted, directly or indirectly, rights to research, develop, manufacture, and/or commercialize Program-Benefited Antibodies; *provided, however,* that Licensees shall exclude fee-for-service contract research organizations or contract manufacturing organizations acting in such capacity. For clarity, licensees of the rights assigned to Leap by Adimab and sublicensees of the license granted by Adimab to Leap pursuant to Section 3.2 *(Commercial Rights)* shall be Licensees.

1.41 "**Losses**" has the meaning set forth in Section 8.1 *(Indemnification by Adimab)*.

1.42 "**Marketing Approval**" each means, with in any given country, approval to market a Product legally as a drug or biologic, including approval of a Biologic License Application (as defined in the U.S. Federal Food, Drug and Cosmetics Act and the regulations promulgated thereunder (21 C.F.R. §§ 600-680) in the United States, or approval of a comparable filing in the United States or any other jurisdiction. Pricing approval need not be obtained in order for Marketing Approval to be achieved.

1.43 "**Milestone Event**" has the meaning set forth in Section 4.4 *(Milestone Events)*.

1.44 "**Milestone Payment**" has the meaning set forth in Section 4.4 *(Milestone Events)*.

1.45 "**Net Sales**" means the gross amounts invoiced for a Product by Leap, its Affiliates and Licensees for sales or other commercial disposition of such Product to a Third Party purchaser, less the following:

(a) [***]

(b) [***]

(c) [***]

(d) [***]

(e) [***]

(f) [***]

(g) [***]

Products are considered "sold" when billed, invoiced or payment is received, whichever comes first.

Notwithstanding the foregoing, Net Sales shall not include, and shall be deemed zero with respect to [***].

[***].

1.46 "**Optimized Antibody**" means an antibody resulting from the optimization, pursuant to a Research Plan, by Adimab of a Leap Antibody . For the avoidance of doubt, any activities conducted by Adimab under a Research Plan using an antibody provided by Leap shall be deemed "optimization." Optimized Antibodies shall themselves be Program Antibodies. For the purposes of this Section 1.45, "Leap Antibody" means an antibody provided by Leap that is not a Program Antibody.

1.47 "**Optimized Product**" means any Product that contains one or more Optimized Antibodies and does not contain Program Antibodies other than Optimized Antibodies.

1.48 "**Option**" has the meaning set forth in Section 3.2(a) *(Option)*.

1.49 "**Option** Fee" has the meaning set forth in Section 4.3 *(Option Fee)*.

1.50 "**Optioned Antibody**" means any Program Antibody selected by Leap pursuant to Section 3.2(a) *(Option),* and any Program-Benefited Antibody generated from such selected Program Antibody.

1.51 "**Optioned Program Antibody Patents**" means those Program Antibody Patents that solely Cover Optioned Antibodies.

1.52 "**Optioned Program Antibody Know-How**" means Know-How included in Program Inventions that [***] Optioned Antibodies.

1.53 "**Original Agreement**" has the meaning set forth in the preamble.

1.54 "**Party**" means Adimab or Leap.

1.55 "**Patent**" means any patent application or patent anywhere in the world, including all of the following categories of patents and patent applications, and their foreign equivalents: provisional, utility, divisional, continuation, continuation-in-part, and substitution applications; and utility, re-issue, re-examination, renewal and extended patents, and patents of addition, and any Supplementary Protection Certificates, restoration of patent terms and other similar rights.

1.56 "**Phase I Trial**" means a human clinical trial (whether a phase la or a phase lb trial) in any country of the type described in 21 C.F.R. §312.21(a), or an equivalent clinical study required by a Regulatory Authority outside of the United States.

1.57 "**Phase II Trial**" means a human clinical trial conducted in any country of the type described in 21 C.F.R. §312.21(b), or an equivalent clinical study required by a Regulatory Authority outside of the United States.

1.58 "**Phase III Trial**" means a human clinical trial in any country of the type described in 21 C.F.R. § 312.21(c), or an equivalent clinical study required by a Regulatory Authority outside the United States. For purposes of this Agreement, a human clinical trial that combines elements of a Phase II Trial and a Phase III Trial (a Phase I1/III trial) shall be deemed a Phase III Trial.

1.59 "**Product**" means a pharmaceutical preparation in any form that comprises or contains one or more Program-Benefited Antibodies (whether or not such product is currently under evaluation for safety, efficacy, or other factors).

1.60 "**Program Antibody**" means each antibody (including scFvs) that has the same sequence of any antibody generated from use of the Adimab Platform Technology and delivered by Adimab to Leap under a Research Program. It is understood and agreed that even if Adimab delivers nucleic acid sequences or amino acid sequences to Leap instead of protein samples, antibodies encoded by such nucleic acid sequences or amino acid sequences are Program Antibodies, in addition to antibodies samples of which are physically delivered to Leap under this Agreement. For clarity, Optimized Antibodies are Program Antibodies.

1.61 "**Program Antibody Know-How**" means Know-How (a) included in Program Inventions that relates to Optioned Antibodies, excluding Optioned Program Antibody Know-How and (b) does not relate to Adimab Platform Technology or Adimab Platform Technology Improvements.

1.62 "**Program Antibody Patents**" means Patents that (a) Cover a Program-Benefited Antibody or any Product and (b) do not Cover Adimab Platform Technology or Adimab Platform Technology Improvements.

1.63 "Program **Assets**" has the meaning set forth in Section 9.6 *(Additional Effects of Termination)*.

1.64 "**Program-Benefited Antibody**" means any Program Antibody and any modified or derivative form of any such Program Antibody (including an scFv) created by or on behalf of Leap or its Licensees, including any fragment thereof, pegylated version thereof (whether or not including amino acid changes) and including chemically modified versions (including associated amino acid substitutions) of a Program Antibody, and including an antibody designed or derived using the sequence of any Program Antibody, nucleotide coding for it, any cell line or cellular or bacterial expression system or vector expressing any Program Antibody or incorporating the nucleotide coding for a Program Antibody.

1.65 "**Program Inventions**" means any invention that is conceived and/or first reduced to practice in the course of or as a result of the activities conducted under this Agreement (including in exercise of a license under this Agreement) or as a result of the use of Confidential Information exchanged hereunder. For clarity, Program Inventions include all Know-How made, developed, invented or discovered by employees, contractors or agents of either Party or of both Parties pursuant to this Agreement.

1.66 "**Program Patent**" means any Patent Covering a Program Invention.

1.67 "**Regulatory Assets**" has the meaning set forth in Section 9.6 *(Additional Effects of Termination)*.

1.68 "**Regulatory Authority**" means the FDA or any counterpart of the FDA outside the United States, or other national, supra-national, regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity with authority over the

distribution, importation, exportation, manufacture, production, use, storage, transport, clinical testing or sale of a pharmaceutical product (including a Product), which may include the authority to grant the required reimbursement and pricing approvals for such sale.

1.69 "**Research Committee**" has the meaning set forth in Section 2.2(a) *(Scientific Research Committee)*.

1.70 "**Research Plan**" means the research plan to be agreed upon by the Parties with respect to a Target in accordance with Section 2.1 *(Research Programs)* hereof

1.71 "**Research Program**" means each program of research conducted under this Agreement in accordance with a Research Plan; *provided, however,* that from and after the Restatement Date, the FL-103 Research Program will not be considered a Research Program.

1.72 "**Research Term**" means the period beginning on the Effective Date and ending, on a Research Program-by-Research Program basis, when [***].

1.73 "**Restatement Date**" has the meaning set forth in the recitals.

1.74 "**Royalty Payment**" has the meaning set forth in Section 4.5(a) *(Royalty Payments)*.

1.75 "**Royalty Term**" means, on a Product-by-Product and country-by-country basis, the term ending [***].

1.76 "**Senior Executive Discussions**" has the meaning set forth in Section 10.2(a) *(Initial Dispute Resolution)*.

1.77 "**Sublicense Agreement**" has the meaning set forth in Section 3.2 *(Licenses)*.

1.78 "**Tangible Assets**" has the meaning set forth in Section 9.6 *(Additional Effects of Termination)*.

1.79 "**Target**" means a target selected by Leap pursuant to Section 2.1 *(Research Programs)*.

1.80 "**Target Questionnaire**" means the form of target questionnaire attached hereto as Exhibit A.

1.81 "**Third Party**" means an entity other than a Party or a Party's Affiliates.

1.82 "**Third Party Claims**" has the meaning set forth in Section 8.1 *(Indemnification by Adimab)*.

