UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2021

OR

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

For the transition period from to

Commission File Number: 001-39971

Landos Biopharma, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**81-5085535**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1800 Kraft Drive, Suite 216 Blacksburg, Virginia	**24060**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (540) 218-2232

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 $0.01 per share	LABP	The Nasdaq Stock Market LLC

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

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

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

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

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

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

As of July 29, 2021, the registrant had 40,117,598 shares of common stock, $0.01 par value per share, outstanding.

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FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by the words "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue" and "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this report, we caution you that these statements are based on a combination of facts and factors currently known by us and our expectations of the future, about which we cannot be certain. Forward-looking statements include statements about:

- the timing, progress and results of our clinical trials of omilancor, NX-13 and any other product candidates, including statements regarding the timing of initiation and completion of studies or trials and related preparatory work, the period during which the results of the trials will become available and our research and development programs;
- the timing of any submission of filings for regulatory approval of, and our ability to obtain and maintain regulatory approvals for, omilancor, NX-13 and any other product candidates for any indication;
- our expectations regarding the size of the patient populations, market acceptance and opportunity for and clinical utility of our product candidates, if approved for commercial use;
- our manufacturing capabilities and strategy, including the scalability and commercial viability of our manufacturing methods and processes;
- our expectations regarding the scope of any approved indication for omilancor, NX-13 or any other product candidate;
- our ability to successfully commercialize our product candidates;
- our ability to leverage our LANCE platform to identify and develop future product candidates;
- our estimates of our expenses, ongoing losses, future revenue, capital requirements and our needs for or ability to obtain additional funding;
- our ability to establish or maintain collaborations or strategic relationships and attain any related milestone payments;
- our ability to identify, recruit and retain key personnel;

- our ability to protect and enforce our intellectual property position for our product candidates, and the scope of such protection;
- our financial performance;
- our competitive position and the development of and projections relating to our competitors or our industry;
- the impact of laws and regulations;
- the impact of the COVID-19 pandemic; and
- our expectations regarding the time during which we will be an emerging growth company under the JOBS Act.

You should refer to “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020 and in "Item 1a. Risk Factors" below 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 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 these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. The forward-looking statements in this report represent our views as of the date of this report. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this report.

You should read this report and the documents that we reference in this report, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

All brand names or trademarks appearing in this report are the property of their respective owners. Solely for convenience, the trademarks and trade names in this report are referred to without the symbols ® and TM, but such references should not be construed as any indication that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

Unless the context requires otherwise, references in this report to “Landos,” the “Company,” “we,” “us,” and “our” refer to Landos Biopharma, Inc. and its subsidiaries.

Item 1. Financial Statements. (Unaudited)

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

	June 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 18,687	$ 2,416
Marketable securities, available for sale	96,440	25,718
Incentive and tax receivables	2	154
Prepaid expenses and other current assets	2,598	202
Deferred offering costs	—	1,398
Total current assets	117,727	29,888
Property, plant and equipment-net	564	444
Total assets	$ 118,291	$ 30,332
Liabilities, convertible preferred stock and stockholders' (deficit) equity		
Current liabilities:		
Accounts payable	$ 10,685	$ 8,606
Accrued liabilities	1,590	1,939
Other current liabilities	255	489
Total current liabilities	12,530	11,034
Other liabilities	149	276
Total liabilities	12,679	11,310
Commitments and Contingencies	—	—
Convertible preferred stock, $0.01 par value; no shares authorized, issued or outstanding as of June 30, 2021; 11,260,608 shares authorized, issued and outstanding as of December 31, 2020: aggregate liquidation preference of $70,254 as of December 31, 2020	—	73,037
Stockholders' (deficit) equity:		
Preferred stock, $0.01 par value; 10,000,000 shares authorized, no shares issued or outstanding as of June 30,2021	—	—
Common stock, $0.01 par value; 200,000,000 shares authorized, 39,900,886 shares issued and outstanding as of June 30, 2021; 12,767,909 shares issued and outstanding as of December 31, 2020	399	71
Additional paid-in-capital	166,805	1,633
Accumulated other comprehensive gain (loss)	(142)	10
Accumulated deficit	(61,450)	(55,729)
Total stockholders' (deficit) equity	105,612	(54,015)
Total liabilities, convertible preferred stock and stockholders' (deficit) equity	$ 118,291	$ 30,332

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

Landos Biopharma, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue - License Fee:	$ 18,000		$ 18,000	
Operating expenses:				
Research and development	11,522	3,723	18,776	$ 8,413
General and administrative	2,596	1,365	5,241	2,445
Total operating expenses	14,118	5,088	24,017	10,858
Gain/(Loss) from operations	3,882	(5,088)	(6,017)	(10,858)
Other income (expenses):				
R&D Incentive Income	41	—	41	—
Gain/(loss) from foreign exchange	(5)	175	13	(47)
Other income, net	179	136	242	332
Other income (expense), net	215	311	296	285
Net income/(loss)	4,097	(4,777)	(5,721)	(10,573)
Net income/(loss) per share, basic and diluted	0.12	(0.73)	(0.19)	(1.61)
Weighted-average shares used to compute net loss per share, basic	33,639,481	12,067,905	29,875,877	11,971,314
Weighted-average shares used to compute net loss per share, diluted	34,384,784	12,067,905	29,875,877	11,971,314
Net income/(loss)	4,097	(4,777)	(5,721)	(10,573)
Unrealized gain/(loss) on available-for-sale securities	(40)	774	(152)	88
Comprehensive income/(loss)	4,057	(4,003)	(5,873)	(10,485)

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

Landos Biopharma, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

	Six Months Ended June 30,	
	2021	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss)	$ (5,721)	$ (10,573)
Adjustments to reconcile net earnings to net cash used in operating activities:		
Compensation expense related to vesting of common stock issued to Xontogeny	—	27
Depreciation of property and equipment	93	66
Accrued interest on marketable securities	415	—
Stock-based compensation expense	1,335	—
Net realized gain/(loss) on sale of marketable securities	2	44
Net (accretion of discount) amortization of premium on marketable securities	245	73
Gain/(loss) from foreign exchange	13	46
Other		33
Changes in operating assets and liabilities:		
Incentive and tax receivables	152	(27)
Prepaid expenses and other assets	(1,412)	(2)
Accounts payable	2,067	1,731
Other liabilities	(349)	(610)
Net cash (used in) operating activities	(3,160)	(9,192)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(213)	(79)
Purchase of available-for-sale marketable securities	(85,409)	(10,092)
Proceeds from sales and maturities of marketable securities	14,289	13,908
Net cash (used in) provided by investing activities	(71,333)	3,737
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from initial public offering	90,506	
Proceeds from exercise of stock options	258	—
Net cash provided by financing activities	90,764	—
Net change in cash and cash equivalents	16,271	(5,455)
Cash and cash equivalents at beginning of period	2,416	9,808
Effect of exchange rates on cash	—	(46)
Cash and cash equivalents at end of period	$ 18,687	$ 4,307
Supplemental non-cash disclosure:		
NONCASH INVESTING AND FINANCING ACTIVITY:		
Deferred offering costs included in accounts payable and accrued liabilities	$ —	$ 246
Purchases of fixed assets in accounts payable	—	11
Reclassification of par to additional paid-in-capital	2	—
Reclassification of series A and B convertible preferred stock to common stock	72,925	—
Unrealized gain on available-for-sale marketable securities	152	88

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

Landos Biopharma, Inc.
Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity
(Unaudited)
(in thousands, except share amounts)

	Convertible preferred stock		Convertible preferred stock		Common stock						
	Shares	Amounts	Shares	Amounts	Shares	Amounts	Additional paid-in capital	Tranche right	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' deficit
Balance at December 31, 2019	11,260,608	73,037	—	—	11,784,148	$ 63	$ 16	—	$ (25,585)	$ (77)	$ (25,583)
Compensation expense related to vesting of common stock issued to Xontogeny	—	—	—	—	193,182	2	12	—	—	—	14
Unrealized gain / (loss) on available-for-sale securities	—	—	—	—	—	—	—	—	—	(686)	(686)
Net loss	—	—	—	—	—	—	—	—	(5,796)	—	(5,796)
Balance at March 31, 2020	11,260,608	73,037			11,977,330	65	28	—	(31,381)	(763)	(32,051)
Compensation expense related to vesting of common stock issued to Xontogeny	—	—	—	—	193,182	1	12	—	—	—	13
Unrealized gain / (loss) on available-for-sale securities	—	—	—	—	—	—	—	—	—	774	774
Net loss	—	—	—	—	—	—	—	—	(4,777)	—	(4,777)
Balance at June 30, 2020	11,260,608	73,037			12,170,512	66	40	—	(36,158)	11	(36,041)

	Convertible preferred stock		Common stock						
	Shares	Amounts	Shares	Amounts	Additional paid-in capital	Tranche right	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' equity (deficit)
Balance at December 31, 2020	11,260,608	$ 73,037	12,767,909	$ 71	$ 1,633	—	$ (55,729)	$ 10	$ (54,015)
Conversion of preferred stock to common stock upon closing of the initial public offering	(11,260,608)	(73,037)	20,549,478	262	72,775	—	—	—	73,037
Issuance of common stock, net of issuance costs	—	—	6,250,000	63	90,443	—	—	—	90,506
Stock compensation expense	—	—	—	—	1,023	—	—	—	1,023
Exercise of Stock Options	—	—	299,282	3	555	—	—	—	558
Unrealized gain / (loss) on available-for-sale securities								(112)	(112)
Net loss	—	—	—	—	—	—	(9,818)	—	(9,818)
Balance at March 31, 2021	—	$ —	39,866,669	$ 399	$ 166,429	—	$ (65,547)	$ (102)	$ 101,179
Stock compensation expense	—	—	—	—	312	—	—	—	312
Exercise of Stock Options	—	—	34,217	—	64	—	—	—	64
Unrealized gain / (loss) on available-for-sale securities								(40)	(40)
Net income	—	—	—	—	—	—	4,097	—	4,097
Balance at June 30, 2021	—	$ —	39,900,886	$ 399	$ 166,805	—	$ (61,450)	$ (142)	$ 105,612

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

1. Organization and description of the business

Landos Biopharma, Inc. ("Landos") is a late-clinical-stage biopharmaceutical company that utilizes its LANCE® Advanced A.I. platform to discover and develop novel oral therapeutics for patients with autoimmune diseases. To date LANCE® has discovered seven new mechanisms of action, including the LANCL2, NLRX1 and PLXDC2 immunometabolic pathways. These new pathways offer a unique and differentiated way to modulate dysregulated immune responses that are connected to autoimmune diseases, a market expected to reach $153 billion by 2025.

The Company's core expertise is in the development of therapeutic candidates that target novel pathways at the interface of immunity and metabolism. Based on our understanding of the role that cellular metabolic pathways have on modulating inflammatory responses, the Company aims to down-regulate these inflammatory responses by changing the metabolic processes in targeted cells.

The Company leverages its proprietary advanced AI-based precision medicine platform and growing reference datasets, which we refer to as our LANCE® advanced A.I. platform, to identify novel therapeutic targets and biomarkers based on predictions of immunometabolic function and create therapeutic candidates for autoimmune disease to engage those targets in areas of unmet medical need.

The Company utilizes its unique and proprietary animal models, which allows precise conduct of its research and development activities, as compared to other animal models available for purchase in the marketplace, to evaluate safety and efficacy profiles of its product candidates.

LANCE Platform and Expansible Inflammation & Immunology Pipeline

The Company's LANCE platform accelerates the drug development process by shortening timelines and reducing costs. LANCE® has yielded 17 active preclinical and clinical programs through June 30, 2021. In addition, the Company expects LANCE® will continue to assist in developing new and novel product candidates to enhance the Company's expansible inflammation & immunology (I&I) pipeline in the future.

Lead Therapeutic Assets and Clinical Trial Plans

Lead asset omilancor is a novel once-daily, oral, gut-restricted small molecule drug candidate that targets the LANCL2 pathway for the treatment of ulcerative colitis ("UC"), Crohn's disease ("CD"), Eosinophilic Esophagitis ("EOE") and topical formulations have been developed for psoriasis and atopic dermatitis.

The Company successfully completed a global Phase 2 clinical trial of omilancor for UC in 2020. And, in June 2021, the company successfully completed an End-of-Phase 2 meeting with the US FDA and secured agreement on the key elements necessary for regulatory approval. This has enabled the company to initiate clinical trial site feasibility studies for the planned pivotal global Phase 3 program of omilancor in UC that will consist of two concurrent global pivotal trials: PACIFY I and PACIFY II. The Company believes that the agreed upon inclusion criteria of the pending global Phase 3 program, if successful, may potentially make omilancor eligible to be prescribed to approximately 90% of all UC patients. According to Global Data, sales of UC drugs in the US in 2021 are anticipated to approximate $5.7 billion and may reach $7.3 billion in 2025 when omilancor might be ready to be commercialized for UC. Additionally, the Company initiated a Phase 2 trial of omilancor in 150 patients with CD in the first half of 2021 with data readout for this trial expected in the first half of 2022.

NX-13 is a novel, once-daily, oral, gut-restricted small molecule drug candidate for the treatment of inflammatory bowel disease, that targets the NLRX1 pathway. NX-13 is undergoing Phase 1b clinical testing in 40 UC patients with data readout expected in the first quarter of 2022.

Continued Drug Discovery and Pipeline Development Activities

The Company is a platform company that continues to discover innovative therapeutic targets, with the aim to begin clinical development of at least one new drug candidate in each of the next five years. The Company also has a robust pipeline of seventeen (17) product candidates for various autoimmune diseases, including: lupus, rheumatoid arthritis, multiple sclerosis, and type 1 diabetes a market expected to reach $153 billion by 2025. At least several of which the Company anticipates advancing to Phase 1 clinical testing in 2021 and 2022.

Business Development and Financing Activities

We are actively seeking cash inflows from non-dilutive product candidate licensing activities to negotiate for up-front and milestone payments and potential royalty payments on future sales for our pipeline of product candidates while advancing our core programs to commercialization.

In May 2021, Landos received $18 million in an upfront payment from LianBio related to a license agreement for the Greater China and select Asian markets. The LianBio agreement may provide us up to an additional $200 million from the achievement of commercial and milestone payments, and low-mid double-digit royalties in net sales in the territory. LianBio also committed to recruitment of up to 25% of patients in our Phase 3 pivotal trials.

During February 2021, the Company completed its initial public offering ("IPO") that resulted in net proceeds of $90.5 million. As a result of the IPO, $72.9 million of convertible preferred stock converted to common stock, in accordance with the terms of those financing agreements negotiated prior to the IPO.

We will need additional financing to initiate and complete our planned clinical trials, to continue and expand our research and development operations that support our planned discovery, development and clinical and regulatory activities, to adequately prepare for commercialization of our product candidates that may achieve regulatory approval in the future.

Liquidity and Capital Resources

As of June 30, 2021, the Company had cash, cash equivalents and marketable securities of $115.1 million, which it believes will be sufficient to fund its planned operations through end of 2023.

Since our inception in 2017 through June 30, 2021, we funded operations through the issuance of convertible preferred stock and convertible promissory notes, through proceeds from our IPO, and through the upfront payment from the LianBio territory deal. We expect to incur substantial operating losses for at least the next several years.

2. Summary of significant accounting policies

Basis of presentation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Landos Biopharma Australia Pty Ltd. ("Landos Australia"). All intercompany balances and transactions have been eliminated in consolidation. The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information, the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the Company's audited financial statements and notes thereto included in its Annual Report on Form 10-K for the year ended December 31, 2020. In the opinion of the Company's management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of its financial position, operating results and cash flows for the periods presented have been included. Operating results for the three and six months ended June 30, 2021 are not necessarily indicative of the results that may be expected for the full year, for any other interim period or for any future year.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. 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 consolidated financial statements and the reported amounts of expenses during the reporting period. Significant estimates and assumptions made in the accompanying consolidated financial statements include but are not limited to accrued liabilities, fair value of equity instruments, and uncertain tax positions. The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate. Actual results could materially differ from those estimates

COVID-19

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus disease ("COVID-19") as a pandemic, and the Company expects its operations in all locations to be affected as the virus and its variants continue to proliferate. The Company has adjusted certain aspects of its operations to protect employees and customers while still meeting customers' needs for vital technology. The Company will continue to monitor the situation closely and it is possible that further measures will be

implemented. In light of the uncertainty as to the severity and duration of the pandemic, the impact on the financial position of the company, if any, is uncertain at this time.

Revenue Recognition for Out-License Arrangements

Under ASC Topic 606, "Revenue from Contracts with Customers" ("Topic 606"), an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of Topic 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price, including variable consideration, if any; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company assesses its license arrangements within the scope of Topic 606 in accordance with this framework as follows:

License revenue

The Company first assesses whether the goods or services promised within each contract are distinct to identify those that are performance obligations. This assessment involves subjective determinations and requires management to make judgments about the individual promised goods or services and whether such are separable from the other aspects of the contractual relationship. In assessing whether a promised good or service is distinct, and therefore a performance obligation, the Company considers factors such as the research, manufacturing and commercialization capabilities of the customer and the availability of the associated expertise in the general marketplace. The Company also considers the intended benefit of the contract in assessing whether a promised good or service is separately identifiable from other promises in the contract. If a promised good or service is not distinct, the Company is required to combine that good or service with other promised goods or services until it identifies a bundle of goods or services that is distinct. Arrangements that include rights to additional goods or services that are exercisable at a customer's discretion are generally considered options. The Company assesses if these options provide a material right to the customer and if so, they are considered performance obligations.

The transaction price is determined and allocated to the identified performance obligations in proportion to their stand-alone selling prices ("SSP") on a relative SSP basis. SSP is based on observable prices of the performance obligations or, when such prices are not observable, are estimated based on factors such as forecasted revenues or costs, development timelines, discount rates, and probabilities of technical and regulatory success.

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. The Company determines the amount of variable consideration by using the expected value method or the most likely amount method. The Company includes the amount of estimated variable consideration in the transaction price to the extent that it is probable that a significant reversal of cumulative revenue recognized will not occur. At the end of each subsequent reporting period, the Company re-evaluates the estimated variable consideration included in the transaction price and any related constraint, and if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis in the period of adjustment.

If an arrangement includes development, regulatory or commercial milestone payments, the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the Company's control or the licensee's control, such as regulatory approvals, are generally not considered probable of being achieved until those approvals are received.

In determining the transaction price, the Company adjusts consideration for the effects of the time value of money if the timing of payments provides the Company with a significant benefit of financing. The Company does not assess whether a contract has a significant financing component if the expectation at contract inception is such that the period between payment by the licensee and the transfer of the promised goods or services to the licensees will be one year or less. For arrangements with licenses of intellectual property that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognizes royalty revenue and sales-based milestones at the later of (i) when the related sales occur, or (ii) when the performance obligation to which the royalty has been allocated has been satisfied. The Company recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) each performance obligation is satisfied at a point in time or over time, and if over time, recognition is based on the use of an output or input method.

Collaborative arrangements

The Company analyzes its license arrangements to assess whether it is within the scope of ASC Topic 808, Collaborative Arrangements ("Topic 808") by evaluating whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities. This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement. For arrangements within the scope of Topic 808 that contain multiple elements, the Company first determines which elements of the collaboration are deemed to be within the scope of Topic 808 and which elements of the collaboration are more reflective of a vendor-customer relationship and therefore within the scope of Topic 606. For elements of collaboration arrangements that are accounted for pursuant to Topic 808, an appropriate recognition method is determined and applied consistently, either by analogy to authoritative accounting literature or by applying a reasonable and rational policy election. For those elements of the arrangement that are accounted for pursuant to Topic 606, the Company applies the five-step model described above.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with original maturities of ninety days (90) or less from the purchase date to be cash equivalents. Cash equivalents consist primarily of amounts invested in money market funds and commercial paper and are stated at fair value.

Marketable securities

The Company's investments in marketable securities are maintained by investment managers and consist of corporate debt securities with original maturities of over 90 days, all of which are considered available-for-sale debt securities. The Company classifies its available-for-sale securities as short-term marketable securities on the consolidated balance sheets, even though the stated maturity date may be one year or more beyond the current consolidated balance sheet date, as the Company views those securities as available for use in current operations, if needed.

Available-for-sale securities are carried at fair value with their unrealized gains and losses included in accumulated other comprehensive loss within stockholders' (deficit) equity, until such gains and losses are realized in other income (expense), net, within the consolidated statements of operations and comprehensive loss or until an unrealized loss is considered other-than-temporary. Realized gains and losses are determined using the specific identification method.

The Company evaluates its investments with unrealized losses for other-than-temporary impairment. When assessing investments for other-than-temporary impairments in value, the Company considers such factors as, among other things, how significant the impairment in value is as a percentage of the original cost, how long the market value of the investment has been less than its original cost, the Company's ability and intent to retain the investment for a period of time sufficient to allow for any anticipated recovery in fair value and market conditions. If the Company determines from this analysis that it does not expect to receive cash flows sufficient to recover the entire amortized cost of the security, a credit loss exists, the impairment is considered other-than-temporary and is recognized in the consolidated statements of operations and comprehensive loss.

Research and development expenses

Research and development expenses consist primarily of costs incurred for the development of the Company's lead clinical product candidates omilancor, NX-13 and other pipeline therapeutic assets. Research and development costs consist primarily of external costs related to clinical development, contract manufacturing and discovery as well as personnel costs. Personnel costs consist of salaries and employee benefits. The Company estimates preclinical and clinical study and research expenses based on the services performed, pursuant to contracts with research institutions that conduct and manage preclinical and clinical studies and research services on its behalf. The Company records the costs of research and development activities based upon the estimated amount of services provided but not yet invoiced and includes these costs in accrued liabilities in the consolidated balance sheets. These costs are a component of the Company's research and development expenses. The Company accrues for these costs based on factors such as estimates of the work completed and in accordance with agreements established with its third-party service providers under the service agreements. The Company makes significant judgments and estimates in determining the accrued liabilities balance in each reporting period. As actual costs become known, the Company adjusts its accrued liabilities. The Company has not experienced any material differences between accrued costs and actual costs incurred.

Basic and diluted net income and loss per share

Basic net income or loss per share is computed by dividing the net income or loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net income or loss per share is computed by dividing the net income or loss by

the weighted-average number of shares of common stock together with the number of additional shares of common stock that would have been outstanding if all potentially dilutive shares of common stock had been issued.

Emerging growth company status

The Company is an emerging growth company ("EGC"), as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an EGC or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these combined and consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

Recently issued accounting pronouncements not yet adopted

In February 2016, the FASB issued ASU 2016-02—*Leases (Topic 842)*, requiring the recognition of lease assets and liabilities on the balance sheet. The standard: (a) clarifies the definition of a lease; (b) requires a dual approach to lease classification similar to current lease classifications; and (c) causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset for leases with a lease-term of more than twelve months. The standard is effective for public entities for fiscal years beginning after December 15, 2018 and was initially effective for nonpublic entities for fiscal years beginning after December 15, 2019. In October 2019, the FASB approved a one-year delay in the effective date for non-public companies and, in June 2020, approved an additional one-year delay in the effective date for non-public companies. As a result, the standard is now effective for fiscal years beginning after December 15, 2021. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13—*Financial Instruments (Topic 326) Measurement of Credit Losses on Financial Instrument* ("CECL"), which requires an allowance for expected credit losses on financial assets be recognized as early as day one of the instrument. This ASU departs from the incurred loss model which means the probability threshold is removed. It considers more forward-looking information and requires the entity to estimate its credit losses as far as it can reasonably estimate. The ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, for public business entities that are U.S. Securities and Exchange Commission (SEC) filers, excluding entities eligible to be smaller reporting companies (SRC). For all other public business entities, including SRC, the ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2018. The Company elected to adopt the new standard in the annual reporting period beginning after December 15, 2022 and does not expect the adoption of this ASU to have a material impact on the consolidated financial statements.

3. Fair value measurement

Financial assets and liabilities are recorded at fair value on a recurring basis in the consolidated balance sheet. The carrying values of the Company's financial assets and liabilities, including cash and cash equivalents, prepaids and other current assets, accounts payable, and accrued expenses approximate their fair value due to the short-term maturity of these instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. Assets and liabilities recorded at fair value in the consolidated financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels are directly related to the amount of subjectivity with the inputs to the valuation of these assets or liabilities as follows:

Level 1—Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2—Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable inputs for similar assets or liabilities. These include quoted prices for identical or similar assets or liabilities in active markets and quoted prices for identical or similar assets of liabilities in markets that are not active;

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Financial assets and liabilities subject to fair value measurements on a recurring basis and the level of inputs used in such measurements are as follows (in thousands):

	June 30, 2021			
	Level 1	Level 2	Level 3	Aggregate fair value
Assets:				
Money market funds	$ 17,174	$ —	$ —	$ 17,174
Fixed income securities	—	71,027	—	71,027
Asset backed securities	—	25,413	—	25,413
Total assets	$ 17,174	$ 96,440	$ —	$ 113,614

	December 31, 2020			
	Level 1	Level 2	Level 3	Aggregate fair value
Assets:				
Money market funds	$ 265	$ —	$ —	$ 265
Fixed income securities	—	23,343	—	23,343
Asset backed securities	—	2,375	—	2,375
Total assets	$ 265	$ 25,718	$ —	$ 25,983

The contractual maturities of available for sale securities of June 30, 2021 are as follows:

	As of June 30, 2021
	(in thousands)
Within one year	$ 62,193
Within one to five years	34,247
Total contractual maturities	$ 96,440

The Company's financial instruments consist of Level 1 and Level 2 assets. The Company values its Level 1 assets based on quoted prices in active markets for identical instruments. Level 1 assets consist primarily of highly liquid money market funds that are included in cash equivalents. The Company values its Level 2 assets consisting of certificates of deposits, fixed income securities, and asset backed securities with the help of a third-party pricing service using quoted market prices for similar instruments or nonbinding market prices that are corroborated by observable market data. The Company uses such pricing data as the primary input, to which no material adjustments have been made during the periods presented, to make its determination and assessments as to the ultimate valuation of these assets. The fair values of these instruments approximate amortized cost.

4. Share-based compensation

2019 Equity Incentive Plan

In December 2019, the board of directors of the Company (the "Board") adopted the 2019 Equity Incentive Plan (the "2019 Plan"). The 2019 Plan provides for the grant of share-based awards, including stock options and restricted stock units, to employees, directors, and non-employee service providers of the Company. In December 2019, the Board authorized 3,657,019 shares for future issuance under the 2019 Plan. All such shares authorized for issuance under the 2019 Plan have been reserved.

On January 27, 2021, the Company's Board of Directors approved a 1.8249-for-1 stock split of the Company's outstanding common shares. On January 29, 2021, the Company amended its Amended and Restated Certificate of Incorporation to affect the stock split. The stock split resulted in an adjustment to the preferred share conversion price to reflect a proportional increase in the number of common shares to be issued upon conversion. The accompanying financial statements and notes to financial statements give retroactive effect to the stock split for all periods presented.

A summary of the Company's stock option activity is as follows:

	Number of Shares	Number of Options Outstanding	Weighted Average Exercise Price	Weighted Remaining Contract Term (in years)	Aggregate Intrinsic Value (in thousands)
Balances as of December 31, 2020	2,003,587	1,249,218	$ 1.86	9.80	$ 9
Authorized	—	—	$ —	—	
Granted	(491,650)	491,650	$ 14.61	—	
Exercised	—	(333,499)	$ 1.86	—	
Forfeited	—	—	$ —	—	
Balances as of June 30, 2021	1,511,937	1,407,369	$ 6.31	9.46	$ 7,535
Options exercisable at June 30, 2021		294,042	$ 6.15	9.40	$ 1,977
Options vested and expected to vest at June 30, 2021		1,407,369	$ 6.31	9.46	$ 7,535

The total intrinsic value of options exercised was $1.5 million for the six months ended June 30, 2021.

The weighted average fair value of options to purchase common stock granted was $7.33 million in the six months ended June 30, 2021.

The fair value of each stock option award is estimated on the grant-date using the Black-Scholes option pricing model. The inputs used below are subjective and require significant judgment to determine.

	Six Months Ended June 30, 2021
Expected term (in years)	5.9
Risk-free interest rate	0.63%
Expected volatility	66.55%
Dividend rate	—%

The following table summarizes stock-based compensation expense for employees, which was included in the statements of operations and comprehensive loss as follows (in thousands):

	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021
Research and development	$ 211	$ 989
General and administrative	101	346
Total stock-based compensation expense	$ 312	$ 1,335

At June 30, 2021, the total compensation cost related to unvested stock-based awards granted to employees under the 2019 Plan but not yet recognized was approximately $3.7 million. This cost will be amortized on a straight-line basis over the remaining vesting period. The weighted-average remaining recognition period is approximately 2.6 years.

Early Exercise of Employee Options

The terms of the 2019 Plan permit certain option holders to exercise options before their options are vested. The shares of common stock granted upon early exercise that have not vested are subject to repurchase by the Company in the event of termination of the purchaser's employment, at the price paid by the purchaser. While such shares have been issued, they are not considered outstanding for accounting purposes until they vest and are therefore excluded from shares used in determining loss per share until the repurchase right lapses and the shares are no longer subject to the repurchase feature. The liability is reclassified into common stock and additional paid-in capital as the shares vest and the repurchase right lapses. Accordingly, the Company has recorded the unvested portion of the early exercise proceeds of $404 thousand as a liability in the accompanying balance sheets as of June 30, 2021. As of June 30, 2021, the Company recorded $255 thousand in other current liabilities and $149 thousand in other long term liabilities related to shares that were subject to repurchase.

5. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. The Company believes there is no litigation pending or loss contingencies that could have, either individually or in the aggregate, a material impact on the Company's financial statements.

The following table summarizes our contractual obligations as of June 30, 2021 and the effects that such obligations are expected to have on our liquidity and cash flows in future periods:

			Payments due by period			
(in thousands)	Total	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years
Operating lease commitments(1)	$ 505	$ 172	333	—	—
Total	$ 505	$ 172	333	—	—

(1) Amounts in the table reflect payments due for our headquarters in Blacksburg, Virginia under an operating lease agreement that expires in July of 2024.

