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, 2022

OR

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

For the transition period from to

Commission File Number: 001-39971

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.)**
P.O. Box 11239 **Blacksburg, Virginia**	**24062**
(Address of principal executive offices)	**(Zip Code)**

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, 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 August 5, 2022, the registrant had 40,254,890 shares of common stock, $0.01 par value per share, outstanding.

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Item 1. Financial Statements. (Unaudited)

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

	June 30, 2022 (Unaudited)	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 19,241	$ 8,305
Marketable securities, available-for-sale	36,510	82,575
Prepaid expenses and other current assets	2,287	1,266
Total current assets	58,038	92,146
Property and equipment, net	—	707
Other assets	—	26
Total assets	$ 58,038	$ 92,879
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 4,711	$ 12,908
Accrued liabilities	1,799	3,703
Total current liabilities	6,510	16,611
Total liabilities	6,510	16,611
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Preferred stock, $0.01 par value; 10,000,000 shares authorized, no shares issued and outstanding as of June 30, 2022 and December 31, 2021	—	—
Common stock, $0.01 par value; 200,000,000 shares authorized, 40,254,890 shares issued and outstanding as of June 30, 2022 and December 31, 2021	403	403
Additional paid-in capital	171,816	170,241
Accumulated other comprehensive loss	(392)	(225)
Accumulated deficit	(120,299)	(94,151)
Total stockholders' equity	51,528	76,268
Total liabilities and stockholders' equity	$ 58,038	$ 92,879

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue - license fee:	$ —	$ 18,000	$ —	$ 18,000
Operating expenses:				
Research and development	$ 6,604	$ 11,522	$ 17,404	$ 18,776
General and administrative	4,662	2,596	8,815	5,241
Total operating expenses	11,266	14,118	26,219	24,017
(Loss) income from operations	(11,266)	3,882	(26,219)	(6,017)
Other income:				
Gain (loss) from foreign exchange	25	(5)	26	13
Other (expense) income, net	(43)	220	45	283
Other (loss) income, net	(18)	215	71	296
Net (loss) income	$ (11,284)	$ 4,097	$ (26,148)	$ (5,721)
Net (loss) income per share, basic and diluted	$ (0.28)	$ 0.12	$ (0.65)	$ (0.19)
Weighted-average shares used to compute net (loss) income per share, basic	40,254,890	33,639,481	40,254,890	29,875,877
Weighted-average shares used to compute net (loss) income per share, diluted	40,254,890	34,384,784	40,254,890	29,875,877
Comprehensive (loss) income:				
Net (loss) income	$ (11,284)	$ 4,097	$ (26,148)	$ (5,721)
Unrealized gain (loss) on available-for-sale securities	75	(40)	(167)	(152)
Comprehensive (loss) income	$ (11,209)	$ 4,057	$ (26,315)	$ (5,873)

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

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

	Six Months Ended June 30,	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (26,148)	$ (5,721)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	577	93
Accrued interest on marketable securities	—	415
Stock-based compensation expense	1,575	1,335
Net realized gain on sale of marketable securities	—	2
Amortization of premium (discount) on marketable securities	549	245
Non-cash loss on termination of lease	137	—
Gain on sale of equipment	(23)	—
Gain from foreign exchange	—	13
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(1,007)	(1,260)
Accounts payable	(8,255)	2,067
Other liabilities	(1,904)	(349)
Net cash used in operating activities	(34,499)	(3,160)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(7)	(213)
Proceeds from sale of property and equipment	35	—
Purchase of available-for-sale marketable securities	(3,672)	(85,409)
Proceeds from sales and maturities of marketable securities	49,021	14,289
Net cash provided by (used in) investing activities	45,377	(71,333)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from initial public offering, net of issuance costs	—	90,506
Proceeds from exercise of stock options	—	258
Net cash provided by financing activities	—	90,764
Net change in cash and cash equivalents	10,878	16,271
Cash and cash equivalents at beginning of period	8,305	2,416
Effect of exchange rates on cash	58	—
Cash and cash equivalents at end of period	$ 19,241	$ 18,687
Supplemental non-cash disclosure:		
NONCASH INVESTING AND FINANCING ACTIVITY:		
Non-cash gain on sale of fixed assets	$ 14	$ —
Reclassification of par to additional paid-in-capital	$ —	$ 2
Conversion of Series A and B convertible preferred stock to common stock	$ —	$ 72,925
Operating right-of-use asset obtained in exchange for operating lease liability	$ 824	$ —
Derecognition of operating right-of-use asset and operating lease liability upon termination of lease	$ 714	$ —
Unrealized (loss) gain on available-for-sale marketable securities	$ (167)	$ 152