1.83 "**Third Party Patent Licenses**" means Patent licenses obtained by Leap after Leap determines in good faith that one or more such Patent licenses from Third Parties are reasonably required by Leap because such Patents Cover the way in which Program Antibodies were discovered or optimized using Adimab Platform Technology under a Third Party Patent Covering

the Adimab Platform Technology, in order to avoid Third Party claims of patent infringement relating to the discovery or optimization of a Optioned Antibody, which claims are reasonably believed by Leap to be reasonably likely not to be dismissed at summary judgment and are reasonably likely to succeed overall. For clarity, Third Party Patent Licenses explicitly excludes licenses to any Excluded Technology.

1.84 "**Transferred Assets**" has the meaning set forth in Section 9.6 *(Additional Effects of Termination)*.

1.85 "**Valid Claim**" means a claim of a Patent, which claim (i) is issued and unexpired and has not been found to be unpatentable, invalid or unenforceable by a court or other authority having jurisdiction, from which decision no appeal is taken, will be taken or can be taken; or (ii) is pending and has not been finally abandoned or finally rejected and has been pending for no more than [***].

1.86 References in the body of this Agreement to "Sections" refer to the sections of this Agreement. The terms "include," "includes," "including" and derivative forms of them shall be deemed followed by the phrase "without limitation" regardless of whether such phrase appears there (and with no implication being drawn from its inconsistent inclusion or non-inclusion).

1.87 To avoid doubt, the term "antibody" as used everywhere else in this Agreement includes both full-length antibodies, fragments thereof, and chemically modified versions thereof (including pegylated versions and regardless of whether containing amino acid substitutions), all of the foregoing whether naturally occurring, artificially produced, raised in an artificial system, or created through modification of an antibody produced in any of the foregoing ways or otherwise, and whether represented by physical material, nucleic acid sequences, or amino acid sequences.

ARTICLE 2
RESEARCH PROGRAMS

2.1 Research Programs.

(a) Research Plans. The Parties agree to initially collaborate on [***] Research Programs, each in accordance with a Research Plan; *provided, however,* that in the event that Leap exercises the Extension Option, the Parties will collaborate on an additional [***]. Leap shall nominate one Target for each Research Program by completing a Target Questionnaire and delivering it to Adimab during the Discovery Term. Leap shall nominate [***] and, if Leap exercises the Extension Option, Leap shall nominate the remaining [***] Targets no later than [***]. Upon completion of a Target Questionnaire by Leap, the Parties shall agree to a Research Plan setting forth the expected timeline, budget, and relevant deliverables from initial discovery and from optimization of Program Antibodies. In addition, each Research Plan will set forth the criteria for achieving the technical milestone described in Section 4.2(b) *(Technical Milestone),* which criteria shall be [***]. Such Research Plan shall be based upon the form of Research Plan attached hereto as **Exhibit B**, and shall include Adimab's responsibilities with respect to the discovery and optimization of antibodies with respect to each Target. Each Research Plan shall be agreed upon in writing by the Parties, and each Research Program shall be conducted in accordance therewith. Neither Party is required to perform a Research Program under this

Agreement if the Parties do not mutually agree in writing on Research Plan. Adimab shall not unreasonably withhold its approval of a Research Plan. In the event that Adimab does not approve a Research Plan proposed by Leap as [***] of such proposal, then the Target contemplated by such Research Plan shall not count in calculating the number of Targets on which the Parties shall collaborate hereunder.

(b) Conduct of Research. Each Party shall use its Commercially Reasonable Efforts to perform the activities assigned to such Party in each Research Plan and to achieve the timeline(s) set forth in such Research Plan. Adimab's performance obligations under each Research Program shall be contingent upon Leap providing the Leap Materials, if any, set forth in the applicable Research Plan. Such Leap Materials are expected to include Target antigen of suitable quality for performance of the Research Program. Adimab's obligations with regard to the performance of a particular Research Program shall be subject to the Leap Materials passing Adimab's quality control standards. Adimab's obligations with regard to the performance of a particular Research Program shall expire at the end of the applicable Research Term. Both Parties shall have the right to use Third Parties in the performance of its obligations hereunder.

2.2 Project Management.

(a) Scientific Research Committee. Promptly after the execution of each Research Plan, the Parties shall form a steering committee consisting of two (2) representatives of each Party (the "**Research Committee**") to oversee such Research Plan. The Research Committee's role is to facilitate communication regarding progress in relation to the Research Programs and the collaboration generally. Either Party may change its Research Committee members upon written notice to the other Party. The Research Committee may meet in person or by teleconference or videoconference. Each Party shall designate one of its Research Committee members as co-chair. The Research Committee shall meet from time to time promptly after the date of a written request by either Party. Additional members representing either Party may attend any Research Committee meeting. The co-chairs shall be responsible for circulating, finalizing and agreeing upon on minutes of each meeting [***] after the meeting date. Upon expiration of the final Research Term, the Research Committee shall be disbanded.

(b) Decision Making. The Research Committee shall operate by **[***]** solely within the limits specified in this Section 2.2 *(Project Management),* it being understood that if the co-chairs cannot agree with regards to a specific matter within their decision-making authority, no decision of the Research Committee shall be deemed taken by the Research Committee. The Research Committee shall have the limited authority to amend the Research Plans in a manner not substantially affecting resources required to perform, timing for performance, or success criteria. Except for the limited authority set forth in this Section 2.2 *(Project Management),* the Research Committee shall not have any decision-making authority and in no event shall the Research Committee shall have the power to amend or waive compliance with this Agreement.

(c) Alliance Managers. Each Party shall designate in writing [***] after signing this Agreement an "Alliance Manager" to be the primary contact for such Party. The Alliance Manager shall be responsible for managing communications between the Parties with respect to a Research Program, including responsibility for scheduling teleconferences and

coordinating Research Committee meetings. Alliance Managers may also be members of the Research Committee.

2.3 Reports; Records.

(a) By Adimab. During the applicable Research Term, at the junctures specified in the applicable Research Plan, Adimab shall provide written reports to Leap regarding the Research Plan. Notwithstanding the foregoing or anything express or implied anywhere in this Agreement, Adimab shall not be required to disclose any Adimab Platform Technology or Adimab Platform Technology Improvements to Leap. Adimab shall maintain records, in reasonable scientific and technical detail and in a manner appropriate for patent purposes, which shall be complete and accurate and shall fully and properly reflect all work done and results achieved in the performance of a Research Program. In the event that such records and data include disclosure of Adimab Platform Technology or Adimab Platform Technology Improvements, Adimab may redact those portions that would disclose Adimab Platform Technology or Adimab Platform Technology Improvements prior to any review or inspection by Leap.

(b) By Leap. During the applicable Research Term, at the junctures set forth in the applicable Research Plan, Leap shall provide written reports to Adimab which provide any data Leap is required to provide under the applicable Research Plan.

2.4 Use of Adimab Materials. With respect to each Target, Leap shall only use Adimab Materials (a) as is necessary to conduct a Research Program during the Research Term and the Evaluation Term, (b) pursuant to the license granted under Section 3.1(a) *(Research License to Leap)* of this Agreement while such license is in effect, (c) to generate and test Program-Benefited Antibodies in accordance with Section 9.3 *(Commitments Regarding Program-Benefited Antibodies)* and (d) in connection with the exercise of its rights under Section 3.2(b). Leap shall not use Adimab Materials for any other purposes. For clarity, this means that, except as specified pursuant to the foregoing sentence, Leap shall not (i) provide Adimab Materials to any Third Party, or (ii) use any Program-Benefited Antibodies or Adimab Materials, or information related thereto (including the sequences thereof), for any purpose other than to research and develop antibodies that will be milestone- and royalty-bearing to Adimab hereunder. For clarity, the "sequence" of an antibody includes the amino acid sequence of the antibody and the corresponding nucleic acid sequences. Adimab acknowledges and agrees that upon receipt of Program Antibodies, Leap may conduct testing on such Program Antibodies to optimize such Program Antibodies (and, to avoid doubt, the optimized versions thus created shall be Program-Benefited Antibodies).