We enter into contracts in the normal course of business with third-party contract organizations for clinical trials, preclinical studies, manufacturing and other services and products for operating purposes. These contracts generally provide for termination following a certain period after notice and therefore we believe that our non-cancelable obligations under these agreements are not material.

6. Income taxes

The Company estimates an annual effective tax rate of 0% for the year ending December 31, 2021 as the Company incurred losses for the six months ended June 30, 2021, and is forecasting an estimated net loss for both financial statement and tax purposes for the year ending December 31, 2021. Therefore, no federal or state income taxes are expected and none have been recorded at this time. Income taxes have been accounted for using the liability method in accordance with FASB ASC 740.

Due to the Company's history of losses since inception, there is not enough evidence at this time to support that the Company will generate future income of a sufficient amount and nature to utilize the benefits of its net deferred tax assets. Accordingly, the deferred tax assets have been reduced by a full valuation allowance, since the Company cannot currently support that realization of its deferred tax assets is more likely than not. However, the Company feels its deferred tax assets may be used upon the Company becoming profitable.

At June 30, 2021, the Company had no unrecognized tax benefits that would reduce the Company’s effective tax rate if recognized.

7. Net Income/(Loss) per common share

The following table sets forth the computation of basic and diluted net loss per share during the periods presented (in thousands, except share and per share amounts):

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Numerator:				
Net Income/(Loss)	$ 4,097	$ (4,777)	$ (5,721)	$ (10,573)
Denominator:				
Weighted-average shares of common stock issued and outstanding	33,867,593	12,363,695	30,121,003	12,363,695
Less: weighted-average unvested common stock subject to repurchase	(228,112)	(295,790)	(245,126)	(392,381)
Weighted-average common stock outstanding used to calculate net gain/(loss) per common share, basic	33,639,481	12,067,905	29,875,877	11,971,314
Weighted-average effect of potentially dilutive securities:				
Stock options to purchase common stock	537,832	—	—	—
Common stock subject to repurchase	207,471	—	—	—
Diluted weighted-average common shares outstanding	34,384,784	12,067,905	29,875,877	11,971,314
Net income/(loss) per common stock, basic	$ 0.12	$ (0.40)	$ (0.19)	(0.88)
Net income/(loss) per share of common stock, diluted	$ 0.12	$ (0.40)	$ (0.19)	$ (0.88)

The following outstanding shares of potentially dilutive securities have been excluded from diluted net loss per common share for the periods presented, because their inclusion would be anti-dilutive:

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Convertible preferred stock on an as-converted basis	—	20,549,478	—	20,549,478
Stock options to purchase common stock	491,650	—	1,407,369	—
Common stock subject to repurchase	—	193,184	216,707	193,184
Total	491,650	20,742,662	1,624,076	20,742,662

8. License Agreement

License and collaboration agreement with LianBio

On May 14, 2021, the Company entered into an exclusive license and collaboration agreement with LianBio Respiratory Limited ("Lian"). Lian is a related party to the Company as a result of an affiliation of a member of the Company's board of directors. By entering into this agreement, the Company promised to deliver to Lian an exclusive license and know-how (the "License") to develop, manufacture and commercialize omilancor and NX-13 (the "Product") in the territory comprising the People's Republic of China ("PRC"), Hong Kong, Macau, Taiwan, Cambodia, Indonesia, Myanmar, Philippines, Singapore, South Korea, Thailand, and Vietnam (the "Territory").

In addition, the Company and Lian formed a Joint Steering Committee ("JSC") to provide oversight to the activities performed under the agreement; however, the substance of the Company's participation in the JSC does not represent an additional promised service, but rather, a right of the Company to protect its own interests in the arrangement.

Further, the Company agreed to supply to Lian all clinical and commercial requirements of Product. The terms of the agreement do not provide for either (i) an option to Lian to purchase Product from the Company at a discount from the standalone selling price or (ii) minimum purchase quantities. Finally, Lian will bear (i) all costs and expenses for any development or commercialization of the Product in the Territory and (ii) all costs and fees associated with applying for regulatory approval of the Product in the Territory. The Company received a non-refundable payment of $18.0 million upon execution of the agreement. In addition, the Company has the ability to receive additional payments upon the achievement of certain development and sales milestone payments of up to an aggregate of $95.0 million and $105.0 million, respectively. The Company is also entitled to receive double-digit royalties on net sales of the Product in the Territory.

The Company concluded that Lian meets the definition of a customer because the Company is delivering intellectual property and other services in which the parties are not jointly sharing the risks and rewards. Therefore, the Company concluded that the promises summarized above represent transactions with a customer within the scope of ASC 606. The Company determined that the contract contains a single performance obligation to deliver the License, which represents function intellectually property given the functionality of the License is not expected to change substantially as a result of the Company's ongoing activities.

Given that Lian is not obligated to purchase any minimum amount or quantities of Product, the supply of Product for clinical and commercial purposes was determined to be an option for Lian, rather than a performance obligation of the Company at contract inception and will be accounted for if and when exercised. The Company also determined that Lian's option to purchase Product does not create a material right as the expected pricing is not at a discount.

The Company determined that the upfront fixed payment amount of $18.0 million must be included in the transaction price. The potential development milestone payments that the Company is eligible to receive were excluded from the transaction price, as the milestone amounts were fully constrained based on the probability of achievement, since the milestones relate to successful achievement of certain regulatory approvals or activities, which might not be achieved. The Company determined that the royalties and sales milestone payments relate predominantly to the License and are therefore excluded from the transaction price under the sales- or usage-based royalty exception of ASC 606. The Company will reevaluate the transaction price, including all constrained amounts, at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur, and the Company will adjust its estimate of the transaction price as necessary. The Company will recognize the royalties and sales milestone payments as revenue when the associated sales occur, and relevant sales-based thresholds are met. The Company assessed the arrangement with Lian and concluded that a significant financing component does not exist.

The Company will recognize the revenue allocated to the License performance obligation at a point in time upon transfer of the License. As of June 30, 2021, the Company had completed the transfer of the License and know-how necessary for Lian to benefit from the License and, as such, recognized the full amount of the upfront payment as revenue.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and notes thereto as of December 31, 2020 and 2019 and for each of the two years in the period ended December 31, 2020 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission, or SEC, on March 30, 2021. Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to "the company," "we," "us," and "our" refer to Landos Biopharma, Inc. together with its subsidiaries. Market research and trends were derived from various sources including but not limited to Global Data, CDC and IHS Markit.

Overview

We are a late-clinical-stage biopharmaceutical company utilizing our proprietary advanced artificial intelligence ("A.I.") platform called LANCE® to discover, validate and develop oral therapeutics for patients with autoimmune diseases that are the first to target novel mechanisms of action, including the LANCL2, NLRX1 and PLXDC2 immunometabolic pathways. Based on the accelerated development facilitated by our LANCE® advanced A.I. platform, our expansible inflammation and immunology (I&I)_pipeline has 17 active drug development programs targeting these novel pathways at the interface of immunity and metabolism.

Our lead asset omilancor is a novel gut-restricted small molecule drug candidate for the treatment of ulcerative colitis ("UC"), Crohn's disease ("CD"), eosinophilic esophagitis ("EoE"), psoriasis and atopic dermatitis that targets the LANCL2 pathway. We completed a global Phase 2 double-blind placebo controlled clinical trial of omilancor for UC in 2020. These results have been successfully accepted for publication in a reputable peer-reviewed clinical conference: United European Gastroenterology Week ("UEGW"). Following the end of Phase 2 meeting with the United States Food and Drug Administration ("FDA") in June 2021, we are planning to begin registration directed global phase 3 trials of omilancor in UC by the first quarter of 2022. Interim topline results from the 12-week induction portion of these phase 3 global trials are anticipated to be available in 2023. Omilancor has a very strong and extensive patent estate with over 50 patents that will make omilancor an enduring asset into late 2030s. In each of the currently disclosed target indications for omilancor we plan to retain commercialization rights for US and may seek partners for commercialization opportunities outside of the US (expect for Greater China and select Asian markets since we already have a license agreement in place with LianBio).

During the second quarter of 2021, we initiated a Phase 2 trial of omilancor in patients with CD with data readout for this trial expected in the first half of 2022. According to market research, in 2020, prescription therapeutics used to treat CD in the United States generated approximately $10.7 billion in sales and are anticipated to grow at over 4.1% per annum over the coming years.

We have also developed a topical formulation and anticipate filing an Investigational New Drug Application ("IND") with the FDA for omilancor in Psoriasis. According to market research, in 2020, prescription therapeutics used to treat Psoriasis in the US generated over $9.5 billion in sales and are anticipated to grow over 5.2% per year over the coming decade.

We also anticipate filing an IND for omilancor in Atopic Dermatitis ("AD") in the first half of 2022. According to market research, prescription therapeutics used to manage the symptoms of AD generated approximately $6.5 billion in sales in 2020 and are anticipated to grow in excess of 10.0% per year over the coming years.

In addition, we cleared an IND for omilancor orodispersable tablets in Eosinophilic Esophagitis ("EoE") was cleared by the FDA in April 2021. A relatively newly recognized disease with no FDA approved therapies. As such, EoE is frequently underdiagnosed but is nonetheless estimated to affect up to 135,000 patients in the US, growing at approximately 6.0% per annum.

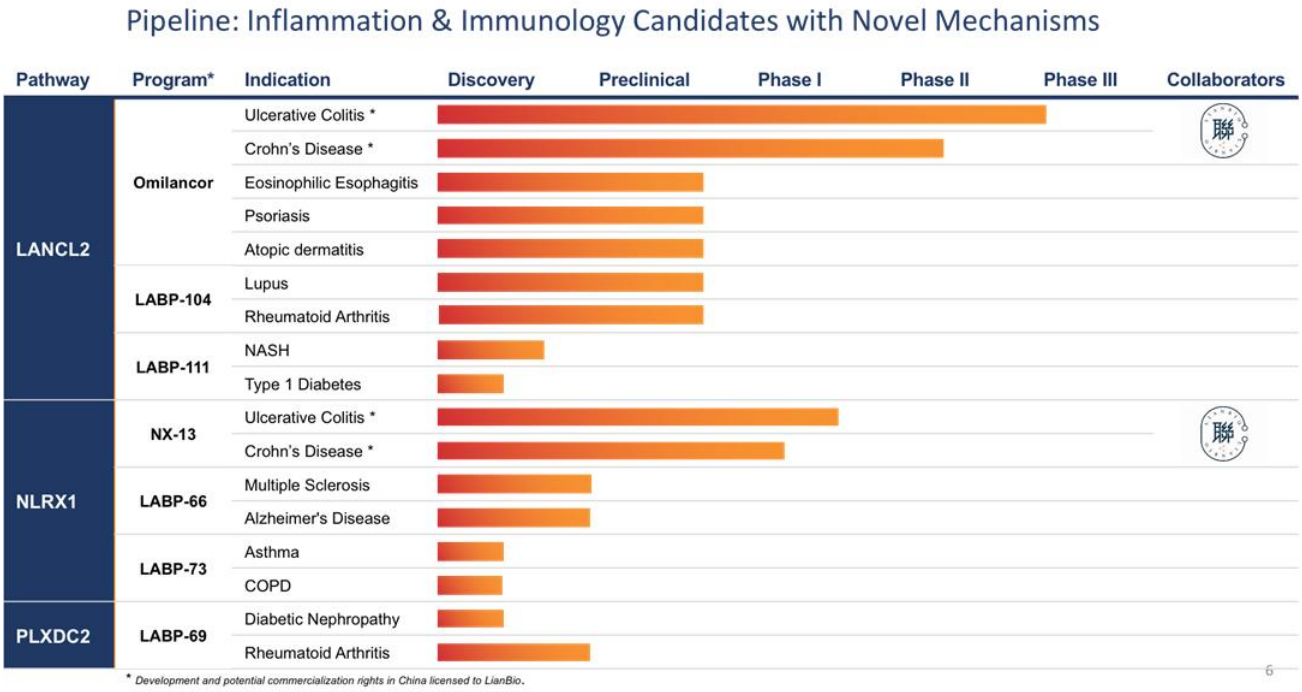
Our second most advanced clinical program is NX-13, a novel, gut-restricted small molecule drug candidate now in development for the treatment of inflammatory bowel disease ("IBD") that targets the NLRX1 pathway. Currently, we are actively enrolling a Phase 1b clinical trial of NX-13 in 40 UC patients in the US and Europe. We anticipate top line data readout of this trial in the first quarter of 2022. Additionally, we anticipate filing an IND for NX-13 in irritable bowel syndrome (IBS) in the fourth quarter of 2021.

A $218 million territory deal with LianBio to develop and commercialize omilancor in Greater China and select Asian markets. Of the $218 million, $18 million has been received as an upfront cash payment (please refer to Form 8-K filing and press release dated May 17, 2021). We are also eligible to receive tiered royalties based on the net sales of omilancor and NX-13 in the licensed territories.

Our third most advanced clinical program is LABP-104 (formerly BT-104), a novel, systemic small molecule anti-inflammatory therapeutic for the treatment of lupus, and rheumatoid arthritis. We expect to file an IND for lupus and rheumatoid arthritis in the third quarter of 2021.

A $218 million territory deal with LianBio to develop and commercialize omilancor in Greater China and select Asian markets. Of the $218 million, $18 million has been received as an upfront cash payment (please refer to Form 8-K filing and press release dated May 17, 2021). We are also eligible to receive tiered royalties based on the net sales of omilancor and NX-13 in the licensed territories.

Below, a synopsis of our expansible inflammation and immunology pipeline of three novel pathways and 17 novel product candidates that are in active development for 14 therapeutic indications.



Our core expertise is in the development of therapeutic candidates that target novel pathways at the interface of immunity and metabolism. Based on our understanding of the role that cellular metabolic pathways have on modulating inflammatory responses, we aim to inhibit these inflammatory responses by changing the metabolic processes in target cells. We leverage our proprietary advanced AI-based precision medicine platform and growing reference datasets, which we refer to as our LANCE® advanced A.I. platform, to identify novel therapeutic targets and biomarkers based on predictions of immunometabolic function and create therapeutic candidates for autoimmune disease to engage those targets in areas of unmet medical need. Through our LANCE® advanced A.I. platform, we have identified seven novel drug candidates that are in active development for 17 indications, including UC, CD, lupus, rheumatoid arthritis, nonalcoholic steatohepatitis (“NASH”), multiple sclerosis, Alzheimer’s disease, asthma, psoriasis, atopic dermatitis, EoE, chronic obstructive pulmonary disease, diabetic neuropathy and type 1 diabetes.

Our Lead Product Candidates and Clinical Trial Plans

Our current lead product candidate, omilancor, is a novel gut-restricted small molecule drug candidate that target the LANCL2 pathway, a novel mechanism of action (MOA) that regulates excessive immune responses tied to autoimmune diseases, for the treatment of ulcerative colitis (UC), Crohn’s disease (CD), Eosinophilic Esophagitis (EoE) psoriasis and atopic dermatitis are targeting prescription market volumes that in 2020 amounted to over $56 billion and in 2029 are expected to grow to $157 billion. Landos has a strong patent position 48 patents on omilanicor in 43 countries around the world with patent life up to 2035 (not counting patent term extension). Patent applications in additional countries are pending.

Omilancor - UC

- Omilancor is our foremost advanced clinical program. A novel therapeutic based on a newly discovered pathway; the LANCL2 pathway that controls excessive immune responses connected to autoimmune disease without any mechanism-related toxicities. omilancor treats the following indications orally – UC, CD, EoE – as well as the following indications topically – Psoriasis and Atopic Dermatitis. omilancor has a very strong and extensive patent estate that will make omilancor an enduring asset into late 2030s. In each of the currently disclosed target indications for omilancor we plan to retain commercialization rights for US and may seek partners for additional commercialization opportunities outside of the US, as the Company has with Greater China and select Asian markets with the recently executed Lian Bio Agreement. We successfully completed a global Phase 2 clinical double-blind placebo controlled clinical trial of omilancor for UC in 2020 in 195 patients. These results were accepted for publication in a reputable peer-reviewed clinical conference: United European Gastroenterology Week (UEGW). LianBio agreed to fund up to an estimated 25% of development and commercialization expenses related to omilancor in the collaboration territory of Greater China and select Asian markets. Including, enrolling up to 25% of the planned patients in the global pivotal Phase 3 trial of omilancor in UC in the Greater China region and leading the regulatory activities in the selected territories. We had a positive End-of-Phase 2 ("EoP2") meeting with the FDA for omilancor in Mild-to-Moderate Active UC patients in which we and the FDA agreed on key elements necessary for regulatory approval. We have initiated site feasibility studies in 32 countries for a Phase 3 pivotal program (PACIFY 1 and 2 Trials) in 1,378 UC patients.
- We expect that interim topline results from the 12-week induction portion of these Phase 3 global trials are anticipated to be available for public dissemination in 2023. The full 52-week clinical remission topline data are anticipated to be available for public dissemination in 2024.
- If successful, we anticipate initiating an NDA for omilancor in UC with the US FDA (and potentially additional global regulatory bodies) in mid-to-late 2024. If approved by the US FDA, we anticipate launching omilancor in the US for the pre-biologic (and potentially biologic failure) UC patients in 2025. This would potentially make omilancor a clinically relevant option to nearly 90% of UC patients in the US. According to market research, in 2020 the UC market in the United States generated nearly $5.3 billion in prescription sales and is anticipated to grow at over 6.0% per annum over the coming years.
- The EoP2 meeting resulted in agreement from the FDA on inclusion and exclusion criteria to enable study of a mild to moderate population that could potentially result in a broad addressable patient population of up to 70 to 80% of UC patients (or 90% of the 700,000 UC patients with active disease).
- The UC projected market sales for related therapeutics are expected to increase over the next several years at over 6.0% annually to $9.4 billion by the year 2029 in the US ($12.26 billion globally). Of the $5.6 billion forecasted US market sales and 700,000 UC patients in 2021, only a small portion of appropriate patients are treated. Further, the predominant method of treatment is administered subcutaneously to a small subset of the overall UC population. Omilancor potentially represents an important advancement in the treatment of UC given its oral/non-invasive treatment modality and, what has thus far been shown to be clean and well tolerable safety profile.
- Of the top selling drugs in 2020 related to UC, CD, RA and other inflammatory diseases, Humira comprises nearly 45%, or $20 billion of the total market exposure. Further, Humira is leading the closest selling drug, Stelara, by an estimated 27%. Humira peak sales are estimated to occur in 2021-2022 due primarily to advanced therapeutics entering the market and patent expiration.
- Based on the Phase 2 data, omilancor has the potential to provide a competitive advantage in efficacy and safety over many of the currently approved leading therapeutics, including Humira. In a likely more convenient oral once a day dosing. Through our proprietary LANCE® advanced A.I. platform, we are able to design and develop novel drugs that treat the indication in the gut rather than broadly suppressing the immune system. This novel approach is designed to increase the safety of the drug and minimizes systemic immunosuppression tied to cancer, death or infection which are typical adverse side effects of standard of care drugs used for UC and CD.
- We will present an abstract containing the mechanistic and precision medicine outcomes of the Phase 2 UC data at the first clinical conference: United European Gastroenterology Week ("UEGW") in October 2021. We generated positive translational data from the Phase 2 clinical trial in ulcerative colitis patients on concentrations of cytokines in the colonic mucosal biopsies collected on week 12 of treatment. Patients treated with omilancor had 55% lower IL-6 concentrations and 44% lower TNF-a concentrations after 12 weeks of treatment relative to patients receiving placebo. This is consistent with the increased levels of regulatory CD4+ T cells and myeloid cells and increased IL-10 expression in remitters ($p = 0.036$) and the statistically significant decrease in TNF-a expressing myeloid cells ($p = 0.037$) in the colonic mucosa of patients with UC, and the statistically significant normalization of fecal calprotectin levels ($p = 0.048$) observed in the trial. The presentation will also illustrate that patients treated with omilancor maintained low Mayo scores and UC

symptoms beyond 1 year of treatment with nearly 90% of patients achieving remission thresholds in stool frequency and rectal bleeding after 36 weeks of open-label treatment.

- We expect to initiate discussions with the Chinese regulatory agency about our omilancor program and expect a Pre-investigational New Drug ("PIND") filing in China in the third quarter of 2021.

Omilancor - CD

- We have commenced a Phase 2 trial in moderate to severe Crohn's disease in the second quarter of 2021 (please refer to press release dated May 6 and Form 8-K filed on May 7 for further details). We expect to announce topline data from the induction phase of this trial in the first half of 2022. According to market research, in 2020, prescription therapeutics used to treat CD in the United States generated approximately $10.7 billion in sales and are anticipated to grow at over 4.1% per annum over the coming years.
- In July, the National Institute of Health ("NIH") / National Institute of Diabetes and Digestive and Kidney Diseases ("NIDDK") has awarded a $3 million R01 grant to Landos to investigate the mechanism of action and clinical efficacy of omilancor in Crohn's disease patients. The project involves a clinical research collaboration between us, Mount Sinai School of Medicine and New York Gastroenterology Associates. The project provides an independent peer scientific and clinical validation of Landos novel mechanisms and drug development efforts.

Omilancor – Psoriasis

- We developed a topical formulation and anticipate filing an IND in 2021 with the US FDA for omilancor in Psoriasis.
- According to market research, in 2020, prescription therapeutics used to treat Psoriasis in the US generated over $9.5 billion in sales and are anticipated to grow over 5.2% per year over the coming decade.

Omilancor – Atopic Dermatitis

- We have generated preclinical data showing therapeutic activity of omilancor topical formulation in atopic dermatitis. We also anticipate filing an IND for omilancor in Atopic Dermatitis ("AD") in the first half of 2022. According to market research, prescription therapeutics used to manage the symptoms of AD generated approximately $6.5 billion in sales in 2020 and are anticipated to grow in excess of 10.0% per year over the coming years.

Omilancor – EoE

- To date, we cleared an IND for omilancor orodispersable tablets in Eosinophilic Esophagitis ("EoE"). During 3Q'21, we anticipate receiving Orphan Drug Designation from the US FDA for the use of omilancor in EoE, a relatively newly recognized disease with no FDA approved therapies. We expect to commence Phase 1b trials for orodispersible omilancor tablets versus placebo in EoE in 2022.
- EoE is frequently underdiagnosed but is nonetheless estimated to affect up to 135,000 patients in the US, growing at approximately 6.0% per annum. Based on our market research, we believe that a safe, oral drug, with biologic like or better efficacy may potentially capture a large share of each of the markets that we are targeting with omilancor.

NX-13 – Inflammatory bowel disease (UC and CD) & Irritable Bowel Syndrome (IBS)

NX-13, a once-daily, oral, gut-restricted small molecule targeting and activating the novel NLRX1 pathway that is in clinical development for the treatment of UC, CD and IBS. Landos has patents on NX-13 in the U.S., a patent application accepted for issuance in Canada, and additional national and regional patent applications that have the possibility of yielding patent protection in over 50 additional countries.

- We have executed a $218 million territory deal to develop and commercialize NX-13 in Greater China and select Asian markets (please refer to Form 8-K filing and press release dated May 17, 2021 for further details). Of the $218 million, $18 million has been received as an upfront cash payment (please refer to Form 8-K filing and press release dated May 17, 2021). We are eligible to receive the remaining $200 million subject to various development and commercial milestones.
- We are also eligible to receive tiered royalties based on the net sales of NX-13 in the licensed territories.
- LianBio will also fund a significant amount of the development and commercialization expenses related to NX-13 in the collaboration territory of Greater China and select Asian markets.
- We will present an abstract containing the results of our Phase 1a clinical trial of NX-13 at the first clinical conference: United European Gastroenterology Week (UEGW) in October 2021. The trial met all primary and secondary endpoints. The data also demonstrates a signal of efficacy in terms of lowering fecal calprotectin levels, increasing IL-10 concentrations and decreasing IL-6 concentrations in plasma.

- We have commenced a Phase 1b trial in UC where we are actively recruiting 40 patients with the first patient randomized on April 29th, 2021 (please refer to Form 8-K filing and press release dated April 29, 2021 which more fully describe the design and initiation of the Phase 1b trial in UC patients).
- We expect to have the data readout for our Phase 1b trial in the second half of 2021 and we expect to announce topline clinical data from this trial in the first quarter of 2022. According to market research for prescription therapeutics used to manage the symptoms of IBD generated approximately $15 billion in sales in 2020 and are anticipated to grow in excess of 4% per year over the coming years.
- Additionally, we anticipate filing an IND for NX-13 in irritable bowel syndrome (IBS) in 4Q'2021. The IBS treatment market size is estimated to reach over $2 billion by 2026, registering a CAGR of 8.2% from 2019 to 2026.
- We have obtained patents for NX-13 in the U.S. (U.S. Patent Nos. 10,487,057; 10,676,436; and 11,066,364) and have pending patent applications for NX-13 in Argentina, Australia, Brazil, Canada, Chile, China, Eurasia (Eurasian regional patent application in the Eurasian Patent Office), Europe (European regional patent application in the European Patent Office), Georgia, Hong Kong, India, Israel, Japan, the Republic of Korea, Mexico, New Zealand, Ukraine, and Uzbekistan.

LABP-104 - Lupus & Rheumatoid Arthritis

LABP-104 (formerly BT-104), an orally active, systemically distributed small molecule targeting and activating the LANCL2 pathway that is in IND-enabling studies. LABP-104 has a different pharmacokinetic (PK) profile than omilancor and we have observed in preclinical studies that it is highly systemically distributed. Landos has a patent application on LABP-104 accepted for issuance in the U.S., an international (Patent Cooperation Treaty) patent application available for filing in over 150 contracting states, and a patent application in Argentina.

- We have demonstrated in a NZB/W F1 mouse model of lupus that LABP-104 reduced serum anti-dsDNA antibodies and prevented worsening of proteinuria grade from baseline. Mice were treated with LABP-104 daily for 12 weeks between the ages of 24 and 36 weeks. Ninety percent of mice treated with LABP-104 experienced an improvement or no change in proteinuria grade from baseline, in comparison to 90% of vehicle treated controls that experienced a worsening in grade. Grade 2 or lower proteinuria was well correlated with the prevention of ESRD clinically.
- We have identified a transcriptional signature in whole blood capable of discriminating LABP-104 treated individuals from placebo treated controls in both healthy and lupus conditions.
- We have filed a PIND meeting request with the FDA and completed IND-enabling studies. We expect to submit two IND applications to the FDA for lupus and rheumatoid arthritis in the third quarter of 2021.
- We expect to advance LABP-104 into a Phase 1a clinical trial in the fourth quarter of 2021 for systemic lupus erythematosus and rheumatoid arthritis.
- We expect to establish a Clinical Advisory Board for lupus in the second half of 2021.
- We are pursuing patents for LABP-104 in the U.S. and Argentina. The U.S. patent application has been approved for issuance as a patent. We also have a pending international (PCT) patent application and expect to file this application in a number of foreign countries in Q3 of 2021.
- An estimated 3.0 million Americans suffer from Lupus and Rheumatoid Arthritis currently. With an expected annual growth rate of 0.1% and 1.1% for those diagnosed with Lupus and Rhematoid Arthritis respectively, diagnosis are expected to increase to over 4.0 billion by the year 2029. Marketable sales for Lupus and Rheumatoid Arthritis are expected to grow at an annual growth rate of 7.0% and 1.0% for both respectively, to nearly $3.6 billion and $29.1 billion (or $32.7 billion combined) for Lupus and Rheumatoid Arthritis.

Continued Drug Discovery and Pipeline Development Activities

Our research and development activities are focused on a robust pipeline of product candidates for various autoimmune diseases, including: lupus, rheumatoid arthritis, multiple sclerosis, and type 1 diabetes. We anticipate several of these product candidates to advance toward Phase 1 clinical testing in 2021 and 2022.

LABP-69 (formerly PX-69), an orally active, systemically distributed small molecule designed to target and activate the PLXDC2 pathway that is in preclinical testing for diabetic nephropathy and rheumatoid arthritis. Landos has patent applications on LABP-69 in

the U.S. and Argentina and an international (Patent Cooperation Treaty) patent application available for filing in over 150 contracting states.

- Announced an abstract on preclinical data of LABP-69 in rheumatoid arthritis that was presented at the American Association of Immunologists (AAI) Annual Meeting 2021 May 10-15.
- We have optimized the method of manufacturing of LABP-69 during scale-up.
- We expect to file an IND for LABP-69 in rheumatoid arthritis and diabetic nephropathy in the first half of 2022.
- We are pursuing patents for LABP-69 in the U.S. and Argentina. We also have a pending international (PCT) patent application and expect to file this application in a number of foreign countries by Q3 of 2022.
- An estimated 9.3 million Americans suffer from diabetic nephropathy which is expected to increase at an average growth rate of 4.2% annually to 12.9B by the year 2029. The marketable sales are estimated to grow from $3.7 billion in 2021 to nearly $6.0 billion by 2029 at an average growth rate of 4.7% annually.

LABP-66 (formerly NX-66), an orally active small molecule designed to target NLRX1 currently in preclinical testing in mouse models of multiple sclerosis and Alzheimer's disease. LABP-66 is highly systemically distributed and penetrates the blood brain barrier. We have a pending U.S. provisional patent application for LABP-66 and expect to file U.S. and international (PCT) patent applications for LABP-66 in Q3 of 2021.

- We have initiated manufacturing processes to support IND-enabling activities.
- We expect to file an IND for LABP-66 in multiple sclerosis and Alzheimer's disease in the first half of 2022.
- We have a pending U.S. provisional patent application for LABP-66 and expect to file U.S. and international (PCT) patent applications for LABP-66 in Q3 of 2021.
- There are currently over 6 million Americans suffering from Alzheimer's which is expected to double over the next 20 years. The estimated marketable sales are estimated to grow from $4.0 billion to over $9.6 billion by the year 2028 at an average growth rate of 11.5% annually.
- It is estimated that 1 million Americans suffer from Multiple Sclerosis in 2021 which is expected to grow modestly to 1.2 million by the year 2028. The marketable sales are expected to increase from $18.6 billion in 2021 to $26.6 billion by the year 2028 at an average growth rate of 5.2% annually.