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
(in thousands, except share amounts)
(Unaudited)

	Convertible Preferred Stock		Common Stock					
	Shares	Amounts	Shares	Amounts	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
Balance at December 31, 2021	—	$ —	40,254,890	$ 403	$ 170,241	$ (225)	$ (94,151)	$ 76,268
Stock-based compensation expense	—	—	—	—	941	—	—	941
Unrealized loss on available-for-sale securities	—	—	—	—	—	(242)	—	(242)
Net loss	—	—	—	—	—	—	(14,864)	(14,864)
Balance at March 31, 2022	—	$ -	40,254,890	$ 403	$ 171,182	$ (467)	$ (109,015)	$ 62,103
Stock compensation expense	—	—	—	—	634	—	—	634
Unrealized gain on available-for-sale securities	—	—	—	—	—	75	—	75
Net income	—	—	—	—	—	—	(11,284)	(11,284)
Balance at June 30, 2022	—	$ -	40,254,890	$ 403	$ 171,816	$ (392)	$ (120,299)	$ 51,528

	Convertible Preferred Stock		Common Stock					
	Shares	Amounts	Shares	Amounts	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
Balance at December 31, 2020	11,260,608	$ 73,037	12,767,909	$ 71	$ 1,633	$ 10	$ (55,729)	$ (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-based compensation expense	—	—	—	—	1,023	—	—	1,023
Exercise of stock options	—	—	299,282	3	555	—	—	558
Unrealized 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	$ (102)	$ (65,547)	$ 101,179
Stock compensation expense	—	—	—	—	312	—	—	312
Exercise of stock options	—	—	34,217	—	64	—	—	64
Unrealized 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	$ (142)	$ (61,450)	$ 105,612

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

1. Organization and Description of the Business

Landos Biopharma, Inc. (“Landos” or the “Company”) was incorporated in the state of Delaware in January 2017 and is a clinical-stage biopharmaceutical company focused on the discovery and development of oral therapeutics for patients with autoimmune diseases. The Company has several active development programs, each discovered internally, targeting novel pathways at the interface of immunity and metabolism.

Initial Public Offering

In February 2021, the Company completed its initial public offering ("IPO") in which it sold 6,250,000 shares of common stock at an initial public offering price of $16.00 per share. Proceeds from the IPO, net of underwriting discounts, commissions and offering costs paid by the Company, were approximately $90.5 million.

In addition, in connection with the completion of the Company’s IPO, all outstanding shares of the Company's convertible preferred stock were converted into 20,549,478 shares of the Company’s common stock.

Stock Split

In January 2021, the Company’s Board of Directors approved a 1.8249-for-1 stock split of the Company’s outstanding common shares. Also in January 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 condensed consolidated financial statements and notes to the condensed consolidated financial statements give retroactive effect to the stock split for all periods presented.

Liquidity and Capital Resources

As of June 30, 2022, the Company had cash, cash equivalents and marketable securities of $55.8 million, which it believes will be sufficient to fund its planned operations for at least the next 12 months. Upon completion of its portfolio prioritization review later this year, the Company will provide further details into its operating plans and capital resources.

Since the Company’s inception in 2017, it has funded operations through the issuance of convertible preferred stock and convertible promissory notes, the proceeds from its IPO, and the upfront payment from the license and collaboration agreement (Note 7). As of June 30, 2022, the Company had an accumulated deficit of $120.3 million and expects to incur substantial operating losses for at least the next several years. As such, the Company will need to raise additional capital to initiate and complete its planned clinical trials, to continue and expand its research and development operations that support its planned discovery, development and clinical and regulatory activities, and to adequately prepare for commercialization of its product candidates that may achieve regulatory approval in the future.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed 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 condensed 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, 2021. 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, 2022 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 GAAP requires management to make certain estimates and assumptions that affect the reported amounts in the Company's consolidated financial statements and the disclosures made in the accompanying notes. Significant estimates and assumptions made in the accompanying condensed 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. Despite management's intention to establish accurate estimates and use reasonable assumptions, actual results may differ from the Company's estimates.