Adimab retains title to the Adimab Materials, including all quantities of Program Antibodies that it provides under a Research Program, including during the Evaluation Term. Such quantities of Program Antibodies are (i) for use solely in assessing whether to exercise the Option for the applicable Target, and (ii) shall not be used in humans or for any commercial purpose. Should Leap not exercise its Option as described in Section 3.2(a) *(Option),* Leap shall return to Adimab or destroy any Program-Benefitted Antibodies in its possession on expiration of the Evaluation Term for such Target. Without limiting the generality of the foregoing, during the Evaluation Term and after expiration of the Options, if unexercised, Leap shall not provide Program-Benefitted Antibodies to Third Parties. Notwithstanding the foregoing, should Leap

exercise the Option for a given Target, all right, title and interest in and to those Program-Benefitted Antibodies shall belong to and vest in Leap (subject to the terms and conditions of this Agreement with respect to Program-Benefited Antibodies, including Section 9.3 *(Commitments Regarding Program-Benefited Antibodies)* hereof).

2.5 Use of Leap Materials. Adimab shall use the Leap Materials solely to perform the Research Program for the applicable Target. Adimab shall not transfer or otherwise provide the Leap Materials to any Third Party. Adimab shall not use Leap Materials for any other purposes. For clarity, this means that, except as specified pursuant to the foregoing sentence, Leap retains title to the Leap Materials that it provides under a Research Program. [***] after the Research Term for such Target ends, Adimab will return to Leap or destroy any remaining Leap Materials (at Leap's direction).

2.6 Certain Restrictions on the Use of Antibodies.

(a) Adimab Restrictions. Adimab shall not provide any Third Party with any Program Antibody delivered to Leap. Adimab shall not deliver to Leap as a Program Antibody any antibody previously delivered to a Third Party.

To avoid doubt and notwithstanding anything to the contrary in this Agreement:

(i) nothing herein shall prevent Adimab from licensing or transferring some or all of the Adimab Platform Technology and/or Adimab Platform Technology Improvements to a Third Party (including technical support in connection therewith) nor shall anything herein require Adimab to in any way limit the use of the Adimab Platform Technology and/or Adimab Platform Technology Improvements by Adimab or a Third Party; and

(ii) nothing herein shall require Adimab to physically remove from its libraries, or to prevent from being included in future libraries, any Program-Benefited Antibodies. Adimab hereby reserves the right for Adimab, its Affiliates, and those deriving rights from them (a) to include Program-Benefited Antibodies in antibody library(ies) transferred or licensed by Adimab to Third Parties (including the transfer of physical possession of samples of Program-Benefited Antibodies to a Third Party as part of such transactions) and (b) to conduct any activity with respect to Program-Benefited Antibodies that are not Optioned Antibodies if Adimab (or such other party) arrives at such Program-Benefited Antibodies independent from the activities performed under a Research Plan and in a manner fully compliant with Adimab's other covenants and obligations under this Agreement; *provided, however,* that, except as permitted by Section 6.7 *(Certain Data)* in no event shall Adimab disclose to any Third Party, or otherwise directly or indirectly exploit, any Confidential Information of Leap, including Confidential Information regarding the relationship between the Target and Program-Benefited Antibodies and the characterization of Program Antibodies by Adimab.

(b) Leap Restrictions. Leap hereby covenants that it, its Affiliates and its Licensees shall not [***].

ARTICLE 3
LICENSES; OPTION; DEVELOPMENT & COMMERCIALIZATION

3.1 Mutual Research Program Licenses.

(a) Research License to Leap. During the Research Term and Evaluation Term for each Research Program, Adimab hereby grants Leap a non-exclusive, non-sublicensable license with respect to the Target that is the subject of such Research Program under the Adimab Platform Patents and Program Antibody Patents to perform research in the Field, including for Leap to perform Leap's responsibilities under the Research Plan and this Agreement for such Target. For clarity, the license to Leap excludes the right to (i) discover or optimize antibodies using the Adimab Platform Technology or Adimab Platform Technology Improvements, or (ii) use Program-Benefited Antibodies or Adimab Materials to (a) screen for other antibodies' activity vis-à-vis the applicable Target or (b) design other antibodies (in the case of either (a) or (b), other than Program-Benefited Antibodies that will be milestone- and royalty-bearing to Adimab under this Agreement).

(b) Research License to Adimab. During the Research Term and Evaluation Term for each Research Program, Leap hereby grants to Adimab a non-exclusive, nontransferable (except in connection with a permitted assignment of this Agreement) license with respect to such Target under all Patents and Know-How Controlled by Leap which Cover the Targets (including any that so relate by claiming antibodies directed to the Targets or a mechanism of action via the Targets) or any Leap Materials provided to Adimab, solely to perform Adimab's responsibilities as provided for in the applicable Research Plan.

3.2 Commercial Rights.

(a) Option. On a Research Program-by-Research Program basis, Adimab hereby grants Leap the exclusive option (each, an "**Option**") to obtain the licenses of Section 3.2(b) *(Development and Commercialization License and Assignment)* for Program Antibodies discovered during a Research Program, exercisable on or before the expiry of the Evaluation Term by (i) payment of the applicable Option Fee with respect to such Research Program to Adimab and (ii) providing written notice to Adimab of such exercise specifying, with respect to such Research Program up to [***] Program Antibodies as the "**Optioned Antibodies.**"

(b) Development and Commercialization License and Assignment.

(i) **Assignment**. Adimab hereby, effective on Leap's exercise of the Option assigns to Leap, subject to the terms and conditions of this Agreement, all right, title and interest in and to Optioned Program Antibody Know-How and Optioned Program Antibody Patents.

(ii) **License**. Adimab hereby, effective on Leap's exercise of the Option grants to Leap a worldwide, royalty-bearing, sublicenseable (solely as provided in Section 3.2(b)(iii) *(Licensees))* license under the Adimab Platform Patents, Program Antibody Know-How and Program Antibody Patents, if any, which are not assigned to Leap pursuant to Section 3.2(b)(i) *(Assignment),* in the Field, to research, develop, have developed, make, have made, use, sell, offer to sell, import and export the Optioned Antibodies and Products during the term of this Agreement.

Such license shall be non-exclusive under the Adimab Platform Patents and exclusive under Program Antibody Know-How and the Program Antibody Patents. For clarity, the license to Leap excludes the right to (i) discover or optimize antibodies using the Adimab Platform Technology or Adimab Platform Technology Improvements, or (ii) use Program-Benefited Antibodies or Adimab Materials to (a) screen for other antibodies' activity vis-à-vis the applicable Target or (b) design other antibodies (in the case of either (a) or (b), other than Program-Benefited Antibodies that will be milestone- and royalty-bearing to Adimab under this Agreement).

(iii) **Licensees**. Any license of any Optioned Antibody and any sublicense of the rights granted under Section 3.2(b) *(Development and Commercialization License and Assignment)* shall be made solely pursuant to agreements ("**Sublicense Agreements**") that are consistent with all relevant terms and conditions of this Agreement and to Licensees who explicitly agree in writing to comply with all applicable terms of this Agreement, including Section 9.3 *(Commitments Regarding Program-Benefited Antibodies)* hereof. [***].

3.3 Diligent Development and Commercialization. Leap shall use Commercially Reasonable Efforts to clinically develop, seek Marketing Approval for, and launch and actively commercialize at least one (1) Program Antibody discovered in each Research Program for which it exercises the Option. [***] Leap will provide Adimab with a written report of Product progress in development and commercialization, Leap's activities in that regard. If requested by Adimab, Leap shall meet via teleconference with Adimab to discuss such report [***] at a time mutually agreed upon by Leap and Adimab.

3.4 No Implied Licenses. Other than the licenses, options and assignments explicitly set forth in this Article 3 *(Licenses; Option; Development & Commercialization)* or in Article 5 *(Intellectual Property),* neither Party grants any intellectual property licenses, options or assignments to the other Party under this Agreement. This Agreement does not create any implied licenses.

3.5 Covenant Not to Exceed License. Each Party hereby covenants that it shall not practice any Patent or item of Know-How licensed to it under this Agreement outside the scope of the license to such Party set forth in this Agreement (or any subsequent agreement between the Parties providing for an additional license under such Patent or item of Know-How). For the avoidance of doubt, Leap will not research, develop, manufacture or commercialize Optioned Antibodies except as Products under this Agreement.