Previously, we disclosed an exclusive license and collaboration agreement with LianBio Respiratory Limited for omilancor and NX-13 in Greater China and select Asian territories. Consistent with our strategy, we are actively seeking cash inflows from non-dilutive product candidate licensing activities to negotiate for upfront and milestone payments and potential royalty payments on future sales for our pipeline of product candidates while advancing our core programs to commercialization. Accordingly, we intend to continue to pursue territory deals that enable partnering on commercialization of our lead product candidates outside of the U.S. and European markets. We have initiated additional business development discussions regarding partnerships or license agreements for our pipeline candidates (ex US for core programs and global licensing agreements for non-core programs).

LANCE® Platform

Our proprietary LANCE® advanced A.I. platform is at the core of our ability to capital-efficiently identify, validate and develop novel pathways and related therapeutics. For instance, in <24 months and a fraction of traditional drug discovery and development costs, we identified, validated and developed omilancor from idea to a phase 3-ready product candidate. Along the way generating data that position omilancor as a potential first-in-class and best-in-class therapeutic in UC and potentially several additional indications. We believe that our LANCE®-platform provides us with a key competitive edge that we are continuously enriching and refining to enable continuous improvements in our abilities to identify, validate and develop highly differentiated oral therapeutics at the intersection of immunology and metabolism. We leverage our proprietary AI-based precision medicine platform, our LANCE advanced A.I. platform, to identify novel therapeutic targets based on predictions of immunometabolic function and create therapeutic candidates to engage those targets in areas of unmet medical need. Additionally the LANCE platform allows us to optimize the selection of product candidates based on the types of immune responses that they should modulate depending on indication and tissue distribution.

Through advanced and non-invasive therapeutic development, we emphasize not only the importance of efficacy, but also solving unmet medical needs from an ethical and safety standpoint. Through our proprietary LANCE® advanced A.I. platform, we are able to maintain low toxicity levels and avoid systemic immune suppression. This advancement in drug development for treating autoimmune diseases is unparalleled and made possible through our proprietary LANCE®-advanced A.I. platform.

We expect- rapid and continuous advancements in Artificial Intelligence (A.I.) coupled with growth of our *Shadowfax* High Performance Computing (HPC) environment at Landos will continue to catalyze the LANCE® platform for precision autoimmune disease drug development. We have continued to develop our HPC-driven, advanced A.I.- and modeling-based advanced computational platform for precision autoimmune disease drug development. Several enhancements to the LANCE® platform encompassing usability and graph-based analytics are designed to allow for processing billions of data points. We believe these critical enhancements to the LANCE®-platform will facilitate a higher degree of data processing and integration to quickly identify the next generation of therapeutic targets, biomarkers and potential new indications.

Since our inception in 2017, our operations have focused on developing our clinical and preclinical product candidates and our LANCE® advanced A.I. platform, organizing and staffing our company, business planning, raising capital, establishing and protecting our intellectual property portfolio, conducting preclinical studies and clinical trials. We do not have any product candidates approved for sale and have not generated any revenue from product sales. We have funded our operations primarily through the sale of equity securities. Since inception, we have raised an aggregate of $170.0 million of gross proceeds from our initial public offering, or IPO, and the sale of shares of our preferred stock and convertible promissory notes. We have also received $18 million in upfront payment for the LianBio China territory deal.

Liquidity and Capital Resources

As of June 30, 2021, we had cash, cash equivalents and marketable securities of $115.1 million, which we believe will be sufficient to fund our planned operations through the end of 2023.

Since our inception in 2017 through June 30, 2021, we funded operations through the issuance of convertible preferred stock and convertible promissory notes, through proceeds from our IPO and the LianBio license agreement. We expect to incur substantial operating losses for at least the next several years.

Components of our results of operations

Revenue

In May 2021 we entered into a collaboration with LianBio to develop and commercialize omilancor and NX-13 in Greater China and select Asian markets. A $218 million license agreement, of which $18 million has been received as an upfront cash payment (please refer to Form 8-K filing and press release dated May 17, 2021). We are eligible to receive the remaining $200 million subject to various development and commercial milestones. In addition we will also receive aid in commercialization development expenses and will also receive royalties through a tiered system.

Research and development expenses

Research and development expenses consist primarily of costs incurred in connection with our research activities, including our discovery efforts, and the development of our product candidates, and include:

- salaries, benefits, stock-based compensation and other related costs for personnel engaged in research and development functions;
- expenses incurred under agreements with third parties, including CROs and other third parties that conduct research, preclinical activities and clinical trials on our behalf, as well as CMOs that manufacture drug material for use in our clinical trials and preclinical studies;
- costs of outside consultants, including their fees, and related travel expenses;
- the costs of laboratory supplies and acquiring, developing and manufacturing preclinical and clinical trial supply; and
- allocated expenses for rent and maintenance of facilities and other operating costs.

We expense research and development costs as incurred. We track external development costs by product candidate or development program, but we do not allocate personnel costs, or other internal costs to specific development programs or product candidates.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have a higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will continue to increase substantially for the foreseeable future and will comprise a larger percentage of our total expenses as we complete our ongoing clinical trials, initiate new clinical trials, continue to discover, and develop additional product candidates and prepare regulatory filings for any product candidates that successfully complete clinical development.

The successful development of our product candidates is highly uncertain. At this time, we cannot determine with certainty the duration and costs of our existing and future clinical trials of our product candidates or any other product candidate we may develop or if, when, or to what extent we will generate revenue from the commercialization and sale of any product candidate for which we obtain marketing approval. We may never succeed in obtaining marketing approval for any product candidate. The duration, costs and timing of clinical trials and development of our product candidates and any other product candidate we may develop in the future will depend on a variety of factors, including:

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

Our expenditures are subject to additional uncertainties, including the terms and timing of regulatory approvals, and the expense of filing, prosecuting, defending, and enforcing any patent claims or other intellectual property rights. We may never succeed in achieving regulatory approval for our product candidates. We may obtain unexpected results from our clinical trials. We may elect to discontinue, delay, or modify clinical trials of our product candidates. A change in the outcome of any of these variables with respect to the development of a product candidate could mean 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 anticipate will be required for the completion of clinical development of a product candidate, or if we experience significant delays in our clinical trials due to patient enrollment or other reasons, we would 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 other related costs for personnel in our executive, finance, business development and administrative functions. General and administrative expenses also include legal fees relating to intellectual property and corporate matters, professional fees for accounting, auditing, tax and consulting services; insurance costs, travel expenses and facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs.

We expect that our general and administrative expenses will increase in the future as we increase our personnel headcount to support our expanded infrastructure, including the development of a commercialization infrastructure for any product candidates for which we may obtain regulatory approval. We also expect to incur increased expenses associated with being a public company, including costs of accounting, audit, legal, regulatory and tax-related services associated with maintaining compliance with stock exchange and SEC requirements, director and officer insurance costs and investor and public relations costs. We anticipate the additional costs for these services will increase our general and administrative expenses by between $1.0 million and $2.0 million on an annual basis.

Interest expense

Interest expense consists of interest due on our convertible promissory notes that were outstanding during the period prior to the conversion of the notes into Series B convertible preferred stock in August 2019.

Income taxes

Since our inception in January 2017, we have generated cumulative federal and state net operating loss for which we have not recorded any net tax benefit due to uncertainty around utilizing these tax attributes within their respective carryforward periods.

As of June 30, 2021, we had federal net operating loss carryforwards, or NOLs, of $47.6 million and state NOLs of $47.6 million that may be available to offset future taxable income. The federal NOLs include $0.3 million available to reduce 100% of future taxable income, which will begin to expire in 2037, if not utilized, and $47.3 million, which can be carried forward indefinitely. The state NOLs will begin to expire in 2037, if not utilized.

Utilization of the net operating losses and credits may be subject to a substantial annual limitation due to ownership change limitations provided by the Internal Revenue Code of 1986, as amended. The annual limitation may result in the expiration of our net operating losses and credits before we can use them. We have recorded a valuation allowance on our net deferred tax assets, including our deferred tax assets related to our net operating loss and research and development tax credit carryforwards.

Other income, net

Other income, net consists of interest income received from marketable securities.

Results of operations

Comparison of the three and six months ended June 30, 2021 and 2020

The following table summarizes our results of operations for the years ended June 30, 2021 and 2020:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
		(in thousands)		(in thousands)
Revenue:	$ 18,000		$ 18,000	
Operating expenses				
Research and development	11,522	3,723	18,776	8,413
General and administrative	2,596	1,365	5,241	2,445
Total operating expenses	14,118	5,088	24,017	10,858
Loss from operations	3,882	(5,088)	(6,017)	(10,858)
Other income (expense);				
R&D Incentive Income	41	—	41	—
Gain (loss) from foreign exchange	(5)	175	13	(47)
Other income, net	179	136	242	332
Other income (expense), net	215	311	296	285
Net income/(loss)	4,097	(4,777)	(5,721)	(10,573)

Research and development expenses

Research and development expenses were $11.5 million for the three months ended June 30, 2021 compared to $3.7 million for the three months ended June 30, 2020. The increase of $7.8 million was primarily attributable to increased costs associated with ongoing clinical trial activities for omilancor, NX-13, and IND-enabling activities for LABP-104. Research and development expenses were $18.7 million for the six months ended June 30, 2021 compared to $8.4 million for the six months ended June 30, 2020. The increase of $10.3 million is primarily attributed to the clinical activities towards the advancement of omilancor and NX-13 programs.

The following table summarizes our research and development expenses by product candidate or development program for the three and six months ended June 30, 2021 and 2020:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
		(in thousands)		(in thousands)
Omilancor	$ 8,316	$ 2,741	$ 13,321	$ 6,737
NX-13	2,539	710	3,909	1,489
LABP-104	309	—	894	—
Other discovery pipeline, and LANCE platform	358	272	652	187
Total research and development expenses	$ 11,522	$ 3,723	$ 18,776	$ 8,413

General and administrative expenses

General and administrative expenses were $2.6 million for the three months ended June 30, 2021 compared to $1.4 million for the three months ended June 30, 2020. The increase of $1.2 million was primarily attributable to increases in D&O insurance costs and

administrative expenses related to increased headcount. General and administrative expenses were $5.2 million for six months ended June 30, 2021 compared to $2.4 million for the six months ended June 30, 2020. The increase of $2.8 million was primarily attributable to increases in D&O insurance costs and administrative expenses related to increased headcount.

Other Income (expense), net

Other income, net was $215 thousand for the three months ended June 30, 2021 compared to other income, net of $311 thousand for the three months ended June 30, 2020. The decrease was due to amortization of bond premium from investment activity and the gains (losses) from foreign exchange. Other income, net was $296 thousand for the six months ended June 30, 2021 compared to other income, net of $285 thousand for the six months ended June 30, 2020. The increase was due to the receipt of research and development incentive income and the gains (losses) from foreign exchange.

Liquidity and capital resources

Since our inception, we have incurred significant operating losses and negative cash flows from our operations. We expect to incur significant expenses and operating losses for the foreseeable future as we advance the preclinical and clinical development of our research programs and product candidates. We expect that our research and development and general and administrative costs will increase in connection with conducting additional preclinical studies and clinical trials for our current and future research programs and product candidates, including omilancor and NX-13, discovering and developing new product candidates using the LANCE® precision medicine platform, contracting with CMOs to support preclinical studies and clinical trials, expanding our intellectual property portfolio, and providing general and administrative support for our operations. As a result, we will need additional capital to fund our operations, which we may obtain from additional equity or debt financings, collaborations, licensing arrangements, or other sources.

We do not currently have any approved products and have never generated any revenue from product sales. To date, we have financed our operations primarily through equity financings and the license agreement with LianBio. As of June 30, 2021, we had $115.1 million in cash, cash equivalents and marketable securities and an accumulated deficit of $61.4 million. We had no indebtedness as of June 30, 2021.

On February 3, 2021, we completed our IPO in which we issued and sold 6,250,000 shares of our common stock and received net proceeds of $90.5 million, after deducting underwriters' discounts and commissions and expenses payable by us.

The following table summarizes our sources and uses of cash for each of the periods set forth below (in thousands):

	Six Months Ended June 30,	
	2021	2020
Net cash used in operating activities	$ (3,160)	$ (9,192)
Net cash provided by (used in) investing activities	(71,333)	3,737
Net cash provided by financing activities	90,764	—
Net increase (decrease) in cash and cash equivalents	$ 16,271	$ (5,455)

Operating activities

Net cash used in operating activities for the six months ended June 30, 2021 was $3.2 million, consisting primarily of our net loss of $5.7 million as we incurred expenses associated with research activities for our lead product candidates and incurred general and administrative expenses, and the increase of $18 million in cash from the upfront payment of the license agreement with LianBio. Net cash used in operating activities for the six months ended June 30, 2020 was $9.2 million, consisting primarily of our net loss of $10.6 million as we incurred expenses associated with research activities for our lead product candidates and incurred general and administrative expenses.

Investing activities

Net cash used in investing activities for the six months ended June 30, 2021 was $71.3 million, consisting of purchases of available-for-sale marketable securities offset by proceeds from sales and maturities of marketable securities. Net cash provided by investing activities for the six months ended June 30, 2020 was $3.7 million, consisting primarily of maturities of available-for-sale marketable securities.

Financing activities

Net cash provided by financing activities in the six months ended June 30, 2021 of $90.8 million was primarily related to proceeds from our IPO. There was no net cash provided by financing activities in the six months ended June 30, 2020.

Funding requirements

To date, we have not generated any revenues from the commercial sale of approved drug products, and we do not expect to generate substantial revenue for at least the next few years. If we fail to complete the development of our product candidates in a timely manner or fail to obtain their regulatory approval, our ability to generate future revenue will be compromised. We do not know when, or if, we will generate any revenue from our product candidates, and we do not expect to generate significant revenue unless and until we obtain regulatory approval of, and commercialize, our product candidates. We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the research and development of, continue or initiate clinical trials of and seek marketing approval for our product candidates. In addition, if we obtain approval for any of our product candidates, we expect to incur significant commercialization expenses related to sales, marketing, manufacturing and distribution. Furthermore, we expect to incur additional costs associated with operating as a public company. We anticipate that we will need substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

Identifying potential product candidates and conducting preclinical studies and clinical trials is a time-consuming, expensive and uncertain process that takes many years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of product candidates that we do not expect to be commercially available in the near term, if at all.

We believe that the existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditure requirements into the end of 2023. We have based these estimates on assumptions that may prove to be imprecise, and we could utilize our available capital resources sooner than we expect.

Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical drugs, it is difficult to estimate with certainty the amount of our working capital requirements. Our future funding requirements will depend on many factors, including:

- the scope, progress, costs and results of our ongoing and planned clinical trials of omilancor and NX-13;
- the costs and results of discovery work using our LANCE® precision medicine platform;
- the scope, progress, costs and results of preclinical development, laboratory testing and clinical trials for any future product candidates we may decide to pursue;
- the extent to which we in-license or acquire rights to other products, product candidates or technologies;
- the costs and timing of process development and manufacturing scale-up activities associated with our product candidates and other programs we advance them through preclinical and clinical development;
- the number and development requirements of other product candidates that we may pursue;
- the costs, timing and outcome of regulatory review of our product candidates;
- the costs and timing of future commercialization activities, including product manufacturing, marketing, sales and distribution, for any of our product candidates for which we receive marketing approval;
- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval;
- our ability to establish and maintain strategic collaborations, licensing or other agreements and the financial terms of such agreements; and
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights and defending against any intellectual property-related claims.

Further, our operating results may change in the future, and we may need additional funds to meet operational needs and capital requirements associated with such operating plans.

Our future commercial revenue, if any, will be derived from sales of products that we do not expect to be commercially available for several years, if at all. Until such time, if ever, that we can generate product revenue sufficient to achieve profitability, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaboration agreements, other third-party funding, strategic alliances, licensing arrangements and marketing and distribution arrangements. Adequate additional financing may not be available to us on acceptable terms, or at all. We currently have no credit facility or committed sources of capital. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through other third-party funding, collaboration agreements, strategic alliances, licensing arrangements or marketing and distribution arrangements, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves.

Contractual obligations, commitments and contingencies

We enter into contracts in the normal course of business with third-party contract organizations for clinical trials, preclinical studies, manufacturing and other services and products for operating purposes. These contracts generally provide for termination following a certain period after notice and therefore we believe that our non-cancelable obligations under these agreements are not material.

Off-balance sheet arrangements

We have not entered into any off-balance sheet arrangements.

Critical accounting policies and significant judgments and estimates

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

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

Research and development expenses

The majority of our operating expenses to date have been incurred in research and development activities. As part of the process of preparing our consolidated financial statements, we estimate our accrued research and development expenses at each consolidated balance sheet date. This process involves reviewing purchase orders and open contracts, communicating with our personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated costs incurred for the services when we have not yet been invoiced or otherwise notified of the actual cost. The majority of our service providers invoice us monthly in arrears for services performed or when contractual milestones are met; however, some require advance payments. We make estimates of our accrued expenses as of each consolidated balance sheet date in our consolidated financial statements based on facts and circumstances known to us at that time. We periodically confirm the accuracy of our estimates with the service providers and make adjustments as necessary. The significant estimates in our accrued research and development expenses include the costs incurred for services performed by CROs with research and development activities for which we have not yet been invoiced.

We base our expenses related to research and development activities on our estimates of the services received and efforts expended pursuant to quotes and contracts with vendors that conduct research and development on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the research and development expense. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual or prepaid accordingly.

Stock-Based Compensation

We account for share-based compensation awards in accordance with FASB ASC Topic 18, Compensation—Stock Compensation (ASC 718). ASC 718 requires all share-based payments, including grants of stock options, to be recognized in the consolidated statements of operations and comprehensive income (loss) based on their respective fair values.

The fair value of our stock options has been determined using the Black-Scholes option-pricing model. The Black-Sholes option-pricing model requires the input of subjective assumptions, including (i) the expected stock price volatility, (ii) the expected term of the award, (iii) the risk-free interest rate and (iv) expected dividends. Due to the lack of historical and implied volatility data of our common stock, the expected stock price volatility has been estimated based on the historical volatilities of a specified group of companies in our industry for a period equal to the expected life of the option. We selected companies with comparable characteristics, including enterprise value, risk profiles and position within the industry and with historical share price information sufficient to meet the expected term of the stock options. The historical volatility data has been computed using the daily closing prices for the selected companies.

The expected life of the options granted represents the period of time that options granted are expected to be outstanding and is calculated using the simplified method, which is the mid-point between the vesting date and the end of the contractual term for each option. The risk-free interest rate is based on a zero coupon, United States Treasury instrument whose term is consistent with the expected life of the stock option. We have not paid, and do not anticipate paying, cash dividends on our shares of common stock; therefore, the expected dividend yield is zero.

We recognize the grant-date fair value of an award as compensation expense on a straight-line basis over the requisite service period, which typically corresponds to the vesting period for the award. In certain circumstances the amount of compensation cost recognized is adjusted to be at least equal to the portion of the grant-date value of the award that was vested at the balance sheet date. We have elected to account for forfeitures as they occur and, upon forfeiture of an award prior to vesting, we reverse any previously recognized compensation expense related to that award.

Emerging growth company status

We qualify as an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, as amended, or JOBS Act. As an “emerging growth company” we may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

- the option to present only two years of audited consolidated financial statements and only two years of related “Management’s discussion and analysis of financial condition and results of operations”;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended;
- not being required to comply with any requirements that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the consolidated financial statements (i.e., an auditor discussion and analysis);
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We may take advantage of these provisions until December 31, 2026, the last day of our fiscal year following the fifth anniversary of the completion of our IPO. However, if any of the following events occur prior to the end of such five-year period, (i) our annual gross revenue exceeds $1.07 billion, (ii) we issue more than $1.0 billion of non-convertible debt in any three-year period or (iii) we become a “large accelerated filer,” (as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, or the Exchange Act), we will cease to be an emerging growth company prior to the end of such five-year period. We will be deemed to be a “large accelerated filer” at such time that we (a) have an aggregate worldwide market value of common equity securities held by non-affiliates of $700.0 million or more as of the last business day of our most recently completed second fiscal quarter, (b) have been required to file annual and quarterly reports under the Exchange Act, for a period of at least 12 months and (c) have filed at least one annual report pursuant to the Exchange Act. Even after we no longer qualify as an emerging growth company, we may still qualify as a “smaller reporting company,” which would allow us to take advantage of many of the same exemptions from disclosure requirements including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. We have elected to take advantage of this extended transition period.

Furnish the information required by Item 303 of Regulation S-K (§ 229.303 of this chapter).

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer, who also serves as our principal financial officer and our principal accounting officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report. Based on such evaluation, our Chief Executive Officer has concluded that as of June 30, 2021, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in this Quarterly Report was (a) reported within the time periods specified by SEC rules and regulations, and (b) communicated to our management, including our Chief Executive Officer, to allow timely decisions regarding any required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the quarter ended June 30, 2021 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Internal Controls

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs. Our management, including our Chief Executive Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud.

PART II—OTHER INFORMATION

Item 1a. Risk Factors

We have entered into, and intend to continue to enter into, collaborations with third parties for the development and commercialization of product candidates. If those collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates.

We have entered into, and intend to continue to enter into, agreements with third-party collaborators for the development and commercialization of our product candidates. Our likely collaborators for any collaboration arrangements include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and smaller biotechnology companies. For example, in May 2021 we entered into a collaboration and license agreement with LianBio for the development of omilancor and NX-13 in Greater China and certain other Asian jurisdictions. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements.

Collaborations involving our product candidates would pose the following risks to us:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
- collaborators may refuse to perform clinical trials or other obligations required for approval in a particular jurisdiction outside the United States;
- our collaborators' regulatory submissions may be denied by the applicable regulatory authorities;
- collaborators may not pursue development and commercialization of any product candidates that achieve regulatory approval or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborators' strategic focus or available funding, or external factors, such as an acquisition, that divert resources or create competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized on terms that are more economically attractive than ours;
- product candidates discovered in collaboration with us may be viewed by our collaborators as competitive with their own product candidates or products, which may cause collaborators to cease to devote resources to the commercialization of our product candidates;
- a collaborator with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such products;
- disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays or termination of the research, development or commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;
- collaborators may not properly maintain or defend our or their intellectual property rights or may use our or their proprietary information in such a way as to invite litigation that could jeopardize or invalidate such intellectual property or proprietary information or expose us to potential litigation;
- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability; and
- collaborations may be terminated for the convenience of the collaborator and, if terminated, we could be required to raise additional capital to pursue further development or commercialization of the applicable product candidates.

Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner or at all. If a present or future collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our drug development or commercialization program could be delayed, diminished or terminated.

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

(a) Recent Sales of Unregistered Equity Securities

On February 8, 2021, upon the closing of our initial public offering, all shares of our then-outstanding convertible preferred stock were automatically converted into 20,549,478 shares of common stock. The issuance of such shares of common stock was exempt from registration under Section 3(a)(9) of the Securities Act.

(b) Use of Proceeds

On February 3, 2021, our Registration Statement on Form S-1, as amended (File No. 333-252083), was declared effective in connection with our initial public offering, in which we issued and sold 6,250,000 shares of our common stock at a public offering and received net proceeds of $90.5 million, after deducting underwriters' discounts and commissions and expenses payable by us. The joint book-running managers of our initial public offering were J.P. Morgan Securities LLC, Jefferies LLC and SVB Leerink LLC, and Raymond James &

Associates, Inc. acted as lead manager. There has been no material change in the planned use of proceeds from our initial public offering as described in our prospectus filed pursuant to Rule 424(b)(4) under the Securities Act with the SEC on February 4, 2021.

c) Issuer Purchases of Equity Securities

None.

Item 6. Exhibits.

The exhibits listed on the Exhibit Index are either filed or furnished with this report or incorporated herein by reference.

Exhibit Number	Description
1.1*	Exclusive Collaboration and License Agreement by and between the Company and Lian Respiratory Limited, dated May 14, 2021
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 00139971), filed with the Securities and Exchange Commission on February 8, 2021).
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.4 to the Company's to the Company's Registration Statement on Form S-1 (File No. 333-252083), filed with the Securities and Exchange Commission on January 28, 2021).
10.1	Form of Indemnification Agreement with Executive Officers and Directors (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1 (File No. 333-252083), filed with the Securities and Exchange Commission on January 28, 2021).
10.2+	2021 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1 (File No. 333-252083), filed with the Securities and Exchange Commission on January 28, 2021.
10.3+	Non-Employee Director Compensation Policy (incorporated by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-K (File No. 001-39971), filed with the Securities and Exchange Commission on March 30, 2021).
31.1*	Certification of Principal Executive and Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*#	Certification of Principal Executive and Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

+ Indicates management contract or compensatory plan.

This certification is being furnished solely to accompany this Quarterly Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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.

Landos Biopharma, Inc.

Date: July 29, 2021

By: /s/ Josep Bassaganya-Riera, Ph.D.

Josep Bassaganya-Riera, Ph.D.

Chairman, President and Chief Executive Officer

(Principal Executive, Financial and Accounting Officer)

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED

LICENSE AND COLLABORATION AGREEMENT

THIS LICENSE AND COLLABORATION AGREEMENT (this "Agreement"), entered into as of May 14, 2021 (the "Effective Date"), is entered into by and between LianBio Respiratory Limited, a company limited by shares organized and existing under the laws of Hong Kong Special Administrative Region of the People's Republic of China ("Lian"), and Landos BioPharma, Inc., a Delaware corporation ("Landos").

INTRODUCTION

WHEREAS, Lian wishes to obtain from Landos and Landos wishes to grant to Lian certain rights and licenses under intellectual property owned or controlled by Landos to Develop, Manufacture, and Commercialize Licensed Products in the Field in the Territory (each as defined below), subject to the terms and conditions set forth herein.

NOW, THEREFORE, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless the context clearly indicates otherwise, the following terms used in this Agreement will have the meanings set forth in this Article 1 (Definitions):

1.1 "Accounting Standards" means, with respect to a Person, generally accepted accounting principles ("GAAP") as practiced in the United States or applicable international standards followed by such Person.

1.2 "Acquired Party" has the meaning set forth in Section 2.9(c) (Business Combinations).

1.3 "Acquirer" means, collectively, the Third Party referenced in the definition of Change of Control and such Third Party's Affiliates, other than the applicable Party in the definition of Change of Control and such Party's Affiliates, determined as of immediately prior to the closing of such Change of Control.

1.4 "Action" means any claim, action, cause of action, or suit (whether in contract or tort or otherwise), litigation (whether at law or in equity, whether civil or criminal), assessment, arbitration, investigation, hearing, charge, complaint, demand, notice or proceeding of, to, from, by or before any Governmental Authority.

1.5 "Active Ingredient" means those active materials that provide pharmacological activity in a pharmaceutical or biologic product [***].

1.6 "Additional Product" means any pharmaceutical compound or product, other than a Compound or Licensed Product, that has the same mechanism of action as any Compound and is being Developed by Landos for use outside the Territory.

1.7 "Additional Product License" has the meaning set forth in Section 2.10 (Right of Negotiation).

1.8 "Adverse Event" or "AE" means any untoward medical occurrence associated with the use of a product in human subjects, whether or not considered related to such product. An AE does not necessarily have a causal relationship with a product, that is, an AE can be any unfavorable and unintended sign (including an abnormal laboratory finding), symptom, or disease temporally associated with the use of such product.

1.9 "Affiliate" means, with respect to any Person, any entity controlling, controlled by or under common control with such first Person, at the time that the determination of affiliation is made and for as long as such control exists. For purposes of this definition, "control" means (i) direct or indirect ownership of more than 50% of the stock or shares having the right to vote for the election of directors of such Person (or if the jurisdiction where such Person is domiciled prohibits foreign ownership of such entity, the maximum foreign ownership interest permitted under such Laws; provided, however, that such ownership interest provides actual control over such Person), (ii) status as a general partner in any partnership, or (iii) the possession, directly or indirectly, of the power to direct, or cause the direction of, the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise. Affiliates of a Party exclude Persons who are financial investors of such Party or under common control of such financial investors other than such Party and its subsidiary entities.

1.10 "Agreement" has the meaning set forth in the Preamble.

1.11 "Alliance Manager" has the meaning set forth in Section 5.7(a) (Appointment).

1.12 "Anti-Corruption Laws" means laws, regulations, or orders prohibiting the provision of a financial or other advantage for a corrupt purpose or otherwise in connection with the improper performance of a relevant function, including, to the extent applicable, the *Corruption of Foreign Public Officials Act (CFPOA)*, the *US Foreign Corrupt Practices Act (FCPA)*, the *UK Bribery Act 2010*, and similar laws governing corruption and bribery, whether public, commercial or both.

1.13 "Average Cost Per Patient" means the [***] in the Territory for a particular Global Phase III Trial, as reasonably estimated by Lian or its then-current CRO at the time of commencement of such Global Phase III Trial.

1.14 "Breaching Party" has the meaning set forth in Section 12.3(a) (Termination of Material Breach).

1.15 "Business Day" means any day, other than a Saturday or a Sunday, on which the banks in New York, Beijing, Hong Kong, and Cayman Islands are open for business.

1.16 "Calendar Quarter" means each of the three month periods ending on March 31, June 30, September 30, and December 31 of any Calendar Year.

1.17 "Calendar Year" means, for the first Calendar Year, the period beginning on the Effective Date and ending on December 31, 2020, and for each Calendar Year thereafter each 12-month period commencing on January 1, and ending on December 31, except that the last Calendar Year will commence on January 1 of the year in which this Agreement expires or terminates and end on the effective date of such expiration or termination.

1.18 "CDE" means the Center for Drug Evaluation of the NMPA.

1.19 "Change of Control" means, with respect to a Party, (a) a merger or consolidation of such Party with a Third Party that results in the voting securities of such Party outstanding immediately prior thereto, or any securities into which such voting securities have been converted or exchanged, ceasing to represent more than 50% of the combined voting power of the surviving entity or the parent of the surviving entity immediately after such merger or consolidation, (b) a transaction or series of related transactions in which a Third Party, together with its Affiliates, becomes the direct or indirect beneficial owner of more than 50% of the combined voting power of the outstanding securities of such Party, or (c) the sale or other transfer to a Third Party of all or substantially all of such Party's and its controlled Affiliates' assets. Notwithstanding the foregoing, any transaction or series of transactions effected for the primary purpose of financing the operations of the applicable Party (including the issuance or sale of securities for financing purposes) or changing the form or jurisdiction of organization of such Party will not be deemed a "Change of Control" for purposes of this Agreement.

1.20 "Clinical Trial" means a trial in which human subjects or patients are dosed with a drug, whether approved or investigational.

1.21 "Clinical Supply Agreement" has the meaning set forth in Section 4.1 (Supply Agreement).

1.22 "CMC" means the Chemistry, Manufacturing, and Controls portion of any Regulatory Filing.

1.23 "CMC Data" means any data included in the CMC portion of a Regulatory Filing or in any supporting development reports thereto, in each case, with respect to any Licensed Product in any country in the world.

1.24 "Combination Product" means a Licensed Product that (a) contains or comprises both (i) the Compound and (ii) at least one additional Active Ingredient other than a Compound, whether packaged together or in a single finished dosage form, (b) sold for a single invoice price together with any (i) delivery device or component therefor, (ii) companion diagnostic related to any Licensed Product, or (iii) product, process, service, or therapy other than the Licensed Product (such additional Active Ingredient and each of (i) – (iii), an "Other Component") or (c) that is defined as a "combination product" by the FDA pursuant to 21 C.F.R. §3.2(e) or its foreign equivalent.

1.25 "Commercial Supply Agreement" has the meaning set forth in Section 4.1 (Supply Agreement).

1.26 "Commercialization" means any and all activities related to the pre-marketing, launching, marketing, promotion (including advertising and detailing), labeling, bidding and listing, pricing and reimbursement, distribution, storage, handling, offering for sale, selling, having sold, importing and exporting for sale, having imported and exported for sale, distribution, having distributed, customer service and support, and post-marketing safety surveillance and reporting of a product (including the Licensed Product), but not including Development activities or Manufacturing. "Commercializing" or "Commercialize" will be construed accordingly.

1.27 "Commercially Reasonable Efforts" means, [***].

1.28 "Competitive Product" means [***].

1.29 "Compound" means (a) Landos' proprietary compounds known as BT-11 and NX-13, the chemical structure of which is set forth on Schedule 1.29 (Licensed Compounds), and (b) any [***].

1.30 "Confidential Information" means (a) all trade secrets or confidential or proprietary information (including any tangible materials embodying any of the foregoing) of the disclosing Party or its Affiliates provided or disclosed to the other Party or any of its Affiliates in connection with this Agreement or disclosed in connection with the Term Sheet, and (b) the terms and conditions of this Agreement; provided, however, that Confidential Information will not include information that:

(i) is published by a Third Party or otherwise is or hereafter becomes part of the public domain by public use, publication, general knowledge, or the like through no breach of this Agreement on the part of the receiving Party;

(ii) is in the receiving Party's possession prior to disclosure by the disclosing Party hereunder, and not through a prior disclosure by the disclosing Party, without any obligation of confidentiality with respect to such information;

(iii) is subsequently received by the receiving Party from a Third Party who is not known by the receiving Party to be under an obligation of confidentiality to the disclosing Party; or

(iv) is independently developed by or for the receiving Party without reference to, or use or disclosure of, the disclosing Party's Confidential Information.

1.31 "Contract Manufacturing Organization" or "CMO" means any Third Party contract manufacturing organization.

1.32 "Control" or "Controlled" means the possession by a Party (whether by ownership, license, or otherwise other than pursuant to this Agreement) of, (a) with respect to any tangible Know-How, the legal authority or right to physical possession of such tangible Know-How, with the right to provide such tangible Know-How to the other Party on the terms set forth herein, or (b) with respect to Patent Rights, Regulatory Approvals, Regulatory Filings, intangible Know-How, or other Intellectual Property, the legal authority or right to grant a license, sublicense, access, or right to use (as applicable) to the other Party under such Patent Rights, Regulatory Approvals, Regulatory Filings, intangible Know-How, or other Intellectual Property on the terms set forth herein, in each case ((a) and (b)), without breaching or otherwise violating the terms of any arrangement or agreement with a Third Party in existence as of the time such Party or its Affiliates would first be required hereunder to grant the other Party such access, right to use, licenses, or sublicense. Notwithstanding anything in this Agreement to the contrary, a Party will be deemed not to Control any Patent Rights, Know-How, Regulatory Filing, Regulatory Approval, or other property right that are owned or in-licensed by an Acquirer except (i) with respect to any such Patent Rights, Know-How, Regulatory Filing, Regulatory Approval, or other property right arising from active participation by employees or consultants of the Acquirer in the Development, Manufacture, or Commercialization of Licensed Products in the Field after such Change of Control, or (ii) to the extent that any such Patent Rights, Know-How, Regulatory Filing, Regulatory Approval, or other property right are included in or used in furtherance of the Development, Manufacture, or Commercialization of Licensed Products in the Field by the Acquirer after such Change of Control.

1.33 "Cover," "Covering," or "Covered" means, when referring to the Licensed Product: (a) with respect to an issued Patent Right, that, in the absence of a license granted to a Person under an issued claim included in such Patent Right, the manufacture, use, sale, offer for sale or import by such Person of a specified activity with respect to such Licensed Product would infringe such claim, or (b) with respect to an application for Patent Rights, that, in the absence of a license granted to a Person under a claim included in such application, the manufacture, use, sale, offer for sale or import by

such Person of such Licensed Product would infringe such claim if such patent application were to issue as a patent.

1.34 "CRO" means a Third Party contract research organization.

1.35 "Development" means all internal and external research, development, and regulatory activities related to pharmaceutical or biologic products, including (a) research, non-clinical testing, toxicology, testing and studies, non-clinical and preclinical activities, and Clinical Trials, and (b) preparation, submission, review, and development of data or information for the purpose of submission to a Regulatory Authority to obtain authorization to conduct Clinical Trials and to obtain, support, or maintain Regulatory Approval of a pharmaceutical or biologic product and interacting with Regulatory Authorities following receipt of Regulatory Approval in the applicable country or region for such pharmaceutical or biologic product regarding the foregoing, but excluding activities directed to Manufacturing or Commercialization. Development will include development and regulatory activities for additional forms, formulations, or indications for a pharmaceutical or biologic product after receipt of Regulatory Approval of such product (including label expansion), including Clinical Trials initiated following receipt of Regulatory Approval or any Clinical Trial to be conducted after receipt of Regulatory Approval that was mandated by the applicable Regulatory Authority as a condition of such Regulatory Approval with respect to an approved formulation or indication (such as post-marketing studies, observational studies, implementation and management of registries and analysis thereof, in each case, if required by any Regulatory Authority in any region in the Territory to support or maintain Regulatory Approval for a pharmaceutical or biologic product in such region). "Develop," "Developing," and "Developed" will be construed accordingly.

1.36 "Development Milestone Event" has the meaning set forth in Section 6.1(b) (Development Milestone Payment).

1.37 "Development Milestone Payment" has the meaning set forth in Section 6.1(b) (Development Milestone Payment).

1.38 "Development Plan" means the Territory-Specific Development Plan and the Global Development Plan, collectively.

1.39 "Dollars" or "US$" means United States dollars.

1.40 "Effective Date" has the meaning set forth in the Preamble.

1.41 "FDA" means the United States Food and Drug Administration or any successor agency thereto.

1.42 "Field" means all uses or indications.

1.43 "First Commercial Sale" means with respect to the Licensed Product in any Region in the Territory, the first sale for monetary value for use or consumption by the end user of such Licensed Product in such Region after the Marketing Authorization for such Licensed Product has been obtained in such Region and where the sale results in a recordable Net Sale. First Commercial Sale excludes transfers of Licensed Product to Third Parties as *bona fide* samples, for the performance of Clinical Trials or other Development purposes, or for any expanded access program, or any compassionate sales or use program in accordance with applicable Law.

1.44 "Force Majeure" has the meaning set forth in Section 14.9 (Force Majeure).

1.45 "Fully Burdened Manufacturing Cost" means, with respect to any Licensed Product (or the Compound contained therein) supplied by or on behalf of Landos to Lian:

(a) if such Licensed Product (or the Compound contained therein) (or any precursor or intermediate thereof) is Manufactured by a CMO, the actual CMO costs of such Manufacturing incurred by or on behalf of Landos, including [***]; or

(b) if such Licensed Product (or the Compound contained therein) (or any precursor or intermediate thereof) is manufactured by Landos or its Affiliate, the actual, fully burdened cost of such manufacturing, including [***].

1.46 "GCP" or "Good Clinical Practice" means all applicable then-current standards for the design, conduct, performance, monitoring, auditing, recording, analyses and reporting of Clinical Trials, including, as applicable, (a) as set forth in the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use Harmonised Tripartite Guideline for Good Clinical Practice (CPMP/ICH/135/95) and any other guidelines for good clinical practice for trials on medicinal products, (b) the Declaration of Helsinki (2013) as last amended at the 64th World Medical Association in October 2013 and any further amendments or clarifications thereto, (c) as set forth in the PRC Good Clinical Practice for Pharmaceuticals effective as of September 1, 2003 and its subsequent amendments, (d) U.S. Code of Federal Regulations Title 21, Parts 50 (Protection of Human Subjects), 56 (Institutional Review Boards) and 312 (Investigational New Drug Application), and (e) the equivalent applicable Laws in any relevant Region, each as may be amended and applicable from time to time and in each case, that provide for, among other things, assurance that the clinical data and reported results are credible and accurate and protect the rights, integrity, and confidentiality of trial subjects.

1.47 "Generic Product" means, with respect to a particular Licensed Product in a Region, any product that (a) has Regulatory Approval for use in such Region pursuant to a regulatory process governing approval of generic or interchangeable pharmaceutical products based on the then-current standards for Regulatory Approval in such Region, where such Regulatory Approval relied on or incorporated clinical data generated by either Party to this Agreement or their Affiliates or Sublicensees, or was obtained using an abbreviated, expedited or similar process, (b) during the Royalty Term is not owned or licensed by Lian under this Agreement; and (c) is sold in the same Region as the relevant Licensed Product by a Third Party that is not a Sublicensee or Affiliate of Lian and that did not purchase such product in a chain of distribution that included Lian or its Affiliates or its or their Sublicensees.

1.48 "Global Development Plan" has the meaning set forth in Section 3.2(b) (Global Development Plan).

1.49 "Global Phase III Trial" means a global registrational Phase III Trial that is included under the Global Development Plan.

1.50 "Global Trial" has the meaning set forth in Section 3.3(a) (Global Phase III Trial Participation).

1.51 "GLP" or "Good Laboratory Practice" means all applicable then-current standards for laboratory activities for pharmaceuticals, as set forth in the FDA's Good Laboratory Practice regulations as defined in 21 C.F.R. Part 58, the PRC Good Clinical Practice effective as of September 1, 2003, or the Good Laboratory Practice principles of the Organization for Economic Co-Operation and Development (OECD), and such standards of good laboratory practice as are required by the equivalent applicable Laws in the relevant Region and other organizations and governmental

agencies in countries in which the Licensed Product is intended to be sold by the Party that is subject to such standards.

1.52 "GMP" or "Good Manufacturing Practice" means all applicable then-current standards for Manufacturing, including, as applicable, (a) the principles detailed in the U.S. Current Good Manufacturing Practices, 21 C.F.R. §§ 201, 211, 600 and 610 and all applicable FDA guidelines and requirements, (b) European Directive 2003/94/EC for medicines and investigational medicines for human use and the applicable guidelines stated in the Eudralex guidelines, (c) Pharmaceutical Good Manufacturing Practice of the PRC effective as of March 1, 2011 and its appendices, (d) the principles detailed in the applicable ICH guidelines, (e) the conduct of an inspection by a Qualified Person (as defined therein) and the execution by such Qualified Person of an appropriate certification of inspection and (f) the equivalent applicable Laws in any relevant Region, each as may be amended and applicable from time to time.

1.53 "Governmental Authority" means any multinational, federal, national, state, provincial, local or other entity, office, commission, bureau, agency, political subdivision, instrumentality, branch, department, authority, board, court, arbitral or other tribunal, official or officer, exercising executive, judicial, legislative, police, regulatory, administrative, or taxing authority or functions of any nature pertaining to government.

1.54 "ICH" means the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use.

1.55 "Indemnified Party" means a Person entitled to indemnification under Article 10 (Indemnification; Damages).

1.56 "Indemnifying Party" means a Party from whom indemnification is sought under Article 10 (Indemnification; Damages).

1.57 "Indication" means each separate and distinct disease, disorder, illness, health condition, or interruption, cessation or disruption of a bodily function, system, tissue type or organ, for which a separate Regulatory Approval Application is required to be filed to obtain Regulatory Approval.

1.58 "Infringement" has the meaning set forth in Section 7.3 (Third Party Infringement).

1.59 "Infringement Action" has the meaning set forth in Section 7.3(b) (Lian First Right).

1.60 "Infringement Claim" has the meaning set forth in Section 7.4 (Claimed Infringement).

1.61 "Intellectual Property" means all Patent Rights, rights to Inventions, copyrights, design rights, trademarks, trade secrets, Know-How, materials, and all other intellectual property rights (whether registered or unregistered), and all applications and rights to apply for any of the foregoing anywhere in the world.

1.62 "Invention" has the meaning set forth in Section 7.1(a) (Assignment Obligation).

1.63 "Joint Know-How" means Know-How developed or invented jointly by a Party's or its Affiliates', licensees', Sublicensees', or subcontractors' employees, agents, or independent contractors, or any persons contractually required to assign or license such Know-How to such Party or any Affiliate of such Party, on the one hand, and the other Party's or its Affiliates', licensees', Sublicensees', or subcontractors' employees, agents, or independent contractors, or any Persons contractually

required to assign or license such Know-How to such Party or any Affiliate of such Party, on the other hand, in the performance of activities under this Agreement during the Term.

1.64 "Joint Patent Right" means any Patent Right claiming any Invention conceived jointly by employees, contractors, or agents of Lian or its Affiliates, on the one hand, and employees, contractors, or agents of Landos or its Affiliates, on the other hand.

1.65 "JSC" has the meaning set forth in Section 5.1 (Formation; Purposes and Principles).

1.66 "Know-How" means all proprietary chemical and biological materials and other tangible materials, inventions, practices, methods, protocols, formulae, knowledge, know-how, trade secrets, processes, procedures, assays, skills, experience, techniques, information, data and results of experimentation and testing, including pharmacological, toxicological and pre-clinical and clinical test data and analytical and quality control data, whether patentable or otherwise.

1.67 "Landos" has the meaning set forth in the Preamble.

1.68 "Landos Indemnified Party" has the meaning set forth in Section 10.2 (Indemnification by Lian).

1.69 "Law" or "Laws" means all laws, statutes, rules, codes, regulations, orders, decrees, judgments or ordinances of any Governmental Authority, or any license, permit or similar right granted under any of the foregoing, or any similar provision having the force or effect of law.

1.70 "Lian" has the meaning set forth in the Preamble.

1.71 "Lian Indemnified Party" has the meaning set forth in Section 10.1 (Indemnification by Landos).

1.72 "Lian Technology" means the Patent Rights and Know-How Controlled by Lian, its Affiliates or Sublicensees as of the effective date of termination of this Agreement, that (a) Cover any Inventions and (b) are used or applied as of the date of such termination in the Development, Manufacture or Commercialization of the Compounds or Licensed Products in the Field.

1.73 "Lian Trademark" has the meaning set forth in Section 4.4(c) (Trademarks).

1.74 "Licensed Know-How" means any and all Know-How owned or Controlled by Landos or any of its Affiliates as of the Effective Date or during the Term that is necessary or reasonably useful for the Development, Manufacture, or Commercialization of any Compound or Licensed Product in the Territory, but excluding any Joint Know-How.

1.75 "Licensed Mark(s)" means any Trademark(s) that Landos or its Affiliates registers with a Governmental Authority in any Region in the Territory to be used in connection with the Commercialization of a Licensed Product.

1.76 "Licensed Patent Rights" means any and all Patent Rights that are owned or Controlled by Landos or any of its Affiliates as of the Effective Date or at any time during the Term that (a) Cover the Licensed Know-How or (b) are otherwise necessary or reasonably useful for the Development, Manufacture, or Commercialization of any Compound or Licensed Product in the Field in the Territory. The Licensed Patent Rights as of the Effective Date are listed in Schedule 1.76 (Licensed Patents). The Licensed Patent Rights (i) include any Patent Rights claiming Product Inventions that are Controlled by Landos or its Affiliates, and (ii) exclude any Joint Patent Rights.

1.77 "Licensed Product" means any product containing the Compound in any formulation or dosage form, or as part of any combination that has been or is being Developed by Landos outside the Territory. For clarity, no rights or licenses are granted under this Agreement by Landos to Lian with respect to any Active Ingredient Controlled by Landos or its Affiliates included in a combination product that is not a Compound.

1.78 "Licensed Technology" means collectively Licensed Patent Rights, Licensed Know-How and Landos or its Affiliates' interests in the Joint Know-How and Joint Patent Rights.

1.79 "Losses" means damages, losses, liabilities, costs (including costs of investigation, defense), fines, penalties, taxes, expenses, or amounts paid in settlement (in each case, including reasonable attorneys' and experts' fees and expenses), in each case, resulting from an Action.

1.80 "Manufacture" means activities directed to manufacturing, processing, packaging, labeling, filling, finishing, assembly, quality assurance, quality control, testing, and release, shipping, or storage of any pharmaceutical or biologic product (or any components or process steps involving any product or any companion diagnostic), placebo, or comparator agent, as the case may be, including process development, qualification, and validation, scale-up, pre-clinical, clinical, and commercial manufacture and analytic development, product characterization, and stability testing, but excluding activities directed to Development or Commercialization. "Manufacturing" or "Manufactured" will be construed accordingly.

1.81 "Marketing Authorization" means the grant of all necessary final or conditional permits, registrations, authorizations, licenses, and approvals (or waivers) required for the Commercialization of the Licensed Product for use in the Field and in the Territory, including any Regulatory Approval for sale or marketing, and, where applicable, Pricing and Reimbursement Approvals.

1.82 "Milestone Payments" means Development Milestone Payments and Sales Milestone Payments.

1.83 "Negotiation Period" has the meaning set forth in Section 2.10 (Right of Negotiation).

1.84 "Net Sales" means the net sales recorded by Lian or any of its Affiliates or Sublicensees (for the purpose of this definition, "Sublicensees" will not include any distributors or wholesalers) (each of the foregoing Persons, a "Selling Party") for any Licensed Product sold to Third Parties other than Sublicensees, less the following deductions calculated in accordance with the Accounting Standards, consistently applied throughout the Territory by the relevant Selling Party to the extent allocated to such Licensed Product and actually taken, paid, accrued, allowed, included, or allocated, based on good faith estimates, in the gross sales price with respect to such sales, as set forth below:

(a) [***];

(b) [***];

(c) [***];

(d) [***]; and

(e) [***].

Net Sales will be calculated only once for the first *bona fide* arm's length sale of the Licensed Product to a Third Party that is not a Selling Party. Net Sales does not include (a) any sale of such Licensed Product to or between Lian, its Affiliates or its or their Sublicensees for further sale by such entity (but includes the subsequent sale by such entity to a Third Party that is not a Selling Party), (b) samples of Licensed Product used to promote additional Net Sales, in amounts consistent with normal business practices of a Selling Party, or (c) any use of such Licensed Product as *bona fide* samples, as donations, for Clinical Trials or other Development purposes, or for any expanded access program or compassionate sales or use program in accordance with applicable Law (provided, that, in each case such sales are at or below cost).

In the event that a Licensed Product is sold as a Combination Product, Net Sales, for the purposes of determining royalty payments on the Combination Product, shall mean the gross amount collected for the Combination Product less the deductions set forth in clauses (a) - (f) above, multiplied by a proration factor that is determined as follows:

(i) If all Other Components of the Combination Product were sold separately during the same or immediately preceding Calendar Quarter, the proration factor shall be determined by the formula [A / (A+B)], where A is the average gross sales price of all Licensed Product components containing only the Compound as its Active Ingredient during such period when sold separately from the other component(s), and B is the average gross sales price of the Other Components during such period when sold separately from the Compound (as applicable);

(ii) If the Licensed Product components containing only the Compound as its Active Ingredient are sold separately from the Other Components, but the Other Components in such Combination Product are not sold separately, then the proration factor shall be determined by the formula [A / C], where A is the average gross sales price of all Licensed Product components containing only the Compound as its Active Ingredient during such period when sold separately from the Other Components, and C is the average gross sales price of the Combination Product during such period;

(iii) If the Licensed Product components containing only the Compound as its Active Ingredient are not sold separately from the Other Components, but the Other Components in such Combination Product are sold separately, then the proration factor shall be determined by the formula [(C- B) / C], where B is the average gross sales price of the Other Components included in such Combination Product if sold separately from the other component(s), and C is the average gross sales price of the Combination Product during such period; or

(iv) If neither the Compound nor the Other Components included in the Combination Product were sold or provided separately during the relevant period, then the proration factor shall be [***].

1.85 "NMPA" means the National Medical Product Administrations of the PRC, or its successor.

1.86 "Non-Breaching Party" has the meaning set forth in Section 12.3(a) (Termination by Material Breach).

1.87 "Offer" has the meaning set forth in Section 2.10 (Right of Negotiation).

1.88 "Offer Period" has the meaning set forth in Section 2.10 (Right of Negotiation).

1.89 "Other Component" has the meaning set forth in Section 1.24 (Combination Product).

1.90 "Party" means either Landos or Lian; "Parties" means Landos and Lian, collectively.

1.91 "Party Vote" has the meaning set forth in Section 5.5 (Decision-Making; Escalation to Senior Officers).

1.92 "Patent Challenge" has the meaning set forth in Section 12.3(b) (Termination for Patent Challenge).

1.93 "Patent Rights" means the rights and interests in and to (a) all patents and patent applications (including provisional applications), including all divisionals, continuations, substitutions, continuations-in-part, re-examinations, re-issues, additions, renewals, extensions, confirmations, registrations, any other pre- or post-grant forms of any of the foregoing, (b) any confirmation patent or registration patent or patent of addition, utility models, patent term extensions, and supplemental protection certificates or requests for continued examinations, foreign counterparts, and the like of any of the foregoing, and (c) any and all patents that have issued or in the future issue from the foregoing patent applications, including author certificates, utility models, petty patents, innovation patents and design patents and certificates of invention.

1.94 "Patient Commitment" has the meaning set forth in Section 3.3(a) (Global Phase III Trial Participation).

1.95 "Patient Shortfall" has the meaning set forth in Section 3.3(a) (Global Phase III Trial Participation).

1.96 "Person" means any natural person, corporation, general partnership, limited partnership, joint venture, proprietorship or other business organization or a Governmental Authority.

1.97 "Pharmacovigilance Agreement" has the meaning set forth in Section 3.9 (Pharmacovigilance).

1.98 "Phase III Trial" means a Clinical Trial of an investigational product in subjects that incorporates accepted endpoints for confirmation of statistical significance of efficacy and safety with the aim to generate data and results that can be submitted to obtain Regulatory Approval as described in 21 C.F.R. 312.21(c), or a comparable Clinical Trial prescribed by the relevant Regulatory Authority in a country other than the United States.

1.99 "PRC" means the People's Republic of China, which for the purposes of this Agreement, excludes Hong Kong, Macau and Taiwan.

1.100 "Pricing and Reimbursement Approval" means, with respect to the Licensed Product, the governmental approval, agreement, determination or decision establishing the price or level of reimbursement for such Licensed Product in a given Region in the Territory in such jurisdiction in the Field in the Territory.

1.101 "Product Inventions" means any Inventions that are necessary or reasonably useful for the Development, Manufacture, or Commercialization of the Compound or Licensed Products in the Field.

1.102 "Prosecution" or "Prosecute" means, with respect to a particular Patent Right, all activities associated with the preparation, filing, defense, prosecution and maintenance of such Patent Right, as well as supplemental examinations, re-examinations, reissues, applications for patent term adjustments and extensions, supplementary protection certificates and the like with respect to such

Patent Right, together with the conduct of interferences, derivation proceedings, *inter partes* review, post-grant review, the defense of oppositions and other similar proceedings with respect to such Patent Right.

1.103 "Region" means each of the PRC, Macau, Hong Kong, Taiwan, Thailand, Singapore, South Korea, Cambodia, Indonesia, Myanmar, Philippines, Thailand, and Vietnam.

1.104 "Regulatory Approval" means the final or conditional approval of the applicable Regulatory Authority necessary for the marketing and sale of a Licensed Product in the Field in a country(ies) or Region(s), excluding separate Pricing and Reimbursement Approval that may be applicable in a Region.

1.105 "Regulatory Approval Application" means an application to seek regular or expedited Regulatory Approval of the Licensed Product for sale or marketing in any country(ies) or Region(s) in the Territory, as defined in the applicable Laws and filed with the Regulatory Authority of such country(ies) or Region(s).

1.106 "Regulatory Authority" means any multinational, federal, national, state, provincial or local regulatory agency, department, bureau or other Governmental Authority with authority over the clinical development, Manufacture, marketing or sale of the Licensed Product in a Region, including the NMPA.

1.107 "Regulatory Exclusivity" means, with respect to a Licensed Product in a Region, the period of time during which: (a) a Party or its Affiliates or its or their Sublicensees has been granted the exclusive legal right by a Regulatory Authority in such Region to market and sell such Licensed Product; or (b) the data and information submitted by a Party or its Affiliates or its or their sublicensees to the relevant Regulatory Authority in such Region for purposes of obtaining Regulatory Approval of such Licensed Product in such Region may not be disclosed, referenced, or relied upon in any way by a Third Party or such Regulatory Authority (including by relying upon the Regulatory Authority's previous findings regarding the safety or effectiveness of the Licensed Product) to support the Regulatory Approval of any product of a Third Party in such Region.

1.108 "Regulatory Filing" means any documentation comprising or relating to or supporting any filing or application with any Regulatory Authority with respect to the Licensed Product, including any documents submitted to any Regulatory Authority, including INDs, Regulatory Approval Applications, and all correspondence with any Regulatory Authority with respect to any Licensed Product (including minutes of any meetings, telephone conferences, or discussions with any Regulatory Authority).

1.109 "Reversion License" has the meaning set forth in Section 12.4(a) (Effects of Termination Generally).

1.110 "Royalty Term" has the meaning set forth in Section 6.2(b) (Royalty Term).

1.111 "Rules" has the meaning set forth in Section 13.2 (Arbitration).

1.112 "Safety Data" means any Adverse Event information from Clinical Trials and all results from non-clinical safety studies, including toxicology and carcinogenicity data (if any), with respect to the Licensed Product required by one or more Regulatory Authorities to be collected or to be reported to such Regulatory Authorities under applicable Laws, but excluding any information related to the efficacy of the Licensed Product.

1.113 "Sales Milestone Event" has the meaning set forth in Section 6.1(c) (Sales Milestone Payments).

1.114 "Sales Milestone Payment" has the meaning set forth in Section 6.1(c) (Sales Milestone Payments).

1.115 "Sell-Off Period" has the meaning set forth in Section 12.4(g) (Inventory).

1.116 "Senior Officers" means the Chief Executive Officer of each Party. If the position of any of the Senior Officers identified in this definition no longer exists due to a corporate reorganization, corporate restructuring or the like that results in the elimination of the identified position, then the applicable title of the Senior Officer set forth herein will be replaced with the title of another executive officer with responsibilities and seniority comparable to the eliminated Senior Officer, and the relevant Party will promptly provide notice of such replacement title to the other Party.

1.117 "Sublicense" means a grant of rights from Lian to a Sublicensee or an Affiliate under any of the rights licensed to Lian by Landos under Section 2.1 (License Grants; Right of Reference).

1.118 "Sublicensee" means a Third Party sublicensee to which a Party or its Affiliates has granted rights under this Agreement or a Third Party licensee of rights with respect to the Licensed Product, which rights are retained by a Party under this Agreement with respect to such Licensed Product, or any further sublicensee of such rights (regardless of the number of tiers, layers, or levels of sublicenses of such rights).

1.119 "Supply Agreement" has the meaning set forth in Section 4.1 (Supply Agreement).

1.120 "Supply Failure" means, for a given [***], that Landos has failed to supply or cause to be supplied to Lian those quantities of Licensed Product forecasted and ordered in accordance with the terms of the applicable Supply Agreement, and the cumulative shortfall of Licensed Product [***].

1.121 "Tax Withholdings" has the meaning set forth in Section 6.5(Tax Withholding).

1.122 "Term" has the meaning set forth in Section 12.1 (Term).

1.123 "Term Sheet" means that certain non-binding (except with respect to confidentiality obligations therein) term sheet by and between Lian and Landos, dated as of March 4, 2021.

1.124 "Terminated Product" has the meaning set forth in Section 12.4(a) (Effects of Termination Generally).

1.125 "Terminated Region" has the meaning set forth in Section 12.4(a) (Effects of Termination Generally).

1.126 "Territory" means the PRC, Hong Kong, Macau, Taiwan, Cambodia, Indonesia, Myanmar, Philippines, Singapore, South Korea, Thailand, and Vietnam.

1.127 "Territory-Specific Development Plan" has the meaning set forth in Section 3.2(a) (Territory-Specific Development Plan).

1.128 "Third Party" means any Person other than a Party or any of its Affiliates.

1.129 "Third Party Claim" has the meaning set forth in Section 10.3(a) (Notice).