3.6 Bankruptcy Code. If this Agreement is rejected by a Party as a debtor under Section 365 of the United States Bankruptcy Code or similar provision in the bankruptcy laws of another jurisdiction (the "Code"), then, notwithstanding anything else in this Agreement to the contrary, all licenses and rights to licenses granted under or pursuant to this Agreement by the Party in bankruptcy to the other Party are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (or similar provision in the bankruptcy laws of the jurisdiction), licenses of rights to "intellectual property" as defined under Section 101(35A) of the United States Bankruptcy Code (or similar provision in the bankruptcy laws of the jurisdiction). The Parties agree that a Party that is a licensee of rights under this Agreement shall retain and may fully exercise all of its rights and elections under the Code, and that upon commencement of a bankruptcy proceeding by or against a Party under the Code, the other Party

shall be entitled to a complete duplicate of, or complete access to (as such other Party deems appropriate), any such intellectual property and all embodiments of such intellectual property, if not already in such other Party's possession, shall be promptly delivered to such other Party (a) upon any such commencement of a bankruptcy proceeding upon written request therefor by such other Party, unless the bankrupt Party elects to continue to perform all of its obligations under this Agreement or (b) if not delivered under (a) above, upon the rejection of this Agreement by or on behalf of the bankrupt Party upon written request therefor by the other Party. The foregoing provisions of this Section 3.6 are without prejudice to any rights a Party may have arising under the Code.

ARTICLE 4
FINANCIAL TERMS

4.1 Technology Access Fee. Leap will pay to Adimab a [***].

4.2 Research Stage Fees.

(a) Research Funding. For each Research Plan, Leap shall pay Adimab, [***].

(b) Technical Milestones.

(i) **Technical Milestone I**. [***].

(ii) **Technical Milestone II**. [***].

4.3 Option Fee. In order to exercise the Option under Section 3.2(a) *(Option)* for a Research Program, Leap shall pay to Adimab [***].

4.4 Milestone Payments.

(a) Milestone Events. On a Product-by-Product basis, Leap shall report in writing to Adimab the achievement of each event (each, a "**Milestone Event**") and pay the corresponding milestone payment (each, a "**Milestone Payment**") to Adimab, each [***] after the achievement of the corresponding Milestone Event in the following table:

Milestone Event	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Milestone Event	Milestone Payment
[***]	[***]

[***].

(b) Back-Up Candidates. In the event that a Milestone Event that was already achieved with respect to a Lead Product is also achieved with respect to a Back-Up Candidate to such Lead Product prior to receipt Marketing Approval for the Lead Product, then [***]. If Leap continues to develop such Back-Up Candidate after receipt of Marketing Approval for the Lead Product, [***]. If Leap promptly discontinues all development activities with respect to a Back-Up Candidate upon Marketing Approval of the Lead Product and provides Adimab with written notice thereof [***]. If Leap continues to develop such Back-Up Candidate after discontinuation of development of the Lead Product (but prior to Marketing Approval of such Lead Product), [***].

(c) CAR Products and Optimized Products. Notwithstanding the foregoing, Milestone Payments made with respect to CAR Products and Optimized Products shall [***].

4.5 Royalties.

(a) Royalty Payments. As to each Product sold during the applicable Royalty Term, on a Product-by-Product basis, Leap shall pay Adimab the following royalties, based on the royalty rate applicable to the relevant portion of annual worldwide Net Sales for such Product ("**Royalty Payments**"):

Portion of Worldwide Calendar Year Net Sales	Royalty Rate
[***]	[***]
[***]	[***]

(b) CAR Products and Optimized Products. Notwithstanding the foregoing, Royalty Payments made with respect to CAR Products and Optimized Products shall [***].

(c) Royalty Term. On a Product-by-Product and country-by-country basis, [***].

(d) Adjustment for Third Party IP. If Leap enters into any Third Party Patent Licenses, then [***]; *provided, however,* that in no event shall the royalty owed to Adimab [***]. It is understood, agreed and acknowledged that Adimab's allowing Leap to claim the credit of this Section 4.5(d) *(Adjustments for Third Party IP)* as to any particular Third Party Patent License: (a) does not mean Adimab believes that the licensed Patents were infringed or Cover any aspect of the discovery or optimization work by Adimab; (b) does not mean Adimab agrees with Leap's opinion as to the likelihood of success of a claim of such infringement or Coverage; (c) does not mean that Adimab believes Leap's opinion as to any of the foregoing is reasonable; and (d) is not,

will not be, and shall not be under any circumstances construed as an admission of any kind. Adimab may have many reasons not to challenge any given assertion of the credit of this Section 4.5(d) *(Adjustment for Third Party IP)* by Leap, including: (1) maintaining good relations with a counterparty; (2) an assessment that the costs of the credit are outweighed by the benefits of Leap having a license in place that makes it feel comfortable to proceed with the Product (resulting in a greater likelihood of milestones and royalties being paid to Adimab); (3) resource limitations that make it impracticable to challenge Leap's assertion of such credit even though Adimab may disagree whether this is proper; and (4) other reasons other than thinking that the relevant Patents Cover or were infringed.

(e) No Challenge to Royalty Term. Leap, on behalf of itself, its Affiliates and its Licensees, hereby agrees not to challenge the length of the Royalty Term, including through the assertion that the Royalty Term should be reduced to [***] as a result of the lack of a Valid Claim Covering the relevant Product. [***].

4.6 Quarterly Payment Timings. All royalties due under Section 4.5 *(Royalties)* shall be paid quarterly [***] after the end of the relevant calendar quarter for which royalties are due.

4.7 Royalty Payment Reports. With respect to [***], Leap shall provide to Adimab a written report stating the number and description of all Products sold [***]; and the calculation of Net Sales on such sales, including [***]. The report shall provide all such information on a country-by-country and Product-by-Product basis.

4.8 Payment Method. All payments due under this Agreement to Adimab shall be made by bank wire transfer in immediately available funds to an account designated by Adimab. All payments hereunder shall be made in the legal currency of the United States of America, and all references to "$" or "**dollars**" shall refer to United States dollars (i.e., the legal currency of the United States).

4.9 Taxes. The Parties agree to cooperate with one another and use reasonable efforts to minimize obligations for any and all income or other taxes required by applicable law to be withheld or deducted from any royalties, milestone payments or other payments made by Leap to Adimab under this Agreement, including [***]. To the extent that Leap is required to deduct and withhold taxes on any payment to Adimab, Leap shall deduct and withhold such taxes and pay the amounts of such taxes to the proper government authority in a timely manner [***]. Leap shall provide Adimab with reasonable assistance in order to allow Adimab to recover, as permitted by applicable law, withholding taxes, value added taxes or similar obligations resulting from payments made hereunder or to obtain the benefit of any present or future treaty against double taxation which may apply to such payments. Adimab shall provide Leap with any tax forms that may be reasonably necessary in order for Leap to not withhold tax or to withhold tax at a reduced rate under an applicable bilateral tax income treaty. Adimab shall use reasonable efforts to provide any such tax forms to Leap [***] for any payment for which Adimab desires that Leap apply a reduced withholding rate. Leap shall make all payments to Adimab from the United States.

4.10 Records; Inspection.

(a) Leap shall keep complete and accurate records of its sales and other dispositions (including use in clinical trials, or provision on a compassionate use basis or as marketing samples) of Program Antibody and Product including all records that may be necessary for the purposes of calculating all payments due under this Agreement.

(b) [***], Adimab has the right to retain an independent certified public accountant from a nationally recognized (in the U.S.) accounting firm to perform on behalf of Adimab an audit, conducted in accordance with U.S. generally accepted accounting principles (GAAP), of such books and records of Leap as are deemed necessary by the independent public accountant to report on Net Sales for the period or periods requested by Adimab and the correctness of any report or payments made under this Agreement.

(c) If the audit reveals an underpayment, [***]. If the audit reveals that the undisputed monies owed by Leap to Adimab has been understated [***].

4.11 Licensee Reports, Records and Audits. Any agreements with Licensees shall include an obligation for the Licensee to (i) maintain records adequate to document and verify the proper payments (including milestones and royalties) to be paid to Adimab; (ii) provide reports with sufficient information to allow such verification; and (iii) allow an independent certified public accountant from a nationally recognized (in the U.S.) accounting firm appointed by Adimab to verify the payments due on behalf of Adimab.

4.12 Foreign Exchange. If any currency conversion shall be required in connection with the calculation of amounts payable hereunder, such conversion shall be made using the exchange rates reported on [***] prior the payment due date for the purchase and sale of U.S. dollars, as reported by the Wall Street Journal. With any payment in relation to which a currency conversion is performed to calculate the amount of payment due, Leap shall provide to Adimab a true, accurate and complete copy of the exchange rates used in such calculation.

4.13 Non-refundable, non-creditable payments. Each payment that is required under this Agreement is non-refundable and non-creditable [***].

4.14 Late Payments. Any amount owed by Leap to Adimab under this Agreement that is not paid within the applicable time period set forth herein will [***].