1.130 "Third Party Losses" means Losses resulting from an Action by a Third Party.

1.131 "Trademark" means all registered and unregistered trademarks, service marks, trade dress, trade names, logos, insignias, domain names, symbols, designs, and combinations thereof.

1.132 "Transfer" has the meaning set forth in Section 6.5 (Tax Withholding).

1.133 "Trigger Notice" has the meaning set forth in Section 2.10 (Right of Negotiation).

1.134 "Two-Invoice Policy" means the policy described in "the Opinion on the Implementation of the 'Two-Invoices' System in the Procurement of Pharmaceutical Products by Public Medical Institutions (trial)" (Guoyigaibanfa [2016] No. 4), officially released on 9 January 2017 and in any other applicable Laws that mandates public hospitals or any other purchaser of drugs in mainland China to purchase drugs from the distributor that purchases the drugs directly from the drug manufacturer, limiting the total number of invoices to two.

1.135 "United States" or "U.S." or "US" means the United States and its territories, possessions and commonwealths.

1.136 "Upstream License(s)" means an agreement between Landos or any of its Affiliates, on the one hand, and any Third Party, on the other hand, pursuant to which Landos has (a) in-licensed any Patent Rights or Know-How owned or Controlled by such Third Party that are included as part of the Licensed Patent Rights or Licensed Know-How (to the extent necessary or useful for Lian's Development, Manufacture and Commercialization of any Licensed Product in the Territory) or (b) agreed to provisions that would require Lian to make any payments (including royalties) to any Third Party or to undertake or observe any restrictions or obligations with respect to the Development, Manufacture or Commercialization of Licensed Products in the Field.

1.137 "Valid Claim" means either: (a) a claim of an issued and unexpired patent that (i) has not been irrevocably or unappealably disclaimed or abandoned, or been held unenforceable, unpatentable or invalid by a decision of a court or other Governmental Authority of competent jurisdiction; and (ii) has not been admitted to be invalid or unenforceable through reissue, disclaimer, or otherwise, or (b) a claim included in a patent application that has not been cancelled, withdrawn, or abandoned, nor been pending for more than [***] from the earliest filing date to which such patent application or claim is entitled.

ARTICLE 2
LICENSE GRANTS

2.1 License Grants; Right of Reference.

(a) License Grants to Lian. Subject to the terms and conditions of this Agreement, Landos hereby grants to Lian:

(i) an exclusive (even with respect to Landos and its Affiliates, subject to this Section 2.1(a) (License Grants to Lian) and Section 2.5) (Landos Right of Access and Reference), sublicensable (solely as permitted under Section 2.2(a) (Lian Right to Sublicense)), non-transferable (except as provided Section 14.1 (Assignment)), royalty-bearing license under the Licensed Technology to Develop, Manufacture, and Commercialize and otherwise, make, have made, use, offer for sale, sell, have sold, and import the Compounds and Licensed Products in the Field in the Territory; and

(ii) a non-exclusive, non-transferable (except as provided Section 14.1 (Assignment)), sublicensable (solely as permitted under Section 2.2(a) (Lian Right to Sublicense)) license under the Licensed Technology to Manufacture Compounds and Licensed Products outside the Territory solely for (A) Development solely for purposes of obtaining Regulatory Approval of Licensed Products in the Field in the Territory; and (B) Commercialization of Licensed Products in the Field in the Territory.

(iii) Notwithstanding the foregoing license grant under this Section 2.1(a) (License Grants to Lian), Landos retains the right under the Licensed Technology to Manufacture (or have Manufactured) Compounds and Licensed Products in the Territory solely for Development or Commercialization of Licensed Products in the Field outside the Territory.

(b) Lian Right of Access and Reference. Landos hereby grants Lian and its Affiliates and Sublicensees access to, and a right of reference with respect to, (i) the Regulatory Filings, Regulatory Approvals, Marketing Authorizations, and all corresponding documentation Controlled by Landos or its Affiliates as of the Effective Date or at any time during the Term, and (ii) all data generated by or on behalf of Landos or its Affiliates relating to the Licensed Products, including clinical and preclinical data (including any such data generated from any Clinical Trial performed by or be on behalf of Landos or its Affiliates), Safety Data and CMC Data contained or referenced in any Regulatory Filings, and all corresponding documentation Controlled by Landos or its Affiliates as of the Effective Date or at any time during the Term, in each case ((i) and (ii)) to the extent reasonably useful or necessary for Developing, seeking, and securing Regulatory Approval and Marketing Authorization for the Development, Manufacture, or Commercialization of the Licensed Products in the Field in the Territory. The foregoing rights include the right for Lian and, to the extent permitted under this Agreement, its Affiliates and Sublicensees, to make copies of and reproduce such documentation and information for the purposes set forth in this Section 2.1(b) (Lian Right of Access and Reference). Landos will promptly provide to Lian all data generated by or on behalf of it or its Affiliates from any Clinical Trial for a Licensed Product that is necessary or reasonably useful to Lian or its Affiliates or Sublicensees for securing Regulatory Approval and Marketing Authorization for the Development, Manufacture, or Commercialization of the Compound or Licensed Products in Field and in the Territory.

2.2 Sublicensing and Subcontracting.

(a) Lian Right to Sublicense. Lian will have the right to grant Sublicenses (through multiple tiers) to (i) its Affiliates and to independent contractors engaged pursuant to Section 2.3 (Performance by Independent Contractors) and to its Third Party collaboration partners, in each case, of any and all rights granted to Lian by Landos pursuant to Section 2.1 (License Grants; Right of Reference) [***], and (ii) to other Third Parties [***] subject to the requirements of Section 2.2(b) (Sublicense Requirements).

(b) Sublicense Requirements. Each Sublicense granted by Lian to a Third Party pursuant to Section 2.2(a) (Lian Right to Sublicense) will be in writing and will be consistent with the relevant terms and conditions set forth in this Agreement. No Sublicense will diminish, reduce or eliminate any obligation of either Party under this Agreement. Lian will be liable for any act or omission of its Sublicensees as if such Sublicensees were Lian hereunder. Without limiting the foregoing, each Sublicense granted by Lian or its Affiliates to a Sublicensee will contain (i) confidentiality and non-use provisions at least as restrictive or protective as those set forth in Section 8.1 (Confidential Information) with respect to Landos' Confidential Information, and (ii) invention ownership and assignment provisions consistent with those set forth in Section 7.1 (Ownership of Inventions).

(c) Sublicense Survival. Upon the termination of this Agreement [***] Landos will enter into a direct license agreement with such Sublicensee on the same terms as this Agreement, taking into account any difference in license scope, territory and duration of sublicense grant (each a "New License Agreement"). Under any New License Agreement between Landos and a former Sublicensee, such Sublicensee will be required to pay to Landos the same amounts in consideration for such direct grant as Landos would have otherwise received from Lian pursuant to this Agreement on account of such Sublicensee's exploitation of the relevant Licensed Products had this Agreement not been terminated. Under such New License Agreement, Landos will not be bound by any grant of rights broader than, and will not be required to perform any obligation other than those rights and obligations contained in, this Agreement and all applicable rights of Landos set forth in this Agreement will be included in such New License Agreement. Each Sublicensee will be an intended Third Party beneficiary of this Section 2.2(c) with the right to enforce the same against Landos. At the request of Lian, Landos will issue a comfort letter directly to any potential Sublicensee confirming the terms of this Section 2.2(c).

2.3 Performance by Independent Contractors. Lian may contract or delegate any portion of its obligations hereunder to a contractor subject to the terms and condition of Section 14.8 (Affiliates, Sublicensees, and Contractors).

2.4 License Grant to Landos. Lian hereby grants Landos and its Affiliates a non-exclusive, sublicensable (through multiple tiers), royalty-free, fully paid up, perpetual, and irrevocable license under any Product Inventions invented or otherwise developed or generated during the Term by or on behalf of Lian (including its Affiliates, or any of its or their employees, Sublicensees, independent contractors, or agents) to Develop, Manufacture, and Commercialize and otherwise, make, have made, use, offer for sale, sell, have sold, and import the Compounds and Licensed Products in the Field outside the Territory.

2.5 Landos Right of Access and Reference. Lian hereby grants Landos, its Affiliates, and Sublicensees access to, and a right of reference with respect to, (a) the Regulatory Filings, Regulatory Approvals, Marketing Authorizations and all corresponding documentation Controlled by Lian, its Affiliates,

or Sublicensees as of the Effective Date or at any time during the Term, and (b) all data generated by Lian or its Affiliates relating to the Licensed Products, including clinical and preclinical data, Safety Data and CMC Data contained or referenced in any Regulatory Filings, and all corresponding documentation Controlled by Lian, its Affiliates or Sublicensees as of the Effective Date or at any time during the Term. The foregoing rights include the right for Landos and, to the extent permitted under this Agreement, its Affiliates, and Sublicensees, to make copies of and reproduce such documentation and information for the purposes set forth in this Section 2.4 (License Grant to Landos). Lian will promptly provide to Landos all data generated by or on behalf of it or its Affiliates from any Clinical Trial for a Licensed Product that is necessary or reasonably useful to Landos or its Affiliates or licensees for securing Regulatory Approval and Marketing Authorization for the Development, Manufacture, or Commercialization of the Compound or Licensed Products in Field outside the Territory.

2.6 Rights in Bankruptcy.

(a) All rights and licenses now or hereafter granted by Landos to Lian under or pursuant to this Agreement, including, for the avoidance of doubt, the licenses granted to Lian pursuant to Section 2.1 (License Grants; Right of Reference) are, for all purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined in the U.S. Bankruptcy Code. Upon any filing or institution of bankruptcy, reorganization, liquidation or receivership proceedings, upon the appointment of a receiver or trustee over all or substantially all property, or upon an assignment of a substantial portion of the assets for the benefit of creditors by Landos, Landos agrees that the Lian, as licensee of such rights under this Agreement, will retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code. Without limiting the generality of the foregoing, Landos and Lian intend and agree that any sale of Landos' assets under Section 363 of the Bankruptcy Code shall be subject to Lian's rights under Section 365(n), that Lian cannot be compelled to accept a money satisfaction of its interests in the intellectual property licensed pursuant to this Agreement, and that any such sale therefore may not be made to a purchaser "free and clear" of Lian's rights under this Agreement and Section 365(n) without the express, contemporaneous consent of Lian. Landos acknowledges and agrees that "embodiments" of Intellectual Property within the meaning of Section 365(n) include laboratory notebooks, cell lines, product samples and inventory, research studies and data, all Regulatory Approvals (and all applications for Regulatory Approval) and rights of reference therein, the Licensed Know-How, Licensed Patent Rights, and all information related to the Licensed Know-How or Licensed Patent Rights. If (A) a case under the U.S. Bankruptcy Code is commenced by or against Landos, (B) this Agreement is rejected as provided in the U.S. Bankruptcy Code and (C) Lian elects to retain its rights hereunder as provided in Section 365(n) of the U.S. Bankruptcy Code, Landos (in any capacity, including debtor-in-possession) and its successors and assigns (including a trustee) will: (1) provide Lian with all such Intellectual Property (including all embodiments thereof) held by Landos and such successors and assigns, or otherwise available to them, immediately upon Lian's written request. Whenever Landos or any of its successors or assigns provides to Lian any of the Intellectual Property licensed hereunder (or any embodiment thereof) pursuant to this Section 2.6(a) (Rights in Bankruptcy), Lian will have the right to perform Landos' obligations hereunder with respect to such Intellectual Property, but neither such provision nor such performance by Lian will release Landos from liability resulting from rejection of the license or the failure to perform such obligations; and (2) not interfere with Lian's rights under this Agreement, or any agreement supplemental hereto, to such Intellectual Property (including such embodiments),

including any right to obtain such Intellectual Property (or such embodiments) from another entity, to the extent provided in Section 365(n) of the U.S. Bankruptcy Code.

(b) All rights, powers and remedies of Lian provided in this Section 2.6 (Rights in Bankruptcy) are in addition to and not in substitution for any other rights, powers, and remedies now or hereafter existing at law or in equity (including the U.S. Bankruptcy Code) in the event of the commencement of a case under the U.S. Bankruptcy Code with respect to Landos. The Parties intend the following rights to extend to the maximum extent permitted by applicable Law, and to be enforceable under U.S. Bankruptcy Code Section 365(n): (A) the right of access to any Intellectual Property (and all embodiments thereof) of Landos or any Third Party that is licensed or sublicensed to Lian under this Agreement; and (B) the right to contract directly with any Third Party to complete the contracted work.

2.7 No Implied Licenses; Reservation of Rights. No rights, other than those expressly set forth in this Agreement, are granted to either Party under this Agreement, and no additional rights will be deemed granted to either Party by implication, estoppel, or otherwise, with respect to any intellectual property rights. All rights not expressly granted by either Party, or its Affiliates to the other Party under this Agreement are reserved.

2.8 Transfer of Know-How. [***], Landos will transfer to Lian the Licensed Know-How that exists as of the Effective Date, in the manner and pursuant to the timelines set forth in Schedule 2.8 (Know-How Transfer) attached hereto. In addition, each Party will provide updates throughout the Term, in a manner established by the JSC, to the other Party of any Know-How that such Party or its Affiliates comes to Control that is necessary or reasonably useful for the Development, Manufacture or Commercialization of Compounds and Licensed Products in the Field (such updates to be made reasonably promptly after any Calendar Quarter in which such Know-How comes into Control of the applicable Party or its respective Affiliates). Additionally, for a period of [***] after the initial Licensed Know-How transfer, Landos will provide Lian with reasonable assistance to facilitate the successful transfer of such Licensed Know-How, such assistance to be at Lian's cost and not to exceed [***] hours of support per week or [***] hours in the aggregate.

2.9 Exclusivity.

(a) Lian Exclusivity. Subject to the terms of this Agreement, neither Lian will, nor any of its Affiliates will, directly or indirectly, Develop, Manufacture, or Commercialize any Competitive Product anywhere in the Territory, nor collaborate with, enable, or otherwise authorize, license or grant any right to any Third Party to Develop, Manufacture, or Commercialize any Competitive Product anywhere in the Territory.

(b) Landos Exclusivity. Subject to the terms of this Agreement, neither Landos will, nor any of its Affiliates will, directly or indirectly, Develop, Manufacture, or Commercialize any Competitive Product anywhere in the Territory, nor collaborate with, enable, or otherwise authorize, license or grant any right to any Third Party to Develop, Manufacture, or Commercialize any Competitive Product anywhere in the Territory.

(c) [***].

(d) [***].

2.10 Right of Negotiation. During the Term, Landos grants to Lian an exclusive right of negotiation to obtain an exclusive license, under the applicable Patent Rights and Know-How Controlled by

Landos, to Develop, Manufacture, and Commercialize and otherwise, make, have made, use, offer for sale, sell, have sold, and import Additional Products in the Field in the Territory (an "Additional Product License"), subject to the remainder of this Section 2.10 (Right of Negotiation). From time to time, Landos may present Lian with information regarding Additional Products and offer Lian an opportunity to negotiate an Additional Product License (a "Trigger Notice"). Licensee may exercise its exclusive negotiation right by submitting to Landos a written offer for the proposed terms of such Additional Product License, including the material financial terms and a high-level development plan for the development and commercialization of the applicable Additional Product in the Territory in one or more of the applicable indications (an "Offer") within [***] days after receiving the Trigger Notice (the "Offer Period"). If Lian submits an Offer to Landos during the Offer Period, then Landos and Lian shall enter into exclusive good faith negotiations regarding the terms for such Additional Product License for a period of [***] days following Landos' receipt of such Offer (the "Negotiation Period"). If the Parties agree on the terms for such Additional Products, then the Parties may amend this Agreement to include such Additional Product License or may enter in a separate written agreement with respect to such Additional Product License. If Lian does not submit an Offer for such Additional Product License during the Offer Period or the Parties are unable to agree on the terms of such Additional Product License or enter into an agreement with respect thereto during the Negotiation Period, then [***].

ARTICLE 3
DEVELOPMENT

3.1 Development Responsibilities in General.

(a) Development Diligence. Lian (directly, or through its Affiliates, Sublicensees and contractors) will use Commercially Reasonable Efforts to Develop and seek Regulatory Approval for the Licensed Products in the Territory, and Landos (directly, or through its respective Affiliates, Sublicensees and contractors) will use Commercially Reasonable Efforts to Develop and seek Regulatory Approval for the Licensed Products outside of the Territory. Without limiting the foregoing, Lian will use Commercially Reasonable Efforts to carry out any Development activities in the Territory assigned to Lian under the Territory-Specific Development Plan. [***].

(b) Development Responsibilities. Subject to the terms and conditions of this Agreement, including this Article 3 (Development) and Section 5.5 (Decision-Making; Escalation to Senior Officers), Lian will have sole authority to, at its own expense, Develop the Licensed Product for the purpose of obtaining Regulatory Approval in the Field in the Territory. Lian will be responsible for the day-to-day implementation of any Development activities for which it (or any of its Affiliates) is assigned responsibility under this Agreement (including the Development Plans).

3.2 Development Plans.

(a) Territory-Specific Development Plan. Except for the activities allocated to Lian under a Global Development Plan, all Development of Compounds and Licensed Products in the Territory will be conducted pursuant to a written a plan (the "Territory-Specific Development Plan"), the initial draft of which will be prepared by Lian and submitted to the JSC [***]. The Territory-Specific Development Plan will contain in reasonable detail (i) [***], (ii) [***], and (iii) [***]. Lian will update the Territory-Specific Development Plan not less than [***], and either Party may propose modifications to the Territory-Specific Development Plan at any time, [***]. [***], each update to the Territory-Specific

Development Plan will become effective and supersede the then-current Territory-Specific Development Plan. In the event of any proposed change to the Development Plan as a result of any interaction with any Regulatory Authority, the JSC will meet as promptly as practicable to review and discuss any such proposed changes and determine an appropriate revision (if any) to the Territory-Specific Development Plan. If Lian is delayed in performing (or fails to perform) an obligation assigned to Lian in the Territory-Specific Development Plan as a result of Landos' failure to timely perform any of its obligations under this Agreement or the Development Plan, then the timelines for the performance of Lian's obligations under the Territory-Specific Development Plan will be extended commensurate with the delay caused by Landos.

(b) Global Development Plan. Landos' global Development of the Compounds and Licensed Products inside and outside of the Territory will be conducted pursuant to a written plan (the "Global Development Plan"). Prior to [***], Landos will provide to the JSC for its review and discussion the initial Global Development Plan. The Global Development Plan will include (i) [***], (ii) [***], and (iii) [***]. From time to time, Landos may propose updates to the then-current Global Development Plan for the Licensed Products to the JSC to review and discuss and, to the extent relating to activities to be conducted in the Territory, to determine whether to approve.

3.3 Global Trial Participation.

(a) Global Phase III Trial Participation. In the event that Landos decides to conduct a Global Phase III Trial for a Licensed Product, Lian will participate in such Global Phase III Trial and include Clinical Trial sites for such Global Phase III Trial in the Territory, subject to [***]. In the event that Lian participates in such Global Trial, subject to this Section 3.3(a) (Global Phase III Trial Participation) and Section 3.3(c) (Study Design and Protocol), such activities to be conducted by Lian in support of such Global Phase III Trial will be included in the Global Development Plan, and Lian will support Landos on such global development for such Global Trial by (i) including Clinical Trial sites in the Territory [***], (ii) being responsible for any costs and expenses incurred by or on behalf of Lian for its participation in such Global Trial conducted in the Territory, and (iii) using Commercially Reasonable Efforts to enroll patients in the Territory equal to a minimum of [***] of the total patients in such Global Phase III Trial (the "Patient Commitment"). In the event that Lian participates in such a Global Phase III Trial and fails to enroll sufficient patients in the Territory to meet the Patient Commitment (the "Patient Shortfall"), and Landos instead enrolls patients in such Global Phase III Trial in lieu of Lian in order to meet the Patient Commitment, then Lian will reimburse Landos for the number of patients representing the Patient Shortfall that Landos so enrolls in such Global Phase III Trial (up to the Patient Commitment) based on the Average Cost Per Patient in the Territory. If Lian does not participate in a Global Phase III Trial for either of Crohn's disease or ulcerative colitis, then Lian will conduct a Clinical Trial in the Territory intended to support the Regulatory Approval for the use of the Licensed Product in the applicable disease in the Territory, and such Clinical Trial will be included in the Territory-Specific Development Plan. Additionally, in such event, Lian shall use good faith efforts to design the protocol for such Clinical Trial in a manner that would permit Landos to use clinical data generated from such Clinical Trial to support the Regulatory Approval for the use of the Licensed Product in the applicable disease in the U.S.

(b) Other Global Trial Participation. In the event that Landos decides to conduct a Global Trial for a Licensed Product, other than a Global Phase III Trial, that is primarily intended to

support the Development or Regulatory Approval of any Compound or Licensed Product in the Field outside the Territory (each, an "Other Global Trial"), to the extent the Parties agree to Lian's participation in such Other Global Trial, then Lian will participate in such Other Global Trial and include Clinical Trial sites in the Territory, subject to (i) [***], (ii) [***], and (iii) [***]. For any Other Global Trial in which Lian agrees to participate, the Parties will prepare an update to the Global Development Plan to include the Development activities to be conducted by Lian in the Territory in support of such Other Global Trial, including the Clinical Trial sites in the Territory for such Other Global Trial, to be determined by Lian after considering in good faith Landos' suggestions thereon.

(c) Study Design and Protocol. Landos will determine the study design and study protocol for any Global Phase III Trial or Other Global Trial, and Lian will have the right to determine which patient types to enroll in the Territory for such Global Phase III Trial or Other Global Trial. Notwithstanding any provision to the contrary set forth in this Agreement, to the extent that Lian participates in any such Global Phase III Trial or Other Global Trial, Lian's obligation to participate in such Global Phase III Trial or Other Global Trial is subject to the Parties' agreement on such study design and study protocol (such approval of Lian not to be unreasonably withheld or delayed).

3.4 Development Records and Reporting.

(a) Records. Lian will maintain complete and accurate records of all work conducted by Lian in furtherance of seeking Regulatory Approval for the Licensed Product in the Field in the Territory. Such records will be maintained in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes and in accordance with applicable Laws. Lian will document all non-clinical studies and Clinical Trials for Licensed Products in formal written study records according to applicable Laws, including applicable national and international guidelines such as ICH, GCP and GLP, and shall, at Landos' written request, provide Landos English translations thereof (to the extent prepared and originated in a language other than English and subject to reimbursement by Landos of any cost of translation thereof). To the extent permissible, Landos shall have the right to review and copy such records at reasonable times and to obtain access to the original to the extent necessary or useful for regulatory or patent purposes in accordance with this Agreement.

(b) Reporting. Lian will provide a written report to the JSC for review and discussion, at least [***], in English, summarizing Lian's activities and progress related to the pursuit of Regulatory Approval for the Licensed Product in the Field in the Territory.

3.5 Development Costs. Except as set forth in Section 3.3 (Global Trial Preparation) and this Section 3.5 (Development Costs), each Party will bear 100% of the costs and expenses it incurs in connection with the Development activities conducted under the Development Plans.

3.6 Regulatory Submissions and Approvals; Communications; Meetings.

(a) Regulatory Filings and Approvals. Lian, or its relevant Affiliates or Sublicensees, will have the sole and exclusive right to file and hold all Regulatory Filings, and to apply for and maintain all Regulatory Approvals and Pricing and Reimbursement Approvals, in each case, for all Licensed Products in the Field in the Territory at Lian's cost and expense in the name of Lian or any of its Affiliates and Sublicensees. The Parties will use good faith efforts to cooperate to effectuate this Section 3.6(a) (Regulatory Filings and Approvals), and if, after the Parties' use of good faith efforts, Lian, or its Affiliate or Sublicensee [***]. Subject to the terms and conditions of this Agreement, Lian will be responsible, at its sole cost and expense, for all regulatory activities leading up to and including the obtaining of Regulatory Approvals and any Pricing and Reimbursement Approvals, as applicable, for Licensed Products in the Field from Regulatory Authorities or Governmental Authorities in the Territory. Lian will conduct such activities (and any and all regulatory activities delegated to Lian in this Agreement) (A) in its own name, if Lian is the legal and beneficial owner of the Regulatory Approvals for the Licensed Products in the Field in the Territory, [***].

(b) Regulatory Communications. Subject to applicable Law and this Section 3.5 (Development Costs), Lian will oversee, monitor, and manage all interactions and communications with Regulatory Authorities with respect to the Licensed Products in the Field in the Territory. Lian will have final decision-making authority regarding all regulatory activities for the Licensed Products in the Field in the Territory, including the labeling strategy and the content of Regulatory Filings for Licensed Products.

(c) Regulatory Meetings. Until such time as Lian obtains Regulatory Approval for the Licensed Product in the Field in the Territory, to the extent legally permissible and practicable, Lian will provide Landos with reasonable prior written notice of all substantive meetings with Regulatory Authorities regarding the Licensed Product if permitted by applicable Law or the Regulatory Authority. Landos will have the right to request to be present as an observer at (but not to participate in, unless requested by Lian or the Regulatory Authority) all such meetings with Regulatory Authorities to the extent permitted under applicable Law, at Landos' sole cost and expense, and Lian will consider any such request in good faith.

3.7 Termination or Suspension of Clinical Trials. Notwithstanding any provision to the contrary set forth in this Agreement or the Pharmacovigilance Agreement, the Parties hereby agree that Lian may terminate or suspend any Clinical Trial relating to the Licensed Products in the Field in the Territory, and Landos may terminate or suspend any Global Trial, without the approval or consent of the JSC or the other Party, if (i) a Regulatory Authority, institutional review board or safety data review board for such Clinical Trial has required or recommended such termination or suspension or (ii) following review and discussion with the JSC, the Party seeking such termination believes in good faith that such termination or suspension is warranted because of observed safety risks to the study subjects. In either case, such Party will promptly notify the other Party in writing of such termination or suspension.

3.8 No Harmful Actions. Each Party will promptly notify the other Party of all material communications or correspondence with Regulatory Authorities with respect to any Licensed Product in such Party's territory that are (a) received by such Party or its Affiliates, Sublicensees, or other licensees (to the extent that such Party has the right to disclose such material communications or correspondence of other licensees and *provided* that such Party uses commercially reasonable efforts to obtain such right from such other licensees) from any

Regulatory Authority or submitted by such Party, its Affiliates or other licensees to any Regulatory Authority and (b) would reasonably be expected to impact the other Party's Development, Manufacture, or Commercialization of the Licensed Products in the Field in the other Party's territory. If either Party believes that the other Party is taking or intends to take any action with respect to a Licensed Product in such other Party's territory that could have a material adverse impact upon the regulatory status of any Licensed Product in such Party's territory, then such Party will have the right to bring the matter to the attention of the JSC and the JSC will discuss in good faith a resolution to such concern.

3.9 Pharmacovigilance. Within [***] after the Effective Date, the Parties will negotiate in good faith and finalize the actions that the Parties will employ with respect to the Licensed Products to protect patients and promote their well-being in a written pharmacovigilance agreement (the "Pharmacovigilance Agreement"). These responsibilities will include mutually acceptable guidelines and procedures for the receipt, investigation, recordation, communication, and exchange (as between the Parties) of Adverse Event reports and any other information concerning the safety of any Licensed Product, including recall and withdrawal responsibilities, processes and procedures. Such guidelines and procedures will be in accordance with, and enable the Parties to fulfill, local and national regulatory reporting obligations under applicable Law. Furthermore, such agreed procedure will be consistent with relevant ICH guidelines, except where such guidelines may conflict with existing local regulatory reporting safety reporting requirements, in which case local reporting requirement will prevail. Lian will be responsible for reporting quality complaints, Adverse Events, and safety data related to the Licensed Products in the Field to applicable Regulatory Authorities in the Territory, as well as responding to safety issues and to all requests of Regulatory Authorities relating to Licensed Products in the Field in the Territory. Landos will be responsible for reporting quality complaints, Adverse Events, and safety data related to Licensed Product to applicable Regulatory Authorities outside the Territory, as well as responding to safety issues and to all requests of Regulatory Authorities relating to Licensed Product outside the Territory. The Pharmacovigilance Agreement will also provide for a worldwide safety database to be maintained by Landos at its sole cost and expense, which worldwide safety database will be accessible by Lian and its Affiliates, Sublicensees and contractors to the full extent necessary for Lian to exercise its rights under this Agreement, comply with its obligations under this Agreement and comply with all applicable Law. Each Party will comply with its respective obligations under such Pharmacovigilance Agreement and will cause its Affiliates and Sublicensees and contractors to comply with such obligations.

ARTICLE 4
MANUFACTURE, SUPPLY, AND COMMERCIALIZATION

4.1 Supply Agreement. Within [***] following the JSC's approval of the Territory-Specific Development Plan, the Parties will negotiate in good faith and enter into a supply agreement for the Manufacture and supply of clinical quantities of Licensed Products by Landos to Lian for use solely in connection with Clinical Trials and other Development of Licensed Products in the Field in the Territory (the "Clinical Supply Agreement") and, no later than [***] prior to the date Lian anticipates its First Commercial Sale of the Licensed Products in the Territory, a supply agreement for the Manufacture and supply of commercial quantities of Licensed Products by Landos to Lian for the commercial sale and distribution of Licensed Products in the Field in the Territory (the "Commercial Supply Agreement" and, together with the Clinical Supply Agreement, the "Supply Agreements"). Unless otherwise agreed or required by applicable Laws, the Supply Agreements will specify that (a) Landos will (or will cause its Affiliates to) Manufacture and supply, and Lian will purchase from Landos, all of Lian's, its Affiliates' and Sublicensees' requirements for the Licensed Products for the Development or Commercialization (as applicable) in the Field in the

Territory in their finished form and at a price equal to (a) under the Clinical Supply Agreement, [***] and (b) under the Commercial Supply Agreement, [***].