ARTICLE 5
INTELLECTUAL PROPERTY

5.1 Ownership and Inventorship.

(a) Program Patents and Program Know-How. Adimab shall solely own, regardless of inventorship, all Program Patents directed to Adimab Platform Technology Improvements and, prior to Option exercise, all Program Antibody Patents. Leap shall own, regardless of inventorship, from and after the date of Option exercise, those Optioned Program Antibody Patents that relate solely Optioned Antibodies and Adimab shall own all other Optioned Program Antibody Patents, subject to the terms and conditions of this Agreement. All Program

Patents other than those referred to in the foregoing two (2) sentences shall be owned based on inventorship. Program Know-How that constitutes Adimab Platform Technology Improvements shall be owned by Adimab and all other Program Know-How shall be owned by the Party that created it.

(b) Other Patents. To avoid doubt, nothing in this Agreement shall alter the ownership of the Parties' pre-existing Patents. Section 5.1(a) *(Program Patents and Program Know-How)* speaks only to ownership of Program Patents.

(c) Inventorship. Inventorship for purposes of this Agreement, and all intellectual property-related definitions in this Agreement, shall be determined in accordance with United States patent law.

5.2 Implementation.

(a) Assignments. Each Party hereby assigns to the other Party Program Inventions, associated Patents, and Program Know-How as necessary to achieve ownership as provided in Section 5.1 *(Ownership and Inventorship)*. Each assigning Party shall execute and deliver all documents and instruments reasonably requested by the other Party to evidence or record such assignment or to file for, perfect or enforce the assigned rights. Each assigning Party hereby appoints the other Party as attorney-in-fact solely to execute and deliver the foregoing documents and instruments if such other Party after making reasonable inquiry does not obtain them from the assigning Party. Each Party shall perform its activities under this Agreement through personnel who have made a similar assignment and appointment to and of such Party. Each assigning Party shall make its relevant personnel (and their assignments and signatures on such documents and instruments) reasonably available to the other Party for assistance in accordance with this Article 5 *(Intellectual Property)* [***].

(b) Joint Ownership Implementation. As regards Joint Serendipitous Inventions and the Program Patents to the extent claiming them, either Party is entitled to practice and license them without consent of and without a duty of accounting to the other Party. Each Party hereby grants all permissions, consents and waivers with respect to, and all licenses under, the Joint Serendipitous Inventions and the Program Patents claiming them as necessary to achieve throughout the world the nature of joint ownership rights of the foregoing as described in Section 5.1 *(Ownership and Inventorship)* and the foregoing sentence. To avoid doubt, this Section 5.2(b) *(Joint Ownership Implementation)* does not imply any permission, consent or waiver with respect to, or license under, any Patent or item of Know-How other than the Joint Serendipitous Inventions and the Program Patents to the extent claiming them.

5.3 Disclosure. During the term of the Agreement, each Party shall promptly disclose to the other Party the making, conception or reduction to practice of any Program Inventions that would be Covered by Program Antibody Patents or in Leap's case that are Adimab Platform Technology Improvements (which, to avoid doubt, are assigned to Adimab under this Agreement). Such disclosure shall occur as soon as possible, but in any case [***]. To avoid doubt, this Section 5.3 *(Disclosure)* shall not be read to require Adimab to disclose Program Inventions constituting Adimab Platform Technology Improvements to Leap.

5.4 Program Patent Prosecution and Maintenance.

(a) Adimab Platform Technology. Adimab shall have the sole right (but not the obligation) to file, prosecute, maintain, defend and enforce all Program Patents directed to Adimab Platform Technology Improvements and all Adimab Platform Patents, all at its own expense.

(b) Program Antibody Patents. Leap shall have the sole and exclusive right to file, prosecute and maintain, defend and enforce all Program Antibody Patents, at Leap's expense, and prior to Option exercise, in Adimab's name, and after Option exercise, in Leap's name. Such right shall continue for the duration of the longer of the Evaluation Term and, if Leap exercises the Option, the Term. Such right shall include, following the exercise of the Option, having the exclusive right, but not the obligation, to, at its expense, initiate, prosecute, and control any action or legal proceedings, and/or enter into a settlement, including any declaratory judgment action, with respect to the Program Antibody Patents. In any such litigation brought by Leap with respect to the Program Antibody Patents, Leap shall have the right to join Adimab as a party to such litigation, and Adimab shall cooperate reasonably with respect thereto, as requested by Leap [***]. The exercise of the right to file and prosecute the Program Antibody Patents shall be subject to all of the following:

(i) Prior to Option exercise, Leap shall not file any Program Antibody Patent that discloses the sequence of any Program Antibody unless such Program Antibody Patent can be prevented from publishing.

(ii) Prior to Option exercise, to the extent that individual Program Antibodies represent distinct patentable inventions, they shall be disclosed in separate applications and not as a group (e.g., as a filing on multiple patentable inventions), unless Adimab consents in its discretion in writing in advance to another approach.

(iii) Both prior to and after Option exercise, Adimab shall have the right to review and comment on prosecution of the Program Antibody Patents, and Leap shall provide Adimab with copies of all correspondence with patent offices relating thereto (including office actions and the like) promptly after receipt and drafts of all filings and correspondence with such offices no less than [***].

(iv) If Leap does *not* exercise the Option, then all Program Antibody Patents that had been filed (if any) shall be promptly abandoned without being published and within [***] Leap shall make any and all filings necessary to result in such abandonment without publication (at Leap's expense) and provide documentation thereof to Adimab.

(v) If Leap *does* exercise the Option, then all Program Antibody Patents that had been filed for such Target that disclose Program Antibody sequences other than the sequences of Optioned Antibodies for that Target shall be promptly abandoned without being published and [***] Leap shall make any and all filings necessary to result in such abandonment without publication (at Leap's expense) and provide documentation thereof to Adimab.

(vi) Leap shall ensure that the sequences of Program Antibodies that are not Optioned Antibodies shall not become published through Program Antibody Patents.

(vii) If Leap *does* exercise the Option, then Leap shall [***] to be consistent with the Commercially Reasonable Efforts standard.

(viii) Leap shall be [***].

(c) Responsibility. It is understood and agreed that searching for, identification and evaluation of Third-Party Patents that may apply to any Program Antibodies based on sequence, Target or the like is the responsibility of Leap, and that Adimab shall have no responsibility for the foregoing nor liability if any such Third-Party Patents exist.

(d) Serendipitous Program Inventions.

(i) **Adimab Program Inventions**. As between the Parties, Adimab shall have the sole right, at its sole expense and in its sole discretion, to prepare, file, prosecute, enforce and maintain (including conducting or participating in interferences and oppositions) all Patents directed to Adimab Program Inventions but not falling within the Optioned Program Antibody Patents or the Adimab Platform Technology Improvements (which, to avoid doubt, are both addressed above).

(ii) **Leap Program Inventions**. Leap shall be responsible, at its sole expense and in its sole discretion, to prepare, file, prosecute, enforce and maintain (including conducting or participating in interferences and oppositions) all Program Patents on Leap Program Inventions, other than Optioned Program Antibody Patents and Adimab Platform Technology Improvements (which, to avoid doubt, are both addressed above).

(iii) **Serendipitous Joint Program Inventions**. The Parties shall mutually agree which of them shall be responsible for either using its in-house patent attorneys or through mutually agreed upon outside counsel to prepare, file, prosecute, enforce and maintain Program Patents on Joint Serendipitous Inventions, [***].

5.5 Patent Term Restoration. The Parties shall cooperate with each other, including by providing necessary information and assistance as the other Party may reasonably request, to obtain patent term restoration or supplemental protection certificates or their equivalents in any country where applicable to Patents Covering the Product. If elections with respect to obtaining such patent term restoration are to be made with respect to such Patents, and the Parties do not agree, Leap shall have the right to make the election and Adimab agrees to abide by such election, except that if Leap does not elect to extend any such Patent where it would have been possible to do so, [***].

5.6 Cooperation of the Parties. At the reasonable request of the responsible (as provided for in this Article 5 *(Intellectual Property))* Party, the other Party agrees to cooperate fully in the preparation, filing, prosecution, enforcement and maintenance of any Program Patents under this Agreement. Such cooperation includes executing all papers and instruments (or causing its personnel to do so) reasonably useful to enable the other Party to apply for and to prosecute patent applications in any country; and promptly informing the other Party of any matters coming to such Party's attention that may affect the preparation, filing, prosecution, enforcement or maintenance of any such Patents. Adimab shall not be required pursuant to this Section 5.6 *(Cooperation of the Parties)* to disclose Adimab Platform Technology to Leap.

ARTICLE 6
CONFIDENTIALITY; PUBLICITY

6.1 General Confidentiality Obligations.

(a) Any and all information disclosed or submitted in writing or in other tangible form to one Party by the other Party under this Agreement is the "**Confidential Information**" of the disclosing Party. In addition, information embodied in Adimab Materials is Adimab's Confidential Information, and information embodied in the Leap Materials is Leap's Confidential Information.

(b) To avoid doubt, sequence information (whether as to amino acid sequence or nucleic acid sequence) with respect to Program Antibodies shall be deemed the Confidential Information of Adimab, except that from and after the date of Option exercise, the sequence information as to the CDRs of Optioned Antibodies shall be Confidential Information of Leap. For clarity, either Party shall be entitled to disclose the non-CDRs of the Optioned Antibodies.

(c) Each Party shall receive and maintain the other Party's Confidential Information in strict confidence. Neither Party shall disclose any Confidential Information of the other Party to any Third Party. Neither Party shall use the Confidential Information of the other Party for any purpose other than as required to perform its obligations or exercise its rights hereunder. Each Party may disclose the other Party's Confidential Information to the receiving Party's officers, directors, employees, Affiliates, agents, representatives and contractors requiring access thereto for the purposes of this Agreement, *provided, however,* that prior to making any such disclosures, each such person shall be bound by terms at least as restrictive as those hereof to maintain Confidential Information in confidence and not to use such information for any purpose other than in accordance with the terms and conditions of this Agreement. Each Party agrees to take all steps necessary to ensure that the other Party's Confidential Information shall be maintained in confidence including such steps as it takes to prevent the disclosure of its own proprietary and confidential information of like character. Each Party agrees that this Agreement shall be binding upon its officers, directors, employees, Affiliates, agents, representatives and contractors involved in the Research Program. Each Party shall take all steps necessary to ensure that its officers, directors, employees, Affiliates, agents, representatives and contractors shall comply with the terms and conditions of this Agreement. The foregoing obligations of confidentiality and non-use shall survive, and remain in effect for a period of [***] from, the termination or expiration of this Agreement in accordance with Article 9 *(Term)*.

6.2 Exclusions from Nondisclosure Obligation. The nondisclosure and nonuse obligations in Section 6.1 *(General Confidentiality Obligations)* shall not apply to any Confidential Information to the extent that the receiving Party can establish by competent written proof that it:

(a) at the time of disclosure is publicly known;

(b) after disclosure, becomes publicly known by publication or otherwise, except by breach of this Agreement by such Party;

(c) was in such Party's possession at the time of the earlier of disclosure hereunder and disclosure under the agreement referred to in Section 6.1 *(General Confidentiality Obligations);*

(d) is received by such Party from a Third Party who has the lawful right to disclose the Confidential Information and who shall not have obtained the Confidential Information either directly or indirectly from the disclosing Party; or

(e) is independently developed by such Party (i.e., without reference to Confidential Information of the disclosing Party).

6.3 Required Disclosures. If either Party is required, pursuant to a governmental law, regulation or order, to disclose any Confidential Information of the other Party, the receiving Party (i) shall give advance written notice to the disclosing Party, (ii) shall make a reasonable effort to assist the other Party to obtain a protective order requiring that the Confidential Information so disclosed be used only for the purposes for which the law or regulation required and (iii) shall use and disclose the Confidential Information solely to the extent required by the law or regulation.

6.4 Terms of Agreement. The terms of this Agreement are the Confidential Information of both Parties. However, each Party shall be entitled to disclose the terms of this Agreement under legally binding obligations of confidence and limited use to: legal, financial and investment banking advisors; and potential and actual investors, acquirers and licensees or sublicensees doing diligence and counsel for the foregoing. In addition, if legally required, a copy of this Agreement may be filed by either Party with the SEC (or relevant ex-U.S. counterpart). In that case, the filing Party will if requested by the other Party diligently seek confidential treatment for terms of this Agreement for which confidential treatment is reasonably available, and shall provide the non-filing Party reasonable advance notice of the terms proposed for redactions and a reasonable opportunity to request that the filing Party make additional redactions to the extent confidential treatment is reasonably available under the law. The filing Party shall seek and diligently pursue such confidential treatment requested by the non-filing Party.

6.5 Return of Confidential Information. Promptly after the termination or expiration of this Agreement for any reason, each Party shall return to the other Party all tangible manifestations of such other Party's Confidential Information at that time in the possession of the receiving Party.

6.6 Publicity. Either Party may make an initial press release announcing the execution of this Agreement, but such Party shall provide the text of such planned disclosure to the other Party sufficiently in advance of the scheduled disclosure to afford such other Party reasonable opportunity to review and comment upon the proposed text and the timing of such disclosure, and shall consider all reasonable comments of the other Party regarding such disclosure; *provided, however,* that no Party shall use the trademark or logo of the other Party, its Affiliates or their respective employee(s) in any publicity, promotion, news release or public disclosure relating to this Agreement or its subject matter, except as may be required by Law or required by the rules of an applicable US national securities exchange or except with the prior express written permission of such other Party, such permission not be unreasonably withheld. Other than repeating information in any mutually agreed press release, neither Party will generate or allow any further

publicity regarding this Agreement or the transaction or research contemplated hereunder in which the other Party is identified, without giving the other Party the opportunity to review and comment on the press release. The Parties recognize the importance of announcing Option and the achievement of Milestones, and that Adimab is entitled to disclose these occurrences. Accordingly, the Parties hereby agree that each such event shall be publicly announced by the Parties if requested by Adimab, and the Parties shall mutually agree upon the text of a press release to announce each such event. Leap shall not unreasonably withhold its consent to the manner in which Adimab proposes to make such disclosure. It is understood and agreed that Adimab sometimes issues press releases that group multiple achievements of the company, and that if Adimab chooses to group the initially approved text or the announcement of Option exercise and/or a milestone achievement under this Agreement with other accomplishments or events not relating to this Agreement, then the only portion of the press release into which the Leap shall have a consent right (such consent not to be unreasonably withheld), shall be those portions that relate to this Agreement.

6.7 Certain Data. Notwithstanding this Article 6 *(Confidentiality; Publicity),* without disclosing Leap's identity or the identity of the Target (although the class of protein of the Target may be disclosed), or the sequence of any Program Antibody, in order to describe the general capabilities and performance of the Adimab platform, Adimab shall be entitled to disclose generally Program Antibody attributes and Program Know-How, including the following: (a) Program Antibody binding affinities (kD), (b) expression range regarding Program Antibodies, and (c) germline distribution of Program Antibodies.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES

7.1 Mutual Representations. Each of Adimab and Leap hereby represents and warrants to the other of them that the representing and warranting Party is duly organized in its jurisdiction of incorporation; that the representing and warranting Party has the full power and authority to enter into this Agreement; that this Agreement is binding upon the representing and warranting Party; that this Agreement has been duly authorized by all requisite corporate action within the representing and warranting Party; and that the execution, delivery and performance by the representing and warranting Party of this Agreement and its compliance with the terms and conditions hereof does not and shall not conflict with or result in a breach of any of the terms and conditions of or constitute a default under (a) any agreement or other instrument binding or affecting it or its property, (b) the provisions of its bylaws or other governing documents or (c) any order, writ, injunction or decree of any governmental authority entered against it or by which any of its property is bound.

7.2 Representations of Adimab. **Adimab**. Adimab hereby represents, warrants and covenants to Leap that, as of the Effective Date:

(a) There are no complaints filed in court or, to Adimab's knowledge, otherwise threatened, in each case pending relating to Adimab Platform Patents which, if decided in a manner adverse to Adimab, would materially affect Adimab's practice of the Adimab Platform Technology as contemplated by this Agreement.

(b) There are no judgments or settlements against Adimab or its Affiliates or to which they are Party which will materially affect Adimab's practice of the Adimab Platform Technology as contemplated in this Agreement. Adimab is not party to any settlement discussions that, if concluded as of the Effective Date, would result in a settlement which would materially affect Adimab's practice of the Adimab Platform Technology as contemplated in this Agreement.

(c) To Adimab's knowledge, the conception, development and reduction to practice of the Adimab Platform Technology, as it exists on the Effective Date, have not constituted or involved the misappropriation of trade secrets, know-how or similar rights or property of any person.