4.2 Two-Invoice Policy. The Parties agree that in the event, under the Two-Invoice Policy and tendering policies and applicable Laws in a given province in the PRC, neither Lian nor any of its Affiliates can, based on their existing qualifications, distribute the Licensed Products for such province directly or indirectly to its distributors for the PRC, then, the Parties will use reasonable efforts to discuss in good faith alternative arrangements for the distribution of the Licensed Product in such province that complies with the Two-Invoice Policy as implemented in such province and that maintains the economic interests of the Parties as agreed under this Agreement.

4.3 Manufacture Technology Transfer Option. At any time after the Effective Date, upon Lian's written request to Landos, and Landos' written consent (such consent not to be unreasonably withheld or delayed) or, in the event of a Supply Failure, upon Lian's written notice to Landos, (a) the Parties will discuss in good faith and prepare a technology transfer plan pursuant to which Landos will (i) provide access, and transfer, to Lian or its designated CMO, at Lian's sole cost (other than in the event that such transfer is following the occurrence of a Supply Failure, in which case the Parties will each bear their respective costs for such transfer) the Licensed Know-How Controlled by Landos or its Affiliates that is necessary or reasonably useful for Lian or such CMO to Manufacture the Compounds and the Licensed Products in the Field in the Territory, and (ii) provide all other reasonably necessary assistance and services to Lian [***] to enable Lian or its designated CMO to Manufacture the Compounds and Licensed Products in substantially the same manner as Landos or its Affiliates or CMOs (as applicable) Manufactures the Compounds and the Licensed Product for Lian; and (b) following agreement on such plan, Landos will perform and execute the technology transfer plan in accordance with its terms.

4.4 Commercialization.

(a) Commercialization Diligence. Upon receipt of the Marketing Authorization for a Licensed Product in the Field in a given Region in the Territory, Lian (directly, or through its Affiliates, Sublicensees or contractors) will use Commercially Reasonable Efforts to Commercialize such Licensed Product in the Field in such Region in the Territory. Lian will have sole decision-making authority and discretion with respect to Commercializing the Licensed Product in the Field in the Territory. [***].

(b) Reporting Obligations. Lian will report to Landos in writing, on a [***] basis, beginning with the Calendar Year following the first Regulatory Approval of a Licensed Product in the Field in the Territory (for the period ending December 31 of the prior Calendar Year), a summary of Lian's material Commercialization activities for such Licensed Product performed to date (or updating such report for activities performed since the last such report was given hereunder, as applicable).

(c) Trademarks.

(i) Lian will have the right to brand the Licensed Products in the Field in the Territory using Lian related Trademarks and any other Trademarks and trade names (the "Lian Trademarks") it determines appropriate for the Licensed Products, which branding may vary by Region or within a Region. Lian will own all rights in the Lian Trademarks and register and maintain such Lian Trademarks in the countries and regions within the Territory, where and how it determines appropriate.

(ii) Lian will also have the right to brand the Licensed Products in the Field and in the Territory using the Licensed Marks, and Lian will comply with Landos' reasonable trademark usage guidelines and quality control guidelines in effect from time to time as provided by Landos. Landos will own and retain all rights to the Licensed Marks (together with all goodwill associated therewith) in the Territory, and will prepare, file, prosecute, and maintain all Licensed Marks in the Territory at its own expense; provided, however, Landos will provide to Lian copies of all applications, submissions, communications, and correspondence intended to be sent to, sent to or received by Governmental Authorities or Third Parties in connection with such filing, prosecution, and maintenance of the Licensed Marks in the Territory so that Lian may review and comment thereon (which will be provided with sufficient advanced notice so that Lian may meaningfully review and comment, to the extent practicable), and will incorporate any reasonable comments provided by Lian with respect to such applications, submissions, communications, or correspondence. Subject to terms and conditions of this Agreement, Landos will grant and hereby grants an exclusive, sublicensable (subject to Section 2.2) (Sublicensing and Subcontracting), fully paid-up, royalty free, non-transferrable (subject to Section 14.1 (Assignment)) license under the Licensed Marks for Lian to Commercialize the Licensed Products in the Field in the Territory.

(iii) Diversion. Subject to applicable Law, each Party hereby covenants and agrees that (A) it and its Affiliates will not, and it will contractually obligate (and use Commercially Reasonable Efforts to enforce such contractual obligation) its licensees, Sublicensees and contractors not to, directly or indirectly, actively promote, market, distribute, import, sell or have sold any Licensed Product, including via the Internet or mail order, to any Third Party or to any address or Internet Protocol address or the like, in the other Party's territory, and (B) neither Party will engage, nor permit its Affiliates, Sublicensees, or contractors to engage, in any advertising or promotional activities relating to any Licensed Product for use directed primarily to customers or other buyers or users of such product located in any country, Region or jurisdiction in the other Party's territory, or solicit orders from any prospective purchaser located in any country, Region or jurisdiction in the other Party's territory.

(d) No Violation. Notwithstanding anything to the contrary contained herein, Lian (including its Affiliates, Sublicensees and contractors) will not be obligated to undertake or continue any Commercialization activities with respect to Licensed Products if Lian (or its Affiliates, Sublicensees or contractors, as applicable) reasonably determines that performance of such Commercialization activity would violate applicable Laws or infringe any Third Party Patent Rights.

ARTICLE 5
GOVERNANCE; JOINT STEERING COMMITTEE

5.1 Formation; Purposes and Principles. [***], Landos and Lian will form a joint steering committee (the "JSC") to provide oversight and to facilitate information sharing between the Parties with respect to the activities of the Parties under this Agreement.

5.2 Specific Responsibilities. In addition to its overall responsibility to provide strategic oversight and to facilitate information sharing between the Parties with respect to the activities of the Parties under this Agreement, the JSC will:

(a) share information with respect to the Development and Commercialization of the Licensed Products by Lian in the Territory and by Landos outside the Territory;

(b) coordinate and share information with respect to the Manufacture of the Licensed Products by Landos, for so long as Landos is supplying Licensed Products to Lian;

(c) keep each Party reasonably informed of the other Party's Development and Commercialization activities and interactions with Regulatory Authorities in the other Party's territory, by receiving updates from the Party conducting such activities to the extent that such activities materially impact or would reasonably be expected to materially impact the other Party's Development, Manufacture or Commercialization of the Licensed Products in the Territory; attempt to resolve in the first instance all matters between the Parties that are in dispute, in accordance with Section 5.5 (Decision-Making; Escalation to Senior Officer) and Section 13.1 (Dispute Resolution; Escalation);

(d) [***];

(e) review and discuss the initial Global Development Plan, and each update thereto, as described in Section 3.2(b) (Global Development Plan);

(f) review, discuss, and determine whether to approve any activities to be conducted by Lian in the Territory under the Global Development Plan, as described in Section 3.2(b) (Global Development Plan);

(g) review, discuss, and determine matters that may have a material adverse impact upon the regulatory status of the Licensed Products, as described in Section 3.9 (Pharmacovigilance); and

(h) perform such other functions as are assigned to it in this Agreement or as appropriate to further the purposes of this Agreement to the extent agreed to in writing by the Parties.

5.3 Membership. The JSC will be composed of a total of [***] representatives of each Party, which will be appointed by each of Landos and Lian, respectively. Each individual appointed by a Party as a representative to the JSC will be an employee of such Party with sufficient seniority and decision-making authority within the applicable Party to provide meaningful input and make decisions arising within the scope of the JSC's responsibilities, and have knowledge and expertise in the Development and Commercialization of compounds and products similar to the Compound and Licensed Products under this Agreement. The JSC may change its size from time to time by consent of its members, *provided* that the JSC will consist at all times of an equal number of representatives of each Party, unless otherwise agreed by the Parties in writing. Each Party may replace any of its JSC representatives at any time upon written notice to the other Party, which notice may be given by e-mail, sent to the other Party's co-chairperson. The JSC will be co-chaired by one designated representative of each Party. The co-chairperson of the JSC will cast its Party's vote on the JSC and such designee will have the authority to make decisions on behalf of such Party. Each co-chairperson will alternate being responsible for each meeting for (a) calling and conducting meetings, (b) preparing and circulating an agenda in advance of each meeting; *provided*, *however*, that the applicable co-chairperson will include any agenda items proposed by either Party on such agenda, (c) preparing minutes of each meeting that reflect the material decisions made and action items identified at such meetings promptly thereafter, and (d) sending draft meeting minutes to each member of the JSC for review and approval within [***] days after each JSC meeting. Meeting minutes issued in accordance with clause (d) of this Section 5.3

(Membership) will be deemed approved unless [***] members of the JSC objects to the accuracy of such minutes within [***] Business Days of receipt. The Alliance Managers will work with the chairpersons to prepare and circulate agendas and to ensure the preparation and approval of minutes. Each JSC representative will be subject to confidentiality obligations no less stringent than those in Article 8 (Confidentiality and Publicity).

5.4 Meetings; Reports. The JSC will hold meetings at least [***] per Calendar Quarter during the Term for so long as the JSC exists, unless the Parties agree in writing to a different frequency. No later than [***] Business Days prior to any meeting of the JSC (or such shorter time period as the Parties may agree), the applicable co-chairperson will prepare and circulate an agenda for such meeting. Either Party may also call a special meeting of the JSC by providing at least [***] Business Days prior written notice to the other Party if such Party reasonably believes that a significant matter must be addressed prior to the next scheduled meeting, in which event such Party will work with the applicable co-chairperson of the JSC and the Alliance Managers to provide the members of the JSC no later than [***] Business Day prior to the special meeting with an agenda for the meeting and materials reasonably adequate to enable an informed decision on the matters to be considered. The JSC may meet in person or by audio or video conference as its representatives may agree. Other representatives of the Parties, their Affiliates, or Third Parties involved in the Development, Manufacture, or Commercialization of Licensed Products may be invited by the members of the JSC to attend meetings as non-voting observers if such representatives are subject to confidentiality obligations no less stringent than those set forth in Article 8 (Confidentiality and Publicity). No action taken at a meeting will be effective unless at least [***] of each Party (which [***] not such Party's Alliance Manager) is present or participating. Neither Party will unreasonably withhold attendance of at least one representative of such Party at any meeting of the JSC for which reasonable advance notice was provided.

5.5 Decision-Making; Escalation to Senior Officers. The Parties will endeavor to reach unanimous agreement with respect to all matters within the JSC's authority. Each Party's representatives on the JSC will collectively have one vote, (the "Party Vote") and no action or decision will be taken by the JSC without unanimous Party Vote (*i.e.*, the affirmative Party Vote of each Party). If the JSC is not be able to reach agreement with respect to a matter at a duly called meeting of the JSC, then either Party may refer such matter to the Senior Officers for resolution, and the Senior Officers will attempt to resolve the matter in good faith. If the Senior Officers fail to resolve such matter within [***] Business Days after the date on which the matter is referred to the Senior Officers (unless a longer period is agreed to by the Parties), then Lian will have the final decision-making authority as to (a) [***] and (b) [***], except [***], Landos will have the final decision-making authority with respect to such matter. Subject to the foregoing sentence, Landos will have final decision-making authority over [***]. The status quo with respect to any matter that is not subject to a Party's final decision-making authority, and is not resolved at the JSC or by escalation to the Senior Officers as described above, will [***].

5.6 Limitations. Notwithstanding anything to the contrary, neither Party will have the final decision-making authority on amending or updating the Development Plan in any way that would materially alter the scope of the other Party's obligations hereunder, increase the other Party's financial obligations hereunder, or result in the disclosure of the Confidential Information of the other Party, in each case, without the other Party's prior written consent. Notwithstanding any provision of this Article 5 (Governance; Joint Steering Committee) to the contrary, the JSC will not have the authority to amend the terms or conditions of this Agreement.

5.7 Alliance Managers.

(a) Appointment. Each Party will appoint a person to oversee interactions between the Parties for all matters related to the Development and Commercialization of Licensed Products between meetings of the JSC (each, an "Alliance Manager"). The Alliance Managers will have the right to attend all meetings of the committees as non-voting participants and may bring to the attention of the JSC any matters or issues either Alliance Manager reasonably believes should be discussed and will have such other responsibilities as the Parties may agree in writing. Each Party may replace its Alliance Manager at any time or may designate different Alliance Managers with respect to Development and Commercialization matters, respectively, by notice in writing to the other Party.

(b) Responsibility. The Alliance Managers will have the responsibility of creating and maintaining a constructive work environment within the JSC and between the Parties for all matters related to this Agreement. Without limiting the generality of the foregoing, each Alliance Manager will:

(i) provide a single point of communication within the Parties' respective organizations and between the Parties with respect to this Agreement;

(ii) coordinate cooperative efforts, internal communications and external communications between the Parties with respect to this Agreement; and

(iii) take such other steps as may be required to ensure that meetings of the JSC occur as set forth in this Agreement, that procedures are followed with respect to such meetings (including working with the co-chairpersons with respect to the giving of proper notice and the preparation and approval of minutes) and that relevant action items resulting from such meetings are appropriately carried out or otherwise addressed.

ARTICLE 6
FINANCIAL PROVISIONS

6.1 Upfront Payment; Milestone Payments.

(a) Upfront Payment. Subject to the terms and conditions of this Agreement, Lian will pay Landos a payment in the amount of [***], which upfront payment will be due and payable to Landos within [***] Business Days following the Effective Date.

(b) Development Milestone Payment. During the Term, Lian will notify Landos in writing of the achievement by or on behalf of Lian or its Affiliates or Sublicensees of any milestone event set forth in Table Section 6.1(b) (Development Milestone Payment) (each, a "Development Milestone Event") for the applicable Licensed Product promptly after the occurrence thereof, and Lian will pay Landos the milestone payment set forth in the table below (each, a "Development Milestone Payment") no later than [***] days after the achievement of such milestone event by Lian or its Affiliates or any Sublicensees. Each of the milestone payments set forth in Table 6.1(b) (Development Milestone Payment) is payable only upon the first achievement of such milestone by the first applicable Licensed Product to achieve such Development Milestone Event, and none of the Development Milestone Payments will be payable more than once regardless of how many times such Development Milestone Event is achieved.

Development Milestone Event	Development Milestone Payment (in Dollars)
1. [***]	[***]
2. [***]	[***]
3. [***]	[***]
4. [***]	[***]
5. [***]	[***]
6. [***]	[***]
Total	[***]

(c) Sales Milestone Payments. During the Term, Lian will notify Landos in writing of its achievement of each of the sales milestones below within [***] days after the [***] in which the cumulative Net Sales of all Licensed Products in the Territory first exceed the indicated Dollar value (each, a "Sales Milestone Event"). Lian will pay to Landos each of the milestone payments set forth below within [***] days of providing notice of each Sales Milestone Event (each, a "Sales Milestone Payment"). Each of the milestone payments set forth in Table 6.1(c) (Sales Milestone Payments) is payable only upon the first achievement of such Sales Milestone Event and none of the Sales Milestone Payments will be payable more than once regardless of how many times such Sales Milestone Event is achieved.

Sales Milestone Event	Sales Milestone Payment (in Dollars)
1. [***]	[***]
2. [***]	[***]
3. [***]	[***]
4. [***]	[***]
5. [***]	[***]
Total	[***]

6.2 Royalties.

(a) Royalty Rate. Subject to the terms and conditions of this Agreement, during the applicable Royalty Term, Lian will pay to Landos a royalty on the Net Sales of all Licensed Products

in the Territory that is the product of the aggregate annual Net Sales of all Licensed Products in the Territory and the applicable royalty rate in the following table, subject to the provisions of Section 6.3 (Payment Adjustments).

Portion of the Annual Net Sales of the Licensed Products in the Territory	Royalty Rate
1. [***]	[***]
2. [***]	[***]
3. [***]	[***]
4. [***]	[***]

(b) Royalty Term. Royalties will be due under this Section 6.2 (Royalties) with respect to a given Licensed Product in a given Region in the Territory during the period commencing upon the First Commercial Sale of such Licensed Product in a specified Region and ending upon the latest of (i) the expiration of the last-to-expire Valid Claim of a Licensed Patent Right Covering any composition of matter (excluding formulations) of such Licensed Product that would be infringed by the sale of such Licensed Product in such Region, (ii) the expiry of the applicable Regulatory Exclusivity for such Licensed Product in such Region; or (iii) the [***] anniversary of the First Commercial Sale of such Licensed Product in such Region (such period, the "Royalty Term").

(c) Royalty Payments and Reports. Within [***] days following the end of [***] following the First Commercial Sale of a Licensed Product, Lian shall furnish to Landos a written report for the [***] showing [***]. Lian shall pay Landos the royalty due for such [***] calculated in accordance with this Agreement within [***] days of delivery of the written report to Landos.

6.3 Payment Adjustments. The following will apply to all royalties paid pursuant to Section 6.2(a) (Royalty Rate):

(a) Expiration of Valid Claims. On a Licensed Product-by-Licensed Product and Region by Region basis, if at any time during the Royalty Term in a given Region in the Territory, there is no Valid Claim of a Licensed Patent Right Covering a composition of matter (excluding formulation) of such Licensed Product that would be infringed by the sale of such Licensed Product in such Region, then the applicable royalty rate in effect with respect to such Licensed Product in such Region as specified in Section 6.2(a) (Royalty Rate) will be reduced by [***] for the remainder of the Royalty Term for such Licensed Product in such Region.

(b) Generic Entry. If, at any time during the Royalty Term, a Generic Product of a Licensed Product [***] in any Region in the Territory in which a Licensed Product is then being sold by Lian or an Affiliate or Sublicensee, then the applicable royalty rates in effect with respect to such Licensed Product in such Region as specified in Section 6.2(a) (Royalty Rate) will be reduced by [***] for the remainder of the Royalty Term for such Licensed Product in such Region.

(c) Third Party Payments. If Lian makes a payment under any agreement with a Third Party pursuant to which Lian obtains a license or other rights under a Patent Right or other Intellectual Property owned or controlled by such Third Party in a given Region (whether by acquisition or license) that is necessary or reasonably useful to Develop, Manufacture, or Commercialize one or more Licensed Products in such Region, then Lian may offset against the Milestone Payments or royalties due to Landos for the Development and Commercialization of the Licensed Products in such Region covered by such license or rights an amount equal to [***] of the amounts paid to such Third Party under such agreement (including any upfront payments, milestone payments, and royalties), in all cases, subject to Section 6.4(d) (Cumulative Deductions).

(d) Cumulative Deductions. Notwithstanding the foregoing, in no event will the deductions set forth in Section 6.3(a) (Expiration of Valid Claims) through Section 6.3(c) (Third Party Payments) reduce (i) the royalties otherwise payable to Landos as specified in Section 6.2(a) (Expiration of Valid Claims) or (ii) with respect to the deductions set forth in Section 6.3(c) (Third Party Payments), the Milestone Payments otherwise payable to Landos as specified in Section 6.1(b) (Development Milestone Payment) and Section 6.1(c) (Sales Milestone Payments), in each case, by more than [***]. To the extent the foregoing limitation limits the reduction Lian is permitted to take during a Calendar Quarter, Lian will be entitled to carryforward the amount of the reduction Lian was unable to take during such Calendar Quarter and apply such amounts to royalties or Milestone Payments, as applicable, payable to Landos in future Calendar Quarters until such amount is applied by Lian in full.

6.4 Audits. Each Party will maintain and will cause its Affiliates and all Sublicensees to maintain, complete and accurate records in sufficient detail to permit the other Party to confirm the accuracy of the calculation of royalties, Milestone Payments, Fully Burdened Manufacturing Cost calculations, and other payments under this Agreement. Upon reasonable prior notice, but not more than [***] per Calendar Year and not more than [***] with respect to any records, such records will be available during regular business hours for a period of [***] years from the end of the [***] to which they pertain for examination at the expense of the requesting Party by an independent certified public accountant selected by the requesting Party and reasonably acceptable to the other Party, for the sole purpose of verifying the accuracy of the financial reports and correctness of the payments furnished by the other Party pursuant to this Agreement. Any such auditor will not disclose the other Party's Confidential Information, except to the extent such disclosure is necessary to verify the accuracy of the financial reports furnished by the other Party or the amount of payments due by the other Party under this Agreement. The accountant's report will be disclosed simultaneously to both Parties, and such report will be the Confidential Information of each Party and subject to the terms of Article 8 (Confidentiality and Publicity). Any amounts shown to be owed but unpaid will be paid within [***] days from the accountant's report. Any amounts shown to have been overpaid will be refunded within [***] days from the accountant's report. The requesting Party will bear the full cost of such audit unless such audit discloses an underpayment by the other Party of more than [***] of the amount due, in which case the other Party will bear the full cost of such audit. The audit rights in this Section 6.4 (Audits) will survive the Term for [***] following the effective date of any termination or expiration of this Agreement.

6.5 Tax Withholding.

(a) In the event any withholding, value added, or other tax (including any tax based on income to Landos) ("Tax Withholdings") is required to be withheld and deducted from payments by Lian (or its Affiliate paying on behalf of Lian) pursuant to this Agreement under

applicable Laws, notwithstanding any provision to the contrary set forth under this Agreement, Lian (or its Affiliate paying on behalf of Lian) will make such deduction and withholding [***], and any amounts so withheld and deducted will be remitted by Lian (or its Affiliate paying on behalf of Lian) on a timely basis to the appropriate Governmental Authority for the account of Landos and Lian (or its Affiliate paying on behalf of Lian) will provide Landos reasonable evidence of the remittance within [***] days thereof and for the purposes of this Agreement, Lian will be deemed to have fulfilled all of its payment obligations to Landos with respect to such payments paid to the such Governmental Authority. Lian may satisfy its withholding, value added or other tax obligations under this Section 6.6 (Currency of Payments) through its Affiliates.

(b) If as a result of any assignment, transfer by operation of law or other transfer (A) of this Agreement by Lian to an Affiliate or Third Party, or (B) some or all of the rights and obligations under this Agreement to an Affiliate or Third Party (in each case of (A) and (B), a "Transfer"), then the Tax Withholdings exceeds the Tax Withholdings that would have resulted in the absence of a Transfer, then [***].

(c) Without limiting Section 6.6(a), the Parties agree to cooperate with one another and use reasonable efforts to reduce or eliminate Tax Withholdings or similar obligations in respect of payments made by Lian to Landos under this Agreement. Landos shall provide Lian any tax forms that may be reasonably necessary in order for Lian or its Affiliates not to withhold tax or to withhold tax at a reduced rate under an applicable bilateral income tax treaty. Each Party shall provide the other Party and its Affiliates with reasonable assistance to enable the recovery, as permitted by applicable Laws, of withholding taxes, VAT or similar obligations resulting from payments made under this Agreement, such recovery to be for the benefit of the Party bearing such withholding tax or VAT. Specifically, in the event that any tax has been withheld upon a payment made under this Agreement and been remitted by Lian to a Governmental Authority, if requested by Landos and if, and for so long as, the Parties acting in good faith mutually agree that there is a reasonable prospect of successfully obtaining a refund of such tax, then Lian shall, at Landos' sole cost and expense, seek a refund of such tax from the proper Governmental Authority. Landos agrees to reasonably cooperate with Lian and its Affiliates in the pursuit of such tax refund (including, if required by applicable Laws or by the applicable Governmental Authority, permitting Lian to seek such tax refund in Landos' name and participating in any application or appeal that requires that Landos be the party applying for such tax refund, solely with Landos 'prior written consent); provided that, Landos agrees to assume responsibility for direct payment of lawyers' and other advisors' fees and any other costs associated with seeking such refund.

6.6 Manner of Payment; Currency of Payments. All payments owed by Lian under this Agreement will be made by wire transfer in immediately available funds to a bank and account designated in writing by Landos. All amounts payable and calculations under this Agreement will be in Dollars. As applicable, Net Sales and any royalty reductions will be translated into Dollars using the average of the applicable daily foreign exchange rates published in the *Wall Street Journal* (or any other qualified source that is acceptable to both Parties) for [***] in which such Net Sales occurred.

6.7 Late Payments. Without limiting any other rights or remedies available to Landos hereunder, any late payment by Lian will bear interest, to the extent permitted by Laws, at an annual rate of [***] or the highest rate permitted by applicable Law (whichever is lower), computed from the dated such payment was due until the date Lian makes the payment, with such interest compounded [***].

ARTICLE 7
INTELLECTUAL PROPERTY OWNERSHIP,
PROTECTION AND RELATED MATTERS

7.1 Ownership of Inventions.

(a) Ownership of Inventions; Cross License of Product Inventions. Ownership will follow inventorship for any and all inventions, Know-How, developments, or discoveries, whether patentable or non-patentable, invented or otherwise developed or generated by either Party alone (including its Affiliates, or any of its or their employees, Sublicensees, independent contractors, or agents) or jointly by both Parties (including jointly by their Affiliates, or any of its or their employees, Sublicensees, independent contractors, or agents) in the performance of a Party's obligations or exercise of its rights under this Agreement (collectively, "Inventions") and such ownership will be determined based on the principles of inventorship in accordance with United States patent Laws.

(b) Assignment Obligation. Each Party will assign, and will cause its Affiliates to assign, its rights, and cause all employees of such Party or Affiliate who perform activities for such Party or Affiliate under this Agreement to be under an obligation to assign their rights, in any Patent Rights and Know-How, whether or not patentable, resulting therefrom to such Party or Affiliate to effectuate the terms and conditions set forth in Section 7.1(a) (Assignment Obligation). With respect to any activities of a Party or its Affiliate or exercise of its or their rights under this Agreement that are subcontracted to a Person that is not an employee, the Party or such Affiliate retaining such subcontractor will include in the applicable subcontract an assignment to such Party or such Affiliate of all rights in Patent Rights and Know-How made by such subcontractor resulting from such activities or exercise of its rights, and in any event will include in the applicable subcontract a license to such Party or Affiliate that is sublicensable (through multiple tiers) to the other Party under this Agreement, of any Patent Rights and Know-How made by such contractor or subcontractor resulting from such activities.

7.2 Prosecution and Maintenance of the Licensed Patent Rights and Joint Patent Rights.

(a) In the Territory. As between the Parties, Landos will have the first right, at its expense, to Prosecute the Licensed Patent Rights and Joint Patent Rights in all Regions in the Territory, at Landos' sole cost and expense. Landos will keep Lian reasonably informed of all steps with regard to and the status of such Prosecution of such Patent Rights, including by providing Lian with (i) copies of all correspondence and material communications it sends to or receives from any patent office or agency in the Territory relating to such Patent Rights, (ii) a draft copy of all applications, in each case ((i) and (ii)), sufficiently in advance of filing or response to permit reasonable review and comment by Lian, and (iii) a copy of applications as filed, together with notice of its filing date and serial number. Before Landos submits any material filing, including a new patent application, or response to such patent authorities with respect to any Licensed Patent Rights or Joint Patent Rights, Landos will provide Lian with a reasonable opportunity to review and comment on such filing or response and will incorporate any reasonable comments or suggestions provided by Lian regarding the Prosecution of such Licensed Patent Rights or Joint Patent Rights under this Section 7.2(a) (In the Territory).

(b) Step-In Right. If Landos elects not to continue to Prosecute a given Patent Right within the Licensed Patent Rights or Joint Patent Rights in the Territory pursuant to Section 7.2(a) (In

the Territory), then Landos will give Lian notice thereof within a reasonable period (but not less than [***]) prior to allowing such Patent Rights to lapse or become abandoned or unenforceable, and Lian will have the right, but not the obligation, to assume the Prosecution of such Patent Rights in such Region, including paying any required fees to maintain such Patent Rights in such Region, all at Lian's sole expense and through patent counsel or agents of its choice. Upon transfer of Landos' responsibility for Prosecuting any of the Patent Rights to Lian under this Section 7.2(b) (Step-In Right), (i) Landos will promptly deliver to Lian copies of all necessary files related to the Patent Rights with respect to which responsibility has been transferred and will take all actions and execute all documents reasonably necessary for Lian to assume such Prosecution, and (ii) such Patent Right shall no longer extend the Royalty Term pursuant to Section 6.2(b) (Royalty Term). Thereafter, Lian will keep Landos reasonably informed of the status of such Prosecution of such Patent Rights.

(c) Cooperation. Each Party will, and will cause its Affiliates to, reasonably cooperate, with the other Party with respect to the Prosecution of Licensed Patent Rights and Joint Patent Rights pursuant to this Section 7.2 (Prosecution and Maintenance of the Licensed Patent Rights and Joint Patent Rights), including with respect to obtaining patent term restoration, supplemental protection certificates or their equivalents, and patent terms extension with respect to the Licensed Patent Rights and Joint Patent Rights in any Region where applicable.

7.3 Third Party Infringement.

(a) Notice. Each Party will promptly notify the other in writing if such Party becomes aware of any suspected, threatened or actual infringement by any Third Party of any Licensed Technology or Joint Patent Right arising from the making, using, offering to sell, selling, or importing of a product in the Field in the Territory that could be competitive with a Licensed Product, and, in each case, will provide the other Party with all evidence in such Party's possession or control supporting such infringement or unauthorized use or misappropriation (each, an "Infringement").

(b) Lian First Right. As between the Parties, Lian will have the first right, but not the obligation, using counsel of its choosing and at its sole expense, to institute any infringement, misappropriation, or other appropriate Action against any Infringement of the Licensed Technology or Joint Patent Rights (any such Action, an "Infringement Action") in the Field in the Territory. Landos shall have the right, at its own cost and expense, to be represented in any Infringement Action by counsel of its own choice. Lian will notify Landos of its decision to commence an Infringement Action, will keep Landos apprised in writing of any such Infringement Action, and will consider Landos' reasonable interests and requests regarding such Infringement Action.

(c) Landos Right. If Lian fails to commence a suit to enforce the Licensed Technology or Joint Patent Rights against such Infringement (or to settle or otherwise secure the abatement of such Infringement) within (i) [***] after its receipt or delivery of notice under Section 7.3 (Third Party Infringement), or (ii) [***] before the time limit, if any, set forth in the appropriate Laws for the filing of such actions, whichever comes first, or ceases to diligently pursue such Infringement Action, then Landos will have the right, but not the obligation, at its own expense to institute such Infringement Action against the applicable Third Party infringer(s).