(d) In Adimab's reasonable judgment, the practice of the Adimab Platform Technology as practiced by Adimab as of the Effective Date, does not infringe a valid, issued Patent owned by a Third Party of which Adimab has knowledge.

(e) Adimab has the right to grant to Leap the licenses set forth in Section 3.1 and 3.2;

(f) Notwithstanding the foregoing, Adimab specifically excludes any representations with respect to any Excluded Technology.

7.3 Representations of Regarding FL-103 Research Program.

(a) Leap hereby represents and warrants, as of the Restatement Date, Almata has acquired all right, title and interest to the assets associated with the FL-103 Research Program.

(b) Adimab hereby represents and warrants, as of the Restatement Date, Leap shall have no obligations to Adimab with respect to the FL-103 Research Program and there are no claims or other liabilities of Leap to Adimab with respect to the FL-103 Research Program.

7.4 DISCLAIMER OF WARRANTIES. OTHER THAN THE EXPRESS WARRANTIES OF SECTION 7.1 (MUTUAL REPRESENTATIONS) AND SECTION 7.2 (REPRESENTATIONS OF ADIMAB), EACH PARTY DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR THAT ANY PRODUCTS DEVELOPED UNDER THIS AGREEMENT ARE FREE FROM THE RIGHTFUL CLAIM OF ANY THIRD PARTY, BY WAY OF INFRINGEMENT OR THE LIKE OR THAT ANY PROGRAM PATENTS WILL ISSUE OR BE VALID OR ENFORCEABLE.

ARTICLE 8
INDEMNIFICATION

8.1 Indemnification by Adimab. Adimab hereby agrees to indemnify, defend and hold harmless (collectively, "**Indemnify**") Leap, its Affiliates and its and their directors, officers, agents and employees (collectively, "**Leap Indemnitees**") from and against any and all liability, loss, damage or expense (including without limitation reasonable attorneys' fees) (collectively, "**Losses**") they may suffer as the result of Third-Party claims, demands and actions (collectively, "**Third-Party Claims**") arising out of or relating to

[***], except in each case to the extent of any Losses (i) attributable to the negligence or intentional misconduct of any Leap Indemnitee, or (ii) arising out of any breach of a representation or warranty made by Leap in Article 7 *(Representations and Warranties)*.

8.2 Indemnification by Leap. Leap hereby agrees that it and its Licensees shall Indemnify Adimab, its Affiliates and its and their directors, officers, agents and employees (collectively, "**Adimab Indemnitees**") from and against any and all Losses they may suffer as the result of Third-Party Claims arising out of or relating to [***], except in each case to the extent of any Losses (i) attributable to the negligence or intentional misconduct of any Adimab Indemnitee, or (ii) arising out of any breach of a representation or warranty made by Adimab in Article 7 *(Representations and Warranties)*.

8.3 Indemnification Procedures. Each of the foregoing agreements to Indemnify is conditioned on the relevant Adimab Indemnitees or Leap Indemnitees (i) providing reasonable assistance in the defense of such claim at the indemnifying Party's reasonable expense, and (ii) not compromising or settling such Third-Party Claim without the indemnifying Party's advance written consent. If the Parties cannot agree as to the application of the foregoing Sections 8.1 *(Indemnification by Adimab)* and 8.2 *(Indemnification by Leap),* each may conduct separate defenses of the Third-Party Claim, and each Party reserves the right to claim indemnity from the other in accordance with this Article 8 *(Indemnification)* upon the resolution of the underlying Third-Party Claim.

8.4 Limitation of Liability. EXCEPT TO THE EXTENT [***], NEITHER PARTY NOR ITS RESPECTIVE AFFILIATES SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES HEREUNDER, WHETHER IN CONTRACT, WARRANTY, TORT, STRICT LIABILITY OR OTHERWISE.

ARTICLE 9
TERM

9.1 Term. The term of this Agreement shall commence on the Effective Date and shall expire [***], unless earlier terminated by a Party as set forth below in this Article 9 *(Term)*.

9.2 Material Breach. Either Party may terminate this Agreement for the material breach of this Agreement by the other Party, if such breach remains uncured [***] following notice from the non-breaching Party to the breaching Party specifying such breach.

9.3 Commitments Regarding Program-Benefited Antibodies. If Leap or any of its Licensees researches, develops, manufactures, or commercializes any Program-Benefited Antibody, they shall [***].

9.4 Survival in All Cases. Termination of this Agreement shall be without prejudice to or limitation on any other remedies available to nor any accrued obligations of either Party. In addition, Sections 2.3 *(Reports; Records),* 2.4 *(Use of Adimab Materials),* 2.5 *(Use of Leap Materials),* 2.6 *(Certain Restrictions on the Use of Antibodies),* 3.4 *(No Implied Licenses),* 3.5 *(Covenant Not to Exceed License),* 4.6 *(Quarterly Payment Timings)* through 4.14 *(Late Payments)* (with respect to payment obligations outstanding or having accrued as the effective date of termination or expiration), 5.1 *(Ownership and Inventorship),* 5.2 *(Implementation),* 5.4 *(Program Patent Prosecution and Maintenance),* 5.6 *(Cooperation of the Parties),* and 7.3 *(Disclaimer of Warranties),* and Articles 1 *(Definitions),* 6 *(Confidentiality; Publicity),* 8 *(Indemnification),* 9 *(Term)* and 10 *(Miscellaneous)* shall survive any expiration or termination of this Agreement.

9.5 Return of Adimab Materials. Leap shall either return to Adimab or destroy all Adimab Materials (other than Adimab Materials relating to Optioned Antibodies) Target upon expiration or termination of the Evaluation Term without the Option being exercised, and all Adimab Materials on expiration or termination of this Agreement.

9.6 Additional Effects of Termination. If Adimab terminates this Agreement pursuant to Section 9.2 for Leap's uncured material breach, then : (a) Leap and its Affiliates would assign to Adimab all right, title and interest in and to the Program Patents, Program Know-How, all data with respect to Program-Benefited Antibodies, and all producing cell lines for Program-Benefited Antibodies (the "**Program** Assets"); (b) Leap and its Affiliates would transfer such cell lines to Adimab (under conditions intended to ensure their viability) along with all master batch records and SOPs for production of such antibodies (the "**Tangible Assets**"); (c) Leap and its Affiliates would transfer all filings with regulatory authorities with respect to Program-Benefited Antibodies to Adimab if Adimab so requests (the "**Regulatory Assets**" and, together with the Program Assets and Tangible Assets, the "**Transferred Assets**"); and (d) [***].

Effective Date of Termination	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]

For purposes of this Section 9.6 *(Additional Effects of Termination),* Sections 4.5 *(Royalties)* through 4.14 *(Late Payments),*

[***] and each reference in each such Section (and any related definitions) to (i) Adimab shall be deemed to be a reference to Leap, (ii) Leap shall be deemed to be a reference to Adimab and (iii) a Licensee shall be deemed to be a reference to a licensee or sublicensee of Adimab or any of its Affiliates with respect to the Product. Any license of any Transferred Assets shall be made solely pursuant to written agreements ("**License Agreements**") that are consistent with all relevant terms and conditions of this Agreement and to Licensees who explicitly agree in writing to comply with all applicable terms of this Agreement. Adimab shall [***]. Leap shall not (i) assign or transfer the Program-Benefited Antibodies or Products (in whole or in part) to any third party unless (a) such transfer or assignment is pursuant to a binding written agreement pursuant to which such third party to be bound by the terms of Article 4 *(Financial Terms)* and (b) such agreement provides that Adimab is a third party beneficiary thereof for the purposes of enforcing its rights under Article 4 *(Financial Terms)* and (ii) take any action avoid the payment obligations under this Agreement or to circumvent or frustrate the purposes of Article 4 *(Financial Terms)*.

9.7 Survival of Sublicenses. Notwithstanding any provision herein to the contrary, in the event (a) Leap has entered into any Sublicense Agreements consistent with the terms of this Agreement, (b) this Agreement is terminated, and (c) such Sublicense Agreements are in effect at the time of such termination, such Sublicense Agreement will survive such termination, with Adimab as the Licensee's direct licensor solely with respect to rights sublicensed pursuant to this Agreement, provided that [***].

ARTICLE 10
MISCELLANEOUS

10.1 Independent Contractors. The Parties shall perform their obligations under this Agreement as independent contractors. Nothing contained in this Agreement shall be construed to be inconsistent with such relationship or status. This Agreement and the Parties' relationship in connection with it shall not constitute, create or in any way be interpreted as a joint venture, fiduciary relationship, partnership or agency of any kind.