(d) Cooperation. In any Infringement Action brought under the Licensed Technology or Joint Patent Rights pursuant to Section 7.3(b) (Lian First Right) and Section 7.3(c) (Landos Right), each Party will, and will cause its Affiliates to, reasonably cooperate with each other, in good faith, relative to the other Party's efforts to protect the Licensed Technology and Joint Patent Rights, and will join such suit as a party, if requested by the other Party. Furthermore, the Party initiating any Infringement Action pursuant to Section 7.3(b) (Lian First Right) or Section 7.3(c) (Landos Right) will consider in good faith all reasonable and timely comments from the other Party on any proposed arguments asserted or to be asserted in litigation related to the enforcement or defense of any such Patent Rights. Neither Party will have the right to settle any Infringement Action under this Section 7.3 (Third Party Infringement) in a manner that diminishes the rights or interests of the other Party under this Agreement without the consent of such other Party, which consent will not be unreasonably withheld.

(e) Allocation of Recoveries. Any settlements, damages or monetary awards recovered by either Party pursuant to any Infringement Action will (i) first be allocated to reimbursing the Parties for their reasonable out-of-pocket expenses in making such recovery (which amounts will be allocated *pro rata* if insufficient to cover the totality of such expenses), and (ii) [***].

7.4 Claimed Infringement. Each Party will promptly notify the other Party if a Third Party brings any Action alleging patent infringement by Lian or Landos or any of their respective Affiliates or Sublicensees with respect to the Development, Manufacture or Commercialization of any Licensed Product or Joint Patent Rights (any such Action, an "Infringement Claim") in the Territory. Lian will have the right, but not the obligation, to control the defense and response to any such Infringement Claim in the Territory with respect to Lian's activities, at Lian's sole cost and expense, and Landos will have the right, at its own expense, to be represented in any such Infringement Claim in the Territory by counsel of its own choice. Landos will have the sole right, but not the obligation, to control the defense and response to any such Infringement Claim with respect to Landos' activities, including any such Infringement Claim in the Territory or outside of the Territory. Upon the request of the Party controlling the response to the Infringement Claim, the other Party will reasonably cooperate with the controlling Party in the reasonable defense of such Infringement Claim. The other Party will have the right to consult with the controlling Party concerning any Infringement Claim and to participate in and be represented by independent counsel in any associated litigation. If the Infringement Claim is brought against both Parties, then each Party will have the right to defend against the Infringement Claim. The Party defending an Infringement Claim under this Section 7.4 (Claimed Infringement) will (a) consult with the other Party as to the strategy for the prosecution of such defense, (b) consider in good faith any comments from the other Party with respect thereto and (c) keep the other Party reasonably informed of any material steps taken and provide copies of all material documents filed, in connection with such defense. The Party controlling the defense against an Infringement Claim will have the right to settle such Infringement Claim on terms deemed reasonably appropriate by such Party, provided, that, neither Party will have the right to settle any Infringement Claim under this Section 7.4 (Claimed Infringement) in a manner that diminishes the rights or interests of the other Party under this Agreement without the consent of such other Party, which consent will not be unreasonably withheld.

7.5 Common Interest. All information exchanged between the Parties regarding the Prosecution, enforcement, and defense, of Licensed Patent Rights and Joint Patent Rights under this Article 7 (Intellectual Property Ownership, Protection and Related Matters) will be deemed Confidential Information of the disclosing Party. In addition, the Parties acknowledge and agree that, with

regard to such Prosecution, enforcement, and defense, the interests of the Parties as collaborators and licensor and licensee are to obtain the strongest patent protection possible, and as such, are aligned and are legal in nature. The Parties agree and acknowledge that they have not waived, and nothing in this Agreement constitutes a waiver of, any legal privilege concerning the Patent Rights under this Article 7 (Intellectual Property Ownership, Protection and Related Matters), including privilege under the common interest doctrine and similar or related doctrines. Notwithstanding any provision to the contrary set forth in this Agreement, to the extent a Party has a good faith belief that any information required to be disclosed by such Party to the other Party under this Article 7 (Intellectual Property Ownership, Protection and Related Matters) is protected by attorney-client privilege or any other applicable legal privilege or immunity, such Party will not be required to disclose such information, and the Parties will in good faith cooperate to agree upon a procedure (including entering into a specific common interest agreement, disclosing such information on a "for counsel eyes only" basis or similar procedure) under which such information may be disclosed without waiving or breaching such privilege or immunity.

ARTICLE 8
CONFIDENTIALITY AND PUBLICITY

8.1 Confidential Information.

(a) Confidentiality Obligation. During the Term and for a period of [***] years after any termination or expiration of this Agreement, each Party agrees to, and will cause its Affiliates and Sublicensees and contractors to, keep in confidence and not to disclose to any Third Party, or use for any purpose, except to exercise its rights or perform its obligations under this Agreement, any Confidential Information of the other Party, without the prior written consent of such disclosing Party. The existence and terms of this Agreement are the Confidential Information of each Party.

(b) Permitted Disclosures. Each Party agrees that it and its Affiliates will provide or permit access to the other Party's Confidential Information only to the receiving Party's employees, consultants, advisors, licensees, collaboration partners, and Sublicensees, and to the employees, consultants and advisors of the receiving Party's Affiliates, in each case on a need to know basis who are subject to obligations of confidentiality and non-use with respect to such Confidential Information no less stringent than the obligations of confidentiality and non-use of the receiving Party pursuant to this Section 8.1 (Confidential Information). Each Party will remain responsible for any failure by its Affiliates, licensees, collaboration partners, or Sublicensees, and its and its Affiliates' respective employees, consultants and advisors, to treat such Confidential Information as required under this Section 8.1 (Confidential Information) as if such Affiliates, employees, consultants, advisors, licensees, collaboration partners, and Sublicensees were parties directly bound to the requirements of this Section 8.1 (Confidential Information).

(c) Confidentiality Limitation. Notwithstanding any provision to the contrary set forth in this Agreement, each Party may use and disclose the other Party's Confidential Information as follows: (i) under appropriate written confidentiality and non-use obligations no less stringent than those in this Agreement, to its Affiliates, *bona fide* potential or actual collaboration partners, licensors, Sublicensees, licensees, or strategic partners and to employees, directors, agents, consultants, and advisers of any other Third Parties, (ii) to its financial advisors, attorneys and accountants, *bona fide* actual or potential acquisition partners, financing sources or investors and underwriters on a need to know basis, in each case under appropriate confidentiality and non-use obligations (which may include

professional ethical obligations) no less stringent than those in this Agreement; provided, however, that each Party will remain responsible for any failure by any of the foregoing individuals to treat such Confidential Information as required under Section 8.1 (Confidential Information) as if such individuals were parties directly bound to the requirements of this Section 8.1 (Confidential Information), or (iii) as required by any court or other governmental body or as otherwise required by applicable Laws (including any such disclosures as are required by a Regulatory Authority in connection with seeking Regulatory Approval, Pricing and Reimbursement Approval, import authorization for any Licensed Product in the Territory, or the rules or regulations of the United States Securities and Exchange Commission or similar Regulatory Authority in a country other than the United States or of any stock exchange or listing entity (including in connection with the public sale of securities)); provided, that, notice is promptly given to the other Party and the disclosing Party cooperates with reasonable requests from the other Party to seek a protective order or other appropriate remedy to protect the Confidential Information. Notwithstanding any provision to the contrary contained in this Article 8 (Confidentiality and Publicity), Confidential Information that is permitted or required to be disclosed will remain otherwise subject to the confidentiality and non-use provisions of Section 8.1(b) (Permitted Disclosures) and this Section 8.1(c) (Confidentiality Limitation). If either Party concludes that a copy of this Agreement must be filed with the United States Securities and Exchange Commission or similar Governmental Authority in a country other than the United States, then such Party will, a reasonable time prior to any such filing, provide the other Party with a copy of such agreement showing any provisions hereof as to which the Party proposes to request confidential treatment, will provide the other Party with an opportunity to comment on any such proposed redactions and to suggest additional redactions, and will take such Party's reasonable comments into consideration before filing such agreement and use reasonable efforts to have terms identified by such other Party afforded confidential treatment by the applicable Regulatory Authority.

(d) Secrecy of Licensed Know-How. Without limiting the generality of Section 8.1(a) (Confidentiality Obligation), during the Term the receiving Party will protect, and will cause, to the extent applicable, its Affiliates and Sublicensees, and its and their respective officers, directors, employees, and agents to protect, the secrecy and confidentiality of the Licensed Know-How and unpublished Patent Rights using at least the same degree of care as it uses to prevent the disclosure of its own other confidential information of like importance and in any event a reasonable duty of care.

(e) Residual Knowledge. The Parties acknowledge the practical difficulty of policing the use of information inadvertently retained in the unaided memory of a receiving Party or its Affiliates and its and their officers, directors, employees, and agents who have had rightful access to the Confidential Information of the disclosing Party ("Residual Knowledge"), and as such each Party agrees that the receiving Party will not be liable for the inadvertent use (without reference to any Confidential Information of the disclosing Party) by any of its or its Affiliates' officers, directors, employees, or agents of the Residual Knowledge that is inadvertently retained in the unaided memory of such officer, director, employee, or agent; *provided* that such officer, director, employee, or agent has not been directed to or otherwise intentionally memorized or retained such Residual Knowledge for use other than as explicitly permitted under this Agreement. The receiving Party acknowledges and agrees that any use made by the receiving Party of any such Residual Knowledge is on an "as is, where is" basis and at its sole risk, with all faults and all representations and warranties disclaimed by the disclosing Party.

8.2 Publicity. The Parties acknowledge the importance of supporting each other's efforts to publicly disclose results and significant developments regarding the Licensed Product in the Field in the Territory, and each Party may make such disclosures from time to time, subject to the terms and conditions of this Agreement, including this Section 8.2 (Publicity). Such disclosures may include achievement of milestones, significant events in the Development process with respect to Licensed Products, or Commercialization activities with respect to Licensed Products.

(a) On a date to be agreed by the Parties, the Parties will jointly issue a press release regarding the signing of this Agreement. Except as set forth in the preceding sentence and for disclosures permitted in accordance with Section 8.1(b) (Permitted Disclosures), whenever either Party elects to make any public disclosure regarding milestones or other significant events in the Development or Commercialization of the Licensed Products in the Field in the Territory, it will first notify the other Party of such planned press release or public announcement and provide a draft for review no less than [***] in advance of issuing such press release or making such public announcement (or, with respect to press releases and public announcements that are required by applicable Laws, with as much advance notice as possible under the circumstances if it is not possible to provide notice at least [***] in advance). Each Party will have the right to review and approve any such planned press release or public announcement proposed by the other Party with respect to Licensed Products in the Field in the Territory, or that includes Confidential Information of the other Party. In such case, (i) the reviewing Party will attempt to provide such approval as soon as reasonably possible and will not unreasonably withhold such approval; (ii) the reviewing Party will provide explanations of its disapproval of such press release; and (iii) a Party desiring to make such public disclosure may issue such press release or public announcement without such prior review by the other Party if (A) the contents of such press release or public announcement have previously been made public other than through a breach of this Agreement by such Party, and (B) such press release or public announcement is consistent with the previously issued press release or other publicly available information. The Party reviewing a press release provided under this clause (i) of this Section 8.2(a) (Publicity) will review and approve or disapprove such press release within [***] Business Days after its receipt thereof.

(b) In the event that either Party proposes to publish or present the results of Development or Commercialization carried out on the Licensed Product, including any oral presentation or abstract that contain clinical data or pertain to results of Clinical Trials or other studies, such publication or presentation will be subject to the prior review by the other Party for protection of such other Party's Confidential Information. Each Party will provide to the other Party the opportunity to review a draft of any proposed publication that covers the results of Development or Commercialization of Licensed Products during the Term, and the submitting Party will remove from such proposed publication any Confidential Information of the other Party as reasonably requested by the other Party.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES; CERTAIN COVENANTS

9.1 Mutual Representations and Warranties. Each Party represents and warrants to the other Party that, as of the Effective Date:

(a) Organization. It is a corporation duly organized, validly existing, and in good standing under the Laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to execute, deliver, and perform this Agreement.

(b) Authority. It has full right, power and authority to enter into this Agreement and to perform its respective obligations under this Agreement, it has the right to grant to the other the licenses and sublicenses granted pursuant to this Agreement, and this Agreement and the performance by such Party of this Agreement do not violate such Party's charter documents, bylaws or other organizational documents.

(c) Consents. Except for any Marketing Authorizations, Regulatory Approvals, Regulatory Filings, Manufacturing approvals or similar approvals necessary for the Development, Manufacture or Commercialization of Licensed Products, all necessary consents, approvals and authorizations of all Governmental Authorities and other Persons required to be obtained by it in connection with the execution, delivery and performance of this Agreement have been obtained.

(d) No Conflict. It is not under any obligation, contractual or otherwise, to any Person that would affect the diligent and complete fulfillment of obligations under this Agreement and the execution and delivery of this Agreement by such Party, and the performance of such Party's obligations under this Agreement (as contemplated as of the Effective Date) and the licenses and sublicenses to be granted by such Party pursuant to this Agreement (i) do not conflict with or violate any requirement of Laws applicable to such Party, (ii) do not conflict with or violate any order, writ, judgment, injunction, decree, determination, or award of any court or governmental agency presently in effect applicable to such Party, and (iii) do not conflict with, violate, breach or constitute a default under, or give rise to any right of termination, cancellation or acceleration of, any contractual obligations of such Party or any of its Affiliates.

(e) Enforceability. This Agreement is a legal and valid obligation binding upon it and is enforceable against it in accordance with its terms, subject to the general principles of equity and subject to bankruptcy, insolvency, moratorium, judicial principles affecting the availability of specific performance and other similar Laws affecting the enforcement of creditors' rights generally.

9.2 Additional Representations and Warranties of Landos. Landos represents and warrants to Lian that, as of the Effective Date:

(a) Licensed Patent Rights. All Licensed Patent Rights as of the Effective Date are listed in Schedule 1.76 (Licensed Patents). Landos is the sole and exclusive owner of the Licensed Patent Rights, all of which are free and clear of any claims, liens, charges or encumbrances. Except as otherwise noted in Schedule 1.76 (Licensed Patents), all Licensed Patent Rights owned or Controlled by Landos have been filed and Prosecuted in good faith in the patent offices in accordance with applicable Laws, and all applicable fees have been paid on or before the due date for payment. All issued Licensed Patent Rights are valid, subsisting, and enforceable. Landos does not own or hold any Patent Rights that would be necessary or reasonably useful for the Development, Manufacture, or Commercialization of the Licensed Products in the Territory other than the Licensed Patent Rights.

(b) Licensed Know-How. Landos owns or Controls the Licensed Know-How, and has the right to grant the licenses under the Licensed Know-How to Lian on and the terms set forth in this Agreement. Landos has the right to use and disclose (in each case, under appropriate circumstances of confidentiality) the Licensed Know-How free and clear of any claims, liens, charges or encumbrances.

(c) Licensed Technology. Landos has not granted to any Third Party, including any academic organization or agency, any license, option or other rights to research, Develop, Manufacture, use or Commercialize the Compounds or the Licensed Products in the Territory. No Third Party has any license, option or other rights or interest in or to the Licensed Technology other than the rights that are expressly reserved or contingent under this Agreement.

(d) Licensed Marks. Landos owns or Controls the Licensed Marks, and has the right to grant the licenses under the Licensed Marks to Lian on the terms set forth in this Agreement.

(e) Delivery of Documentation. Prior to the Effective Date, Landos has made available to Lian true, complete, and correct copies of: (i) all existing material Regulatory Filings in its possession and control relating to Licensed Products, (ii) all material adverse information with respect to the safety and efficacy of the Licensed Products in Landos' or its Affiliates' (to the extent applicable, in accordance with Section 2.1(b) (Lian Right of Access and Reference)) possession and control, and (iii) all material data and results relating to the Development of the Licensed Products in Landos' or its Affiliates' (to the extent applicable, in accordance with Section 2.1(b)) (Lian Right of Access and Reference).

(f) Third Party Challenges. There are no claims, judgments, or settlements against, or amounts with respect thereto, made against Landos or any of its Affiliates relating to the Licensed Patent Rights or the Licensed Know-How, and no written claim or litigation has been received by Landos or its Affiliates or, [***], threatened by any Person (i) alleging that the Licensed Patent Rights are invalid or unenforceable, (ii) asserting the misuse of any of the Licensed Patent Rights, (iii) challenging Landos' Control of the Licensed Patent Rights (i.e., alleging that a Third Party has a right or interest in or to the Licensed Technology), or (iv) alleging misappropriation of the Know-How of any Third Party used in the Development, Manufacture or Commercialization of Licensed Products by or on behalf of Landos prior to the Effective Date.

(g) Non-Infringement of Third Party IP. [***], the Development, Manufacture, or Commercialization of the Licensed Product in the Territory does not infringe any Patent Right or misappropriate or otherwise violate or misappropriate any Know-How of any Person (in the case of pending Patent Rights, evaluating them as if issued). No written claim of infringement of the Patent Rights or misappropriation of the Know-How of any Third Party has been received by Landos, or [***], threatened, against Landos, any of its Affiliates or its or their Sublicensees with respect to the Development, Manufacture or Commercialization of Licensed Products. [***], the practice by Lian under the Licensed Technology or the Development, Manufacture, or Commercialization of the Compounds or Licensed Products as contemplated under this Agreement will not infringe, misappropriate or otherwise violate any Intellectual Property of any Third Party.

(h) Absence of Litigation. There are no judgments or settlements against or owed by Landos or its Affiliates or Sublicensees, or, [***], pending litigation against Landos or its Affiliates or Sublicensees, or litigation threatened against Landos or its Affiliates or Sublicensees, in each case, related to Compounds or Licensed Products, including any such litigation any relating to any Regulatory Filings, Regulatory Approvals, or Marketing Authorizations Controlled by Landos, its Affiliates or its Sublicensees.

(i) Maintenance of Regulatory Filings, Good Laboratory, and Clinical Practices. Landos maintains control over all Regulatory Filings pertaining to the Licensed Products in the

Field in the Territory. Landos and its Affiliates and Sublicensees have generated, prepared, maintained, and retained all Regulatory Filings and Marketing Authorizations in its control that are required to be maintained or retained pursuant to and in material compliance with applicable Laws, and have conducted in material compliance with applicable Laws, including GLP and GCP all Development of Licensed Products in the Field conducted prior to the Effective Date.

(j) Confidentiality of Know-How. Landos has taken commercially reasonable measures consistent with industry practices to protect the secrecy, confidentiality, and value of all Licensed Know-How. [***], the Licensed Know-How existing as of the Effective Date has been kept confidential or has been disclosed to Third Parties only under terms of confidentiality.

(k) Assignment of Third Party Rights; Third Party Consents.

(i) Landos has obtained from each of its employees and agents, and from the employees and agents of its Affiliates, who are performing Development activities under the Global Development Plan for Licensed Products, rights to any and all Know-How created by such employees and agents in the course of such activities that relates to Licensed Products, such that Lian will, by virtue of this Agreement, receive from Landos, without payments beyond those required by Article 6 (Financial Provisions), all licenses and other rights granted to Lian under this Agreement.

(ii) Each Person who has or has had any ownership rights in or to any Licensed Patent Rights purported to be owned solely by Landos, has assigned and has executed an agreement assigning its entire rights, title, and interests in and to such Licensed Patent Rights to Landos, and [***], no current officer, employee, agent, or consultant of Landos or any of its Affiliates is in violation of any term of any assignment or other agreement, in each case, regarding the protection of the Licensed Patent Rights.

(iii) Prior to the Effective Date, Landos has obtained all consents from Third Parties necessary to grant Lian the licenses and rights Landos purports to grant to Lian under this Agreement.

(l) Statements to Regulatory Authorities. Neither Landos nor any of its Affiliates, nor, [***], its Sublicensees nor any of its or their respective officers, employees, or agents has made an untrue statement of material fact or fraudulent statement to any Regulatory Authority with respect to the Development or Commercialization of Licensed Products, or failed to disclose a material fact required under applicable Laws to be disclosed to any Regulatory Authority with respect to the Development or Commercialization of Licensed Products.

(m) Compliance with Laws. All of the studies, tests, and pre-clinical and Clinical Trials of Licensed Products conducted prior to, or being conducted as of, the Effective Date by or on behalf of Landos have been and are being conducted in all material respects in accordance with applicable Laws.

(n) Upstream Licenses. As of the Effective Date, Landos owns all Licensed Technology and does not Control any such Licensed Technology pursuant to any Upstream License.

(o) No Other Disclosures. [***], there is no material information, including regarding any safety, efficacy, or regulatory issues, within Landos' Control that has not been disclosed to Lian and that would materially adversely affect the acceptance, or the subsequent approval, by any Regulatory Authority of any Regulatory Filing for a Licensed Product in the Field and in the Territory.

9.3 No Conflict. During the Term, Landos and its Affiliates will not grant any interest in the Licensed Technology that is inconsistent with the terms and conditions of this Agreement.

(a) Additional Representations, Warranties and Covenants of Lian. Lian hereby covenants to Landos that neither Lian nor any of its Affiliates or Sublicensees, will employ or use the services of any Person who is debarred or disqualified under laws in the Territory comparable with the United States Federal Food, Drug and Cosmetic Act, 21 U.S.C. §§301 et seq., or the Public Health Service Act, 42 U.S.C. §§262 et seq. in connection with activities relating to any Licensed Product; and in the event that Lian becomes aware of the debarment or disqualification or threatened debarment or disqualification of any Person providing services to Lian or any of its Affiliates with respect to any activities relating to any Licensed Product, Lian will immediately (but in any event no later than [***]) notify Landos in writing and Lian will cease, or cause its Affiliate to cease (as applicable), employing, contracting with, or retaining any such Person to perform any services relating to any Licensed Product.

9.4 Compliance with Laws. Each Party shall, and shall ensure that its Affiliates and their respective Sublicensees will, comply in all respects with all applicable Laws (including Anti-Corruption Laws), including in the Development, Manufacturing, and Commercialization of Licensed Products and performance of its obligations under this Agreement, including the ICH, GCP, GLP and any Regulatory Authority and Governmental Authority health care programs having jurisdiction in such Party's respective territory, each as may be amended from time to time.

9.5 NO OTHER WARRANTIES. EXCEPT AS EXPRESSLY STATED IN SECTION 9.1 (MUTUAL REPRESENTATIONS AND WARRANTIES) AND SECTION 9.2 (ADDITIONAL REPRESENTATIONS AND WARRANTIES OF LANDOS), NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF TITLE, NON-INFRINGEMENT OR NON-MISAPPROPRIATION OF THIRD PARTY INTELLECTUAL PROPERTY WITH RESPECT TO THE LICENSED PRODUCT, VALIDITY, ENFORCEABILITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE 10
INDEMNIFICATION; DAMAGES

10.1 Indemnification by Landos. Landos will defend, indemnify and hold harmless Lian, its Affiliates and their respective directors, officers, employees and agents (each, a "Lian Indemnified Party"), from, against and in respect of any and all Third Party Losses incurred or suffered by any Lian Indemnified Party to the extent arising from or relating to: (a) any breach of any representation or warranty made by Landos in this Agreement, or any breach by Landos of any obligation, covenant, or agreement in this Agreement; (b) the gross negligence or intentional misconduct of Landos or any of its Affiliates, (sub)licensees (other than Lian), or contractors, or any of their respective directors, officers, employees, or agents, in performing Landos' obligations or exercising Landos' rights under this Agreement; (c) activities conducted by or on behalf of Landos or its Affiliates or Sublicensees or contractors related to the Development, Manufacture, or Commercialization of

Licensed Products anywhere in the world prior to the Effective Date; and (d) the Development, Manufacture, or Commercialization of the Licensed Products by or on behalf of Landos, any of its Affiliates, Sublicensees (other than Lian), or contractors outside the Territory; *provided*, *however*, that Landos' obligations pursuant to this Section 10.1 (Indemnification by Landos) will not apply to the extent such Third Party Losses result from Third Party Losses for which Lian has an obligation to indemnify Landos pursuant to Section 10.2 (Indemnification by Lian).

10.2 Indemnification by Lian. Lian will defend, indemnify and hold harmless Landos, its Affiliates, and each of their respective directors, officers, employees and agents (each, a "Landos Indemnified Party") from, against and in respect of any and all Third Party Losses incurred or suffered by any Landos Indemnified Party to the extent arising from or relating to: (a) any breach of any representation or warranty made by Lian in this Agreement, or any breach by Lian of any obligation, covenant, or agreement in this Agreement, (b) the gross negligence or intentional misconduct of, or violation of Laws by, Lian, any of its Affiliates, Sublicensees, or contractors, or any of their respective directors, officers, employees, or agents, in performing Lian's obligations or exercising Lian's rights under this Agreement, or (c) the Development, Manufacture, or Commercialization of the Licensed Product by or on behalf of Lian or its Affiliates or Sublicensees (other than Landos) or contractors; *provided*, *however*, that Lian's obligations pursuant to this Section 10.2 (Indemnification by Lian) will not apply to the extent such Third Party Losses result from Third Party Losses for which Landos has an obligation to indemnify Lian pursuant to Section 10.1 (Indemnification by Landos).

10.3 Claims for Indemnification.

(a) Notice. An Indemnified Party entitled to indemnification under Section 10.1 (Indemnification by Landos) or Section 10.2 (Indemnification by Lian) will give prompt written notification to the Indemnifying Party from whom indemnification is sought of the commencement of any Action by a Third Party for which indemnification may be sought (a "Third Party Claim") or, if earlier, upon the assertion of such Third Party Claim by a Third Party; *provided*, *however*, that failure by an Indemnified Party to give notice of a Third Party Claim as provided in this Section 10.3(a) (Notice) will not relieve the Indemnifying Party of its indemnification obligation under this Agreement, except and only to the extent that such Indemnifying Party is materially prejudiced as a result of such failure to give notice.

(b) Defense. Within [***] days after delivery of a notice of any Third Party Claim in accordance with Section 10.3(a) (Notice), the Indemnifying Party may, upon written notice thereof to the Indemnified Party, assume control of the defense of such Third Party Claim with counsel reasonably satisfactory to the Indemnified Party. If the Indemnifying Party does not assume control of such defense, then the Indemnified Party may control such defense (with counsel reasonably selected by the Indemnified Party and approved by the Indemnifying Party, such approval not to be unreasonably withheld). The Party not controlling such defense may participate therein at its own expense.

(c) Cooperation. The Party controlling the defense of any Third Party Claim will keep the other Party advised of the status and material developments of such Third Party Claim and the defense thereof and will reasonably consider recommendations made by the other Party with respect thereto. The other Party will reasonably cooperate with the Party controlling such defense and its Affiliates and agents in defense of the Third Party Claim, with all out-of-pocket costs of such cooperation to be borne by the Party controlling such defense.

(d) Settlement. The Indemnified Party will not agree to any settlement of such Third Party Claim without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld. The Indemnifying Party will not agree to any settlement of such Third Party Claim or consent to any judgment in respect thereof that does not include a complete and unconditional release of the Indemnified Party from all liability with respect thereto or that imposes any liability or obligation on the Indemnified Party (other than a monetary obligation on the Indemnifying Party), without the prior written consent of the Indemnified Party, which will not be unreasonably withheld (unless such compromise or settlement involves (i) any admission of legal wrongdoing by the Indemnified Party, (ii) any payment by the Indemnified Party that is not indemnified under this Agreement, or (iii) the imposition of any equitable relief against the Indemnified Party (in which case, (i) through (iii), the Indemnified Party may withhold its consent to such settlement in its sole discretion)).

(e) Mitigation of Loss. Each Indemnified Party will take and will procure that its Affiliates and Sublicensees take all such reasonable steps and actions as are necessary or as the Indemnifying Party may reasonably require in order to mitigate any Third Party Claims (or potential losses or damages) under this Article 10 (Indemnification; Damages). Nothing in this Agreement will or will be deemed to relieve any Party of any common law or other duty to mitigate any losses incurred by it.

10.4 Insurance. Each Party, at its own expense, will maintain liability insurance (or self-insure) with respect to its activities under this Agreement in an amount consistent with industry standards. Each Party will provide a certificate of insurance (or evidence of self-insurance) evidencing such coverage to the other Party upon request. Without limiting the foregoing, during the Term and thereafter for the period of time required below, each Party will maintain on an ongoing basis comprehensive general liability insurance policies which are consistent with normal business practices of prudent companies similar situated in such Party's territory. Not later than [***] days following receipt of written request from a Party, the other Party will provide to the requesting Party a certificate of insurance evidencing such insurance policies. Each Party will maintain such insurance or self-insurance coverage without interruption during the Term and for a period of [***] thereafter, and, if applicable, will provide certificates or letters evidencing such insurance coverage without interruption as reasonably requested during the period of time for which such coverage must be maintained. Each Party will be provided at least [***] days' prior written notice of any cancellation or material decrease in the other Party's insurance coverage limits described above. Notwithstanding the foregoing, either Party's failure to maintain adequate insurance will not relieve that Party of its obligations set forth in this Agreement.

ARTICLE 11
LIMITATION OF LIABILITY

11.1 NO CONSEQUENTIAL OR PUNITIVE DAMAGES. EXCEPT AS SET FORTH IN SECTION 11.2 (EXCLUSION FROM LIABILITY LIMITATION), NEITHER PARTY NOR ANY OF ITS AFFILIATES OR AFFILIATED ENTITIES WILL BE LIABLE FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES ARISING OUT OF THIS AGREEMENT OR THE EXERCISE OF ITS RIGHTS OR THE PERFORMANCE OF ITS OBLIGATIONS HEREUNDER, OR ANY LOST PROFITS ARISING OUT OF THIS AGREEMENT, IN EACH CASE, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, TORT, NEGLIGENCE, BREACH OF STATUTORY DUTY, OR OTHERWISE, REGARDLESS OF ANY NOTICE OF SUCH DAMAGES.