10.2 Dispute Resolution.

(a) Initial Dispute Resolution. Either Party may refer any dispute in connection with this Agreement ("**Dispute**") not resolved by discussion of the BD/Contract Liaisons to senior executives of the Parties (for Adimab, its CEO or his designee and for Leap, its CEO or his designee) for good-faith discussions over a period of [***] (the "**Senior Executives Discussions**"). Each Party will make its executives reasonably available for such discussions.

(b) Disputes Not Resolved Between the Parties. If the Parties are unable to resolve the dispute through the Senior Executives Discussions within [***], then either Party may, as the sole and exclusive means for resolving disputes under this Agreement, proceed to demand confidential arbitration by written notice to the other Party and making a filing with the AAA in accordance with Section 10.2(c) *(Arbitration)*. For clarity, each Party hereby acknowledges that both the fact of and nature of a dispute is the Confidential Information of both Parties, and any disclosure of the fact of or the nature of such a dispute would be highly damaging to the non-disclosing Party.

(c) Arbitration.

(i) Any Dispute referred for arbitration shall be finally resolved by binding arbitration in accordance with the most applicable rules of the American Arbitration Association ("AAA") and judgment on the arbitration award may be entered in any court having jurisdiction.

(ii) The arbitration shall be conducted by a panel of three (3) people experienced in the business of biopharmaceuticals. If the issues in dispute involve scientific, technical or commercial matters, then any arbitrator chosen under this Agreement shall have educational training and/or industry experience sufficient to demonstrate a reasonable level of relevant scientific, technical and commercial knowledge as applied to the pharmaceutical industry. If the issues in dispute involve patent matters, then at least one (1) of the arbitrators shall be a licensed patent attorney or otherwise knowledgeable about patent law matters. [***] after a Party demands arbitration, each Party shall select one person to act as arbitrator, and the two Party-selected arbitrators shall select a third arbitrator [***] after their own appointment. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, then the third arbitrator shall be appointed by the AAA. The place of arbitration shall be New York, NY. All proceedings and communications as part of the arbitration shall be in English. Following selection of the third arbitrator, the arbitrators shall complete the arbitration proceedings and render an award [***] after the last arbitrator is appointed.

(iii) Each Party shall bear its own costs and expenses and attorneys' fees and an equal share of the arbitrators' fees and any administrative fees or arbitration, unless in each case the arbitrators agree otherwise, which they are hereby empowered, authorized and instructed to do if they determine that to be fair and appropriate.

(iv) Except to the extent necessary to confirm an award or as may be required by law, regulation, or the requirement of any exchange on which a Party's shares are traded, neither Party shall disclose the existence, content or results of an arbitration under this Agreement without the prior written consent of the other Party.

(v) In no event shall an arbitration be initiated after the date when commencement of a legal or equitable proceeding based on the subject matter of the Dispute would be barred by the applicable statute of limitations under New York law.

10.3 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware, excluding its conflicts of laws principles.

10.4 Entire Agreement. This Agreement (including its Exhibits) set forth all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties with respect to the subject matter hereof and supersedes and terminates all prior agreements and understandings between the Parties with respect to such subject matter. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties unless reduced to writing and signed by the respective authorized officers of the Parties.

10.5 Assignment. Neither Party may assign in whole or in part this Agreement without the advance written consent of the other Party, except as set forth in the following sentence. Either

Party may assign this Agreement in its entirety to an Affiliate at any time or to a successor to all or substantially all of its stock or assets to which this Agreement relates in connection with its merger with, or the sale of all or substantially all of its stock or assets to which this Agreement relates to, another entity, regardless of the form of the transaction. In addition, Adimab may assign this Agreement or any of its rights under this Agreement, in connection with the sale of, monetization of, transfer of, or obtaining financing on the basis of the payments due to Adimab under this Agreement or debt or project financing in connection with this Agreement; *provided, however,* that in such case Adimab shall remain liable for the performance of all of its assignee's obligations hereunder as if Adimab has not assign this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Notwithstanding the foregoing, Adimab may not assign or otherwise transfer (by operation of law or otherwise) this Agreement if the assignee does not assume all of Adimab's obligations under this Agreement or Adimab does not remain bound to perform all obligations that are not assigned to the assignee. Any assignment of this Agreement not made in accordance with this Agreement is prohibited hereunder and shall be null and void.

10.6 Severability. If one or more of the provisions in this Agreement are deemed unenforceable by law, then such provision shall be deemed stricken from this Agreement and the remaining provisions shall continue in full force and effect.

10.7 Force Majeure. Both Parties shall be excused from the performance of their obligations under this Agreement to the extent that such performance is prevented by a Force Majeure and the nonperforming Party promptly provides notice of the prevention to the other Party. Such excuse shall be continued so long as the condition constituting Force Majeure continues and the nonperforming Party takes reasonable efforts to remove the condition, but [***]. For purposes of this Agreement,

10.8 Notices. Any notice required or permitted to be given under this Agreement shall be in writing, shall specifically refer to this Agreement and shall be deemed to have been sufficiently given for all purposes if mailed by first class certified or registered mail, postage prepaid, delivered by express delivery service or personally delivered. Unless otherwise specified in writing, the mailing addresses of the Parties shall be as described below.

If to Adimab:

Adimab, LLC
7 Lucent Drive Lebanon,
NH 03766
Attention: Legal

with a required copy to:

Attention: Head, Business Development at the same address.

In the case of Leap:

Leap Therapeutics, Inc. Inc.

47 Thorndike Street, Suite B1-1
Cambridge, MA 02141
Attn: General Counsel

with a required copy to:

Attention: President & CEO at the same address.

10.9 Construction. This Agreement has been prepared jointly and shall not be strictly construed against either Party. Ambiguities, if any, in this Agreement shall not be construed against any Party, irrespective of which Party may be deemed to have authored the ambiguous provision.

10.10 Headings. The headings for each article and section in this Agreement have been inserted for convenience of reference only and are not intended to limit or expand on, nor to be used to interpret, the meaning of the language contained in the particular article or section.

10.11 No Waiver. Any delay in enforcing a Party's rights under this Agreement or any waiver as to a particular default or other matter shall not constitute a waiver of such Party's rights to the subsequent enforcement of its rights under this Agreement, excepting only as to an express written and signed waiver as to a particular matter for a particular period of time executed by an authorized officer of the waiving Party.

10.12 Performance by Affiliates. A Party may perform some or all of its obligations under this Agreement through Affiliate(s) or may exercise some or all of its rights under this Agreement through Affiliates. However, each Party shall remain responsible and be guarantor of the performance by its Affiliates and shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance as if such Party were performing such obligations itself, and references to a Party in this Agreement shall be deemed to also reference such Affiliate. In particular and without limitation, all Affiliates of a Party that receive Confidential Information of the other Party pursuant to this Agreement shall be governed and bound by all obligations set forth in Article 6 *(Confidentiality; Publicity),* and shall (to avoid doubt) be subject to the intellectual property assignment and other intellectual property provisions of Article 5 *(Intellectual Property)* as if they were the original Party to this Agreement (and be deemed included in the actual Party to this Agreement for purposes of all intellectual property-related definitions). A Party and its Affiliates shall be jointly and severally liable for their performance under this Agreement.

10.13 Counterparts. This Agreement may be executed in one or more identical counterparts, each of which shall be deemed to be an original, and which collectively shall be deemed to be one and the same instrument. In addition, signatures may be exchanged by facsimile or **PDF.**

[Remainder of Page Left Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Parties have by duly authorized persons executed this Agreement as of the Restatement Date.

LEAP THERAPEUTICS, INC.:		ADIMAB, LLC:	
By:		By:	
Name:	Douglas E. Onsi	Name:	Philip T. Chase
Title:	President & CEO	Title:	Chief Exective Offer
Date:	4/2/2024	Date:	4/2/2024

EXHIBITS LIST

A - TARGET QUESTIONNAIRE

B - FORM OF RESEARCH PLAN

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Douglas E. Onsi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Leap Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 my 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. I have disclosed, based on my 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.

August 9, 2024
Date

/s/ DOUGLAS E. ONSI
Douglas E. Onsi
President, Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer and Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Leap Therapeutics, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas E. Onsi, as Chief Executive Officer, President and Chief Financial Officer, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2024

By: /s/ DOUGLAS E. ONSI
Douglas E. Onsi
President, Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer and Principal Financial Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Leap Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Quarterly Report), irrespective of any general incorporation language contained in such filing.