11.2 EXCLUSION FROM LIABILITY LIMITATION. THE LIMITATIONS AND DISCLAIMER SET FORTH IN SECTION 11.1 (NO CONSEQUENTIAL OR PUNITIVE DAMAGES) WILL NOT APPLY TO A CLAIM: (A) FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; (B) FOR A BREACH OF SECTION 2.9 (EXCLUSIVITY), SECTION 9.2(a) (LICENSED PATENT RIGHTS), ARTICLE 8 (CONFIDENTIALITY AND PUBLICITY); OR (C) FOR INDEMNIFIABLE LOSSES PURSUANT TO SECTION 10.1 (INDEMNIFICATION BY LANDOS) OR SECTION 10.2 (INDEMNIFICATION BY LIAN), AS APPLICABLE.

ARTICLE 12
TERM AND TERMINATION

12.1 Term. Unless terminated earlier in accordance with this Article 12 (Term and Termination), this Agreement will become effective as of the Effective Date and will continue in full force, on a Licensed Product-by-Licensed and Region-by-Region basis, until the expiration of the Royalty Term applicable to such Licensed Product and such Region (the "Term").

12.2 Paid-Up License Upon End of Royalty Term. Upon the expiration of the Royalty Term for a given Licensed Product in a given Region in the Territory, the licenses and rights of reference granted to Lian pursuant to Section 2.1 (License Grants; Rights of Reference) will become perpetual, irrevocable, fully paid-up, royalty free, fully sublicensable, and transferable with respect to such Licensed Product in such Region.

12.3 Early Termination.

(a) Termination for Material Breach. Upon (i) any material breach of this Agreement by Landos or (ii) any material breach of this Agreement by Lian (the Party so allegedly breaching being the "Breaching Party"), the other Party (the "Non-Breaching Party") will have the right, but not the obligation, to terminate this Agreement by providing written notice to the Breaching Party within [***] days' in the case of a payment breach, or [***] days' in the case of any other material breach, which notice will, in each case (A) expressly reference this Section 12.3(a) (Termination for Material Breach), (B) reasonably describe the alleged breach that is the basis of such termination, and (C) clearly state the Non-Breaching Party's intent to terminate this Agreement if the alleged breach is not cured within the applicable cure period. If such breach relates solely to one or more Licensed Products or Regions of the Territory, then the non-breaching Party will have the right to terminate this Agreement solely with respect to such Licensed Product(s) or Region(s), as applicable. Notwithstanding the foregoing, if such material breach, by its nature, is curable, but is not reasonably curable within the applicable cure period, then such cure period will be extended by up to an additional [***] days if the Breaching Party provides a reasonable written plan for curing such breach to the Non-Breaching Party and uses reasonable efforts to cure such breach in accordance with such written plan. In addition, if the Breaching Party disputes (A) whether it has materially breached this Agreement, (B) whether such material breach is reasonably curable within the applicable cure period, or (C) whether it has cured such material breach within the applicable cure period, then the dispute will be resolved pursuant to Article 13 (Dispute Resolution), and the applicable cure period will be tolled during the pendency of such dispute resolution procedure.

(b) Termination for Patent Challenge. Except to the extent the following is unenforceable under the Laws of a particular jurisdiction in the Territory or as otherwise provided in this Section 12.3(b) (Termination for Patent Challenge), Landos may terminate this Agreement upon written notice to Lian if Lian, its Affiliates, or Sublicensees, individually or in association

with any other person or entity, commences a legal action challenging the validity, enforceability, or scope of any Licensed Patent Rights in a court or other governmental agency of competent jurisdiction in the Territory, including a reexamination or opposition proceeding (a "Patent Challenge"); *provided* that, if Lian or its Affiliate or Sublicensee withdraws (or causes to be withdrawn) such Patent Challenge within [***] days after being requested to do so by Landos in writing (which termination notice will be deemed a request), then Landos will have no right to terminate this Agreement pursuant to this Section 12.3(b) (Termination for Patent Challenge). In addition, and notwithstanding any provision to the contrary set forth in this Agreement, Landos may not terminate this Agreement pursuant to this Section 12.3(b) (Termination for Patent Challenge) (i) if Lian or its Affiliate or Sublicensee is required by legal process to be joined as a party in any Patent Challenge by a Third Party, or (ii) with respect to: (A) any affirmative defense or other validity, enforceability, or non-infringement challenge, whether in the same action or in any other agency or forum of competent jurisdiction, advanced by Lian, or any of its Affiliates or Sublicensees in response to any claim or action brought in the first instance by, or on behalf of, Landos, (B) any Patent Challenge to the extent commenced by a Third Party that after the Effective Date acquires or is acquired by Lian or any of its Affiliates or its or their business or assets, whether by stock purchase, merger, asset purchase, or otherwise; *provided* that such proceeding commenced prior to the closing of such acquisition, or (C) any Patent Challenge that is commenced by a Sublicensee; *provided* that Lian demands that such Sublicensee withdraw such Patent Challenge promptly after Lian becomes aware of such Patent Challenge and terminates the sublicense agreement with the applicable Sublicensee if such Sublicensee does not withdraw such Patent Challenge within [***] days after receipt of notice from Lian.

(c) Termination for Insolvency. Subject to Section 2.6 (Rights in Bankruptcy), either Party may terminate this Agreement upon delivery of written notice to the other Party if (i) such other Party files in any court or agency pursuant to any statute or regulation of any jurisdiction a petition in bankruptcy or insolvency or for reorganization or similar arrangement for the benefit of creditors or for the appointment of a receiver or trustee of such other Party or its assets, (ii) such other Party is served with an involuntary petition against it in any insolvency proceeding and such involuntary petition has not been stayed or dismissed within [***] days of its filing, or (iii) such other Party makes an assignment of substantially all of its assets for the benefit of its creditors.

(d) Termination by Lian for Convenience. Lian may, upon [***] days' prior written notice to Landos, terminate this Agreement for convenience, without cause, and for any or no reason, on a Licensed Product-by-Licensed Product basis.

12.4 Effects of Termination.

(a) Effects of Termination Generally. Upon any termination of this Agreement with respect to one or more Licensed Products (a "Terminated Product") or Regions (a "Terminated Region"), then the Parties' rights, licenses and obligations under this Agreement will terminate with respect to the applicable Terminated Product or Terminated Region and neither Party will have any further rights or obligations under this Agreement from and after the effective date of termination with respect to the applicable Terminated Product or Terminated Region, except as set forth in this Section 12.4 (Effects of Termination).

(b) Winding Down of Activities. If there are any on-going Development or Commercialization activities with respect to a Terminated Product or Terminated Region at termination or

expiration of this Agreement, then the Parties will negotiate in good faith and adopt a plan to wind-down such activities in an orderly fashion or, at Landos' election and unless prohibited by any Regulatory Authority or applicable Law, promptly transition such activities from Lian to Landos or its designee, with due regard for patient safety and the rights of any subjects that are participants in any Clinical Trials of the Licensed Products, and take any actions it deems reasonably necessary or appropriate to avoid any human health or safety problems and, with respect to any Clinical Trial transitioned to Landos or its designee, to minimize any disruption to such Clinical Trial, and in compliance with all applicable Law.

(c) License Grant to Landos.

(i) Upon termination of this Agreement, Lian, on behalf of itself and its Affiliates hereby grants (effective on delivery of the notice of termination) to Landos a worldwide, irrevocable, perpetual, transferable, exclusive license under the Product Inventions and Patent Rights controlled by Lian that cover any such Product Inventions, in each case, in existence as of the applicable effective date of termination, to Develop, Manufacture, and Commercialize Compounds and Licensed Products in the Field in the Territory (the "Reversion License"). If any rights granted by Lian under the Reversion License are Controlled by Lian or its Affiliates or Sublicensees pursuant to an agreement with a Third Party, then Landos will pay all amounts due under any such agreement to the extent reasonably allocable to Landos' exercise of the rights granted thereunder.

(ii) Effective upon any termination of this Agreement in all Regions of the Territory, if, as of the effective date of termination, the Terminated Product has achieved First Commercial Sale in any Region in the Territory, then Lian will assign and transfer (and if unable to assign and transfer, exclusively license) to Landos any Trademarks owned or Controlled by Lian that are specific to such Terminated Product for the purpose of Commercializing such Terminated Product, together with all goodwill associated with the specific Trademarks. If this Agreement is terminated with respect to one or more, but not all, Regions in the Territory, then Lian will grant an exclusive license to Landos under any Trademarks in the Terminated Region owned or Controlled by Lian or its Affiliates that are specific to such Terminated Product for the purpose of Commercializing such Terminated Product in the Terminated Region.

(iii) If Landos or its or their Affiliates or Sublicensees exercises the Reversion License or the rights granted pursuant to Section 12.4(h) (Transfer of Regulatory Filings and Regulatory Approvals) and this Agreement has been terminated by Lian pursuant to Section 12.3(a) (Termination for Material Breach), then Landos will pay to Lian, in consideration of the rights granted to Landos, [***].

(d) Discontinuation of JSC. Upon termination of this Agreement in its entirety, the JSC will cease to exist; provided, however, that if this Agreement is terminated with respect to one or more Terminated Products or Terminated Regions only, then the JSC will continue with respect to the non-terminated Licensed Products or Regions only.

(e) Accrued Obligations. Expiration or termination of this Agreement for any reason will not release either Party from any obligation or liability that, on the effective date of such

expiration or termination, has already accrued to the other Party or that is attributable to a period prior to such expiration or termination.

(f) Survival. This Section 12.4(f) (Survival), the provisions set forth in the following Sections, as well as, to the extent applicable, any other Sections or defined terms referred to in such Sections or Articles or necessary to give them effect, will survive any expiration or termination of this Agreement in its entirety: Articles 6 (solely to the extent any payment obligations have accrued prior to expiration or termination), 8, 10, 11, 13 and 14 and Sections 2.4, 2.5, 2.6, 2.7, 3.4(a), 7.1, 9.5, 12.2 and 12.4. Furthermore, any other provisions required to interpret the Parties' rights and obligations under this Agreement, including applicable definitions in Article 1 (Definitions), will survive to the extent required. Except as otherwise expressly provided in this Agreement, including this Section 12.4(f) (Survival), any licenses granted under this Agreement will terminate upon expiration or termination of this Agreement in its entirety or solely with respect to a Terminated Product or Terminated Region, as the case may be, for any reason.

(g) Inventory.

(i) Sell-Off Period. Lian will have the right, for a period of [***] following termination of this Agreement in any Region, to sell or otherwise dispose of any Licensed Products in such terminated Regions, as applicable, on hand at the time of such termination or in the process of Manufacturing (the "Sell-Off Period").

(ii) Landos Buy-Back. Upon expiration of any Sell-Off Period in any Region, Landos will have the right to purchase all of Lian's and its Affiliates' remaining inventory of Licensed Products held as of the effective date of expiration of such Sell-Off Period at a price equal to (A) [***], if supplied by Landos or (B) if Manufactured by Lian, [***].

(h) Transfer of Regulatory Filings and Regulatory Approvals. Following the effectiveness of any termination of this Agreement pursuant to Section 12.3 (Early Termination), after Landos' written request, Lian will, to the extent permitted under applicable Laws, and at Landos' sole cost and expense (unless the applicable termination giving rise to Landos' rights under this Section 12.4(h) (Transfer of Regulatory Filings and Regulatory Approvals) was initiated by Landos pursuant to Section 12.3 (Early Termination), in which case such transfer will be at Lian's sole cost and expense), assign and transfer to Landos all Regulatory Filings, filings for Pricing and Reimbursement Approval and Marketing Authorizations for Licensed Products that are held by or owned by Lian or its Affiliates or Sublicensees as of the effective date of termination, with respect to the terminated Region, as the case may be.

(i) Return of Confidential Information. Within [***] after the effective date of termination (but not expiration) of this Agreement in its entirety, each Party will, and cause its Affiliates to (i) destroy, all tangible items solely comprising, bearing or containing any Confidential Information of the other Party that are in such first Party's or its Affiliates' possession or Control, and provide written certification of such destruction, or (ii) prepare such tangible items of the other Party's Confidential Information for shipment to such other Party, as such other Party may direct, at the first Party's expense; provided, however, that, in any event, (A) each Party may retain copies of the Confidential Information of the other Party to the extent necessary to perform its obligations or exercise its rights that survive

expiration or termination of this Agreement; and (B) each Party may retain copies of the Confidential Information of the other Party for its legal archives.

ARTICLE 13
DISPUTE RESOLUTION

13.1 Dispute Resolution; Escalation. The Parties recognize that disputes as to certain matters arising out of or in connection with this Agreement may arise from time to time. It is the objective of the Parties to establish procedures to facilitate the resolution of disputes arising out of or in connection with this Agreement in an expedited manner by mutual cooperation. To accomplish this objective, any and all disputes between the Parties arising out of or in connection with this Agreement (other than matters within the purview of the JSC, which will be resolved in accordance with Section 5.5 (Decision-Making; Escalation to Senior Officers)), will first be referred to the Senior Officers for resolution. The Senior Officers will attempt to resolve the matter in good faith. If the Senior Officers fail to resolve such matter within [***] Business Days after the date on which the matter is referred to the Senior Officers (unless a longer period is agreed to by the Parties), then either Party may submit the dispute for final resolution by binding arbitration in accordance with Section 13.2 (Arbitration).

13.2 Arbitration. Except as set forth in Section 12.4(c) (License Grant to Landos) and this Section 13.2 (Arbitration), each dispute, difference, controversy or claim arising in connection with or related or incidental to, or question occurring under, this Agreement or the subject matter hereof that cannot be resolved pursuant to Section 13.1 (Dispute Resolution; Escalation) will be referred to and finally resolved by arbitration in accordance with the International Chamber of Commerce (the "Rules") by an arbitral tribunal composed of three arbitrators, all of whom will have previous judicial experience and significant experience in the biopharmaceutical industry, with each Party appointing one arbitrator and the third arbitrator to be selected by agreement of the two arbitrators appointed by the Parties. If the two initial arbitrators are unable to select a third arbitrator within [***] days, then the third arbitrator will be appointed in accordance with ICC rules. The foregoing arbitration proceedings may be commenced by either Party by notice to the other Party. Unless otherwise agreed by the Parties, all such arbitration proceedings will be held in [***]. All arbitration proceedings will be conducted in the English language. The arbitrators will consider grants of equitable relief and orders for specific performance as co-equal remedies along with awards of monetary damages. The arbitrators will have no authority to award punitive damages. The allocation of expenses of the arbitration, including reasonable attorney's fees, will be determined by the arbitrators, or, in the absence of such determination, each Party will pay its own expenses. The Parties hereby agree that the arbitrators have authority to issue rulings and orders regarding all procedural and evidentiary matters that the arbitrators deem reasonable and necessary with or without petition therefore by the Parties as well as the final ruling and judgment. All rulings by the arbitrators will be final. Notwithstanding any provision to the contrary set forth in this Agreement, any Party may seek equitable measures of protection in the form of attachment of assets or injunctive relief (including specific performance and injunctive relief) in any matter relating to the proprietary rights and interests of either Party from any court of competent jurisdiction, pending a decision by the arbitral tribunal in accordance with this Section 13.2 (Arbitration). The Parties hereby exclude any right of appeal to any court on the merits of such matter. The provisions of this Section 13.2 (Arbitration) may be enforced and judgment on the award (including equitable remedies) granted in any arbitration hereunder may be entered in any court having jurisdiction over the award or any of the Parties or any of their respective assets. Except to the extent necessary to confirm an award or as may be required by Laws, neither a Party nor an arbitrator may disclose the existence, content, or results of an arbitration without the prior written consent of both Parties. The Parties agree that, in the event of a dispute over the nature or quality of performance under this

Agreement, neither Party may terminate this Agreement until final resolution of the dispute through arbitration or other judicial determination. Nothing in this Section 13.2 (Arbitration) will preclude either Party from seeking interim or provisional relief from a court of competent jurisdiction, including a temporary restraining order, preliminary injunction or other interim equitable relief, concerning a dispute either prior to or during any arbitration if necessary to protect the interests of such Party or to preserve the status quo pending the arbitration proceeding. Notwithstanding the Parties' agreement to arbitrate, unless the Parties agree in writing in any particular case, claims and disputes between the Parties relating to or arising out of, or for which resolution depends in whole or in part on a determination of the interpretation, scope, validity, enforceability or infringement of, Patent Rights or of any Trademark rights relating to any Licensed Products will not be subject to arbitration under this Agreement, and the Parties may pursue whatever rights and remedies may be available to them under law or equity, including litigation in a court of competent jurisdiction, with respect to such claims and disputes.

13.3 JURY WAIVER. EACH PARTY, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS IT CONTEMPLATES TO ARBITRATE AS SET FORTH IN SECTION 13.2 (ARBITRATION). THIS WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

ARTICLE 14
MISCELLANEOUS

14.1 Assignment. This Agreement and the rights and obligations of each Party under this Agreement will not be assignable, delegable, transferable, pledged or otherwise disposed of by either Party without the prior written consent of the other Party; provided, however, that either Party may assign or transfer this Agreement together with all of its rights and obligations hereunder, without such consent (but with written notice to the other Party), (A) to an Affiliate or (B) to a successor in interest in connection with the transfer or sale of all or substantially all of its business or assets to which this Agreement relates, or in the event of its merger or consolidation, reorganization or similar transaction. Any permitted assignment of the rights and obligations of a Party under this Agreement will be binding on, and inure to the benefit of and be enforceable by and against, the successors and permitted assigns of the assigning Party. Any assignment in violation of this Section 14.1 (Assignment) will be null and void.

14.2 Choice of Laws. This Agreement will be governed by and interpreted under the Laws of the State of New York, without regard to the conflicts of law principles thereof. Any dispute, controversy, claim or difference of any kind whatsoever arising out of or in connection with this Agreement will be resolved exclusively in accordance with Section 13.2 (Arbitration); provided, however, that all questions concerning (a) inventorship of Patent Rights under this Agreement will be determined in accordance with Section 7.1 (Ownership of Inventions) and (b) the construction or effect of Patent Rights will be determined in accordance with the Laws of the country, Region or other jurisdiction in which the particular patent within such Patent Rights has been filed or granted, as the case may be. Any communication or proceedings resulting from disputes under this Agreement will be in English language. The Parties agree to exclude the application to this Agreement of the United Nations Conventions on Contracts for the International Sale of Goods (1980).

14.3 Notices. All notices that are required or permitted hereunder will be in writing and sufficient if delivered by internationally-recognized overnight courier or sent by registered or certified mail,

postage prepaid, return receipt requested, and in each case, addressed as follows (with a courtesy copy sent by email, which will not constitute notice):

If to Landos:	[***] Attention: [***] Email: [***]
With copies to:	[***] Attention: [***] Email: [***] [***] Attention: [***] Email: [***]
If to Lian:	[***] Attention: [***] Email: [***]
With copies to:	[***] Attention: [***] Fax: [***] Email: [***]

or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such notice will be deemed to have been given: (a) on [***] after dispatch if sent by internationally-recognized overnight courier; or (b) on the [***] after dispatch if sent by registered or certified mail, postage prepaid, return receipt requested.

14.4 Severability. In the event that one or more provisions of this Agreement is held invalid, illegal or unenforceable in any respect, then such provision will not render any other provision of this Agreement invalid or unenforceable, and all other provisions will remain in full force and effect and will be enforceable, unless the provisions that have been found to be invalid or unenforceable will substantially affect the remaining rights or obligations granted or undertaken by either Party. The Parties agree to attempt to substitute for any invalid or unenforceable provision a provision which achieves to the greatest extent possible the economic objectives of the invalid or unenforceable provision.

14.5 Integration. This Agreement, together with all schedules attached hereto, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes all previous arrangements between the Parties with respect to the subject matter hereof, whether written or oral, including, effective as of the Effective Date, the Term Sheet (provided that all information disclosed or exchanged under such agreement will be treated as Confidential Information hereunder). In the event of a conflict between the Development Plan or any schedules or attachments to this Agreement, on the one hand, and this Agreement, on the other hand, the terms

of this Agreement will govern. Each Party confirms that it is not relying on any representations or warranties of the other Party except as specifically set forth in this Agreement.

14.6 Waivers and Amendments. The failure of any Party to assert a right under this Agreement or to insist upon compliance with any term or condition of this Agreement will not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other Party. The exercise by any Party of any right or election under the terms or covenants herein will not preclude or prejudice any Party from exercising the same or any other right it may have under this Agreement, irrespective of any previous action or proceeding taken by the Parties hereunder. Notwithstanding the authority granted to the JSC under this Agreement, (a) no waiver will be effective unless it has been given in writing and signed by the Party giving such waiver, and (b) no provision of this Agreement may be amended or modified other than by a written document signed by authorized representatives of each Party.

14.7 Independent Contractors; No Agency. Neither Party will have any responsibility for the hiring, firing or compensation of the other Party's or such other Party's Affiliates' employees or for any employee benefits with respect thereto. No employee or representative of a Party or its Affiliates will have any authority to bind or obligate the other Party for any sum or in any manner whatsoever, or to create or impose any contractual or other liability on such other Party, without such other Party's written approval. For all purposes, and notwithstanding any other provision to the contrary set forth in this Agreement, each Party's legal relationship under this Agreement to the other Party will be that of independent contractor, and the relationship between the two Parties will not constitute a partnership, joint venture, or agency, including for all tax purposes, except as otherwise required by applicable Law.

14.8 Affiliates, Sublicensees, and Contractors. To the extent that this Agreement imposes obligations on Affiliates, Sublicensees, or contractors of a Party, such Party will cause its Affiliates and its Sublicensees and contractors to perform such obligations, as applicable. Either Party may use one or more of its Affiliates, Sublicensees, or contractors to perform its obligations and duties or exercise its rights under this Agreement, solely to the extent permitted and as specified in this Agreement; provided that (a) each such Affiliate, Sublicensee, or contractor will perform any such obligations delegated to it in compliance with the applicable terms and conditions of this Agreement as if such Affiliate, Sublicensee, or contractor were a party hereto, (b) the performance of any obligations of a Party's by its Affiliates, Sublicensees, or contractors will not diminish, reduce, or eliminate any obligation of such Party under this Agreement, and (c) subject to such Party's assignment to an Affiliate pursuant to Section 14.1 (Assignment), such Party will remain liable under this Agreement for the prompt payment and performance of all of its obligations under this Agreement. Subject to this Section 14.8 (Affiliates, Sublicensees, and Contractors), if a Party exercises its rights and performs its obligations under this Agreement through one or more of its Affiliates, "Landos" will be interpreted to mean "Landos or its Affiliates" and "Lian" will be interpreted to mean "Lian or its Affiliates" where necessary to give each Party's Affiliates the benefit of the rights provided to such Party in this Agreement and the ability to perform its obligations under this Agreement.

14.9 Force Majeure. Neither Party will be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in achieving any objective, satisfying any condition, or performing any obligation under this Agreement to the extent that such failure or delay is caused by or results from acts or events beyond the reasonable control of such Party, including, without limitation, acts of God, embargoes, war, acts of war (whether war be declared or not), terrorism, insurrections, riots, civil commotions, strikes, lockouts, or other labor disturbances, government actions, unavailability of supplies, materials or transportation, fire,

earthquakes, floods, epidemics, pandemics, the spread of infectious diseases, and quarantines ("Force Majeure"). The Parties agree the effects of the COVID-19 pandemic that is ongoing as of the Effective Date (including related government orders) may be invoked as a Force Majeure for the purposes of this Agreement even though the pandemic is ongoing and those effects may be reasonably foreseeable as of the Effective Date. In addition, a Force Majeure may include reasonable measures affirmatively taken by a Party or its Affiliates to respond to any epidemic, pandemic, or spread of infectious disease (including the COVID-19 pandemic), or other Force Majeure event, such as requiring employees to stay home, closures of facilities, delays of Clinical Trials, or cessation of activities in response to an epidemic or other Force Majeure event. Notwithstanding the foregoing, a Party will not be excused from making payments owed hereunder due to any such Force Majeure circumstances affecting such Party. The affected Party will notify the other Party in writing of any Force Majeure circumstances as soon as reasonably practical, and will provide a good faith estimate of the period for which its failure or delay in performance under the Agreement is expected to continue based on currently available information. The affected Party shall promptly undertake all reasonable efforts necessary to cure such Force Majeure circumstances.

14.10 No Third Party Beneficiary Rights. The representations, warranties, covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and they will not be construed as conferring any rights on any other Third Party. This Agreement is not intended to and will not be construed to give any Third Party any interest or rights (including any Third Party beneficiary rights) with respect to or in connection with any agreement or provision contained herein or contemplated hereby, other than, to the extent provided in Article 10 (Indemnification; Damages), the Indemnified Parties.

14.11 Non-exclusive Remedy. Except as expressly provided herein, the rights and remedies provided herein are cumulative and each Party retains all remedies at law or in equity, including the Parties' ability to receive legal damages or equitable relief, with respect to any breach of this Agreement.

14.12 Interpretation. The Article and Section headings used herein are for reference and convenience only, and will not enter into the interpretation of this Agreement. Except as otherwise explicitly specified to the contrary, (a) references to an Article, Section or Schedule means an Article or Section of, or a Schedule to this Agreement and all subsections thereof, unless another agreement is specified; (b) references in any Section to any clause are references to such clause of such Section; (c) references to any agreement, instrument, or other document in this Agreement refer to such agreement, instrument, or other document as originally executed or, if subsequently amended, replaced, or supplemented from time to time, as so amended, replaced, or supplemented and in effect at the relevant time of reference thereto; (d) references to particular Laws mean such Laws as in effect as of the relevant time, including all rules and regulations thereunder and any successor Laws in effect as of the relevant time, and including the then-current amendments thereto; (e) words in the singular or plural form include the plural and singular form, respectively; (f) unless the context requires a different interpretation, the word "or" has the inclusive meaning that is typically associated with the phrase "and/or"; (g) the terms "including," "include(s)," "such as," "e.g." and "for example" mean including the generality of any description preceding such term and will be deemed to be followed by "without limitation"; (h) whenever this Agreement refers to a number of days, such number will refer to calendar days unless Business Days are specified, and if a period of time is specified and dates from a given day or Business Day, or the day or Business Day of an act or event, it is to be calculated exclusive of that day or Business Day; (i) "monthly" means on a calendar month basis, (j) "quarter" or "quarterly" means on a Calendar Quarter basis; (k) "annual" or "annually" means on a Calendar Year basis; (l) "year" means a 365-day period unless Calendar Year is specified; (m) references to a particular Person include such Person's successors and assigns

to the extent not prohibited by this Agreement; (n) the use of any gender herein will be deemed to encompass references to either or both genders, and the use of the singular will be deemed to include the plural (and vice versa); (o) a capitalized term not defined herein but reflecting a different part of speech than a capitalized term which is defined herein will be interpreted in a correlative manner; (p) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); (q) the words "hereof," "herein," "hereby" and derivative or similar words refer to this Agreement (including any Schedules); (r) neither Party or its Affiliates will be deemed to be acting "on behalf of" the other Party under this Agreement, except to the extent expressly otherwise provided; (s) provisions that require that a Party, or the JSC hereunder "agree", "consent" or "approve" or the like will be deemed to require that such agreement, consent or approval be specific and in writing in a written agreement, letter or approved minutes, but, except as expressly provided herein, excluding e-mail and instant messaging; and (t) the word "will" will be construed to have the same meaning and effect as the word "shall."

14.13 Further Assurances. Each Party will duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents, and instruments, as may be necessary or as the other Party may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes hereof, or to better assure and confirm unto such other Party its rights and remedies under this Agreement (including working collaboratively to correct and clerical, typographical, or other similar errors in this Agreement).

14.14 Ambiguities; No Presumption. Each of the Parties acknowledges and agrees that this Agreement has been diligently reviewed by and negotiated by and between them, that in such negotiations each of them has been represented by competent counsel and that the final agreement contained herein, including the language whereby it has been expressed, represents the joint efforts of the Parties hereto and their counsel. Accordingly, in interpreting this Agreement or any provision hereof, no presumption will apply against any Party as being responsible for the wording or drafting of this Agreement or any such provision, and ambiguities, if any, in this Agreement will not be construed against any Party under the rule of construction, irrespective of which Party may be deemed to have authored the ambiguous provision.

14.15 Export Control. This Agreement is made subject to any restrictions required by applicable Laws concerning the export of products or technical information from the U.S. or other countries which may be imposed upon or related to the Parties from time to time. Each Party agrees that it will not export, directly or indirectly, any technology licensed to it or other technical information acquired from the other Party under this Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, except in compliance with U.S. export Laws and regulations.

14.16 Execution in Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which counterparts, when so executed and delivered, will be deemed to be an original, and all of which counterparts, taken together, will constitute one and the same instrument even if both Parties have not executed the same counterpart. Signatures provided by facsimile transmission or in Adobe™ Portable Document Format (PDF) sent by electronic mail will be deemed to be original signatures.

[Remainder of this page intentionally blank.]

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative under seal, in duplicate on the Effective Date.

LANDOS BIOPHARMA, INC.

/s/ Josep Bassaganya-Riera
Name: Josep Bassaganya-Riera
Title: Chairman, President, and CEO

LIANBIO RESPIRATORY LIMITED

/s/ Debra Yu
Name: Debra Yu
Title: President & CBO

SCHEDULE 1.29

LICENSED COMPOUNDS

[***]

SCHEDULE 1.76

LICENSED PATENTS

Patent Rights licensed by Landos

[***]

SCHEDULE 2.8

KNOW-HOW TRANSFER

[***]

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Josep Bassaganya-Riera, certify that:

1. I have reviewed this 10-Q of Landos Biopharma, Inc.;

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2021

By: /s/ Josep Bassaganya-Riera

Josep Bassagany-Riera
Chairman, President, and Chief Executive Officer

Exhibit 32.1

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

In connection with the Quarterly Report of Landos Biopharma, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: July 29, 2021

By: /s/ Josep Bassaganya-Riera
Josep Bassaganya-Riera
Chairman, President, and Chief Executive Officer