Significant Accounting Policies

The significant accounting policies used in preparation of these unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 are consistent with, and should be read in conjunction with, those discussed in Note 1 of the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less at the date of purchase. The carrying amounts approximate fair value due to the short maturities of these investments. 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 ninety (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 Condensed Consolidated Balance Sheets, even though the stated maturity date may be one year or more beyond the current Condensed Consolidated Balance Sheets 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' equity, until such gains and losses are realized in other income (expense), net, within the Condensed Consolidated Statements of Operations and Comprehensive Income (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 Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, cash equivalents, and marketable securities. Bank deposits are held by accredited financial institutions and these deposits may at times be in excess of insured limits. The Company limits its credit risk associated with cash and cash equivalents by placing them with financial institutions it believes are of high quality. The Company has not experienced any losses on its deposits of cash or cash equivalents. The Company's available-for-sale investments primarily consist of high-grade corporate debt, and potentially subject the Company to concentrations of credit risk. The Company has adopted investment guidelines that limit the amounts the Company may invest in any one type of investment and requires all investments held by the Company to be highly rated, thereby reducing credit risk exposure.

Research and Development Expenses

Research and development costs consist primarily of external costs related to clinical development, contract manufacturing and discovery as well as personnel costs. 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 nonclinical 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 Condensed 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.

Net (Loss) Income per Share

Basic net (loss) income per share is computed by dividing the net (loss) income by the weighted-average number of shares of common stock outstanding during the period. Diluted net (loss) income per share is computed by dividing the net (loss) income 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. The following table sets forth the computation of basic and diluted net (loss) income per share during the periods presented (in thousands, except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator:				
Net (Loss) Income	$ (11,284)	$ 4,097	$ (26,148)	$ (5,721)
Denominator:				
Weighted-average shares of common stock issued and outstanding	40,254,890	33,867,593	40,254,890	30,121,003
Less: weighted-average unvested common stock subject to repurchase	—	(228,112)	—	(245,126)
Weighted-average common stock outstanding used to calculate net (loss) income per common share, basic	40,254,890	33,639,481	40,254,890	29,875,877
Weighted-average effect of potentially dilutive securities:				
Stock options to purchase common stock	—	537,832	—	—
Common stock subject to repurchase	—	207,471	—	—
Weighted-average common shares outstanding used to calculate net (loss) income per common share, diluted	40,254,890	34,384,784	40,254,890	29,875,877
Net (loss) income per common stock, basic and diluted	$ (0.28)	$ 0.12	$ (0.65)	$ (0.19)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Stock options to purchase common stock	3,654,179	491,650	3,654,179	1,407,369
Common stock subject to repurchase	—	—	—	216,707
Total	3,654,179	491,650	3,654,179	1,624,076

Comprehensive Loss

The Company's comprehensive loss is currently comprised of changes in unrealized gain (losses) on available-for-sale securities.

Segment Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. The Company views its operations and manages its business in one operating segment.

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 condensed 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 Adopted Accounting Pronouncements

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 was effective for public entities for fiscal years beginning after December 15, 2018 and is effective for nonpublic entities for fiscal years beginning after December 15, 2021. The Company adopted ASU 2016-02, as amended, by applying the modified retrospective approach for leases existing at, and entered into after January 1, 2022. As a result, prior periods are presented in accordance with the previous guidance in ASC 840, *Leases* ("ASC 840"). The Company has elected to apply the "practical expedient package," which permits it to not reassess previous conclusions around lease identification, lease classification, and initial direct costs. Further, the Company made accounting policy elections to exclude leases with terms of 12 months or less from the recognition requirements and to not separate lease and non-lease components. On January 1, 2022, the Company recognized an initial right-of-use asset and lease liability of $0.8 million. The adoption of Topic 842 did not have an impact on the Company's Condensed Consolidated Statements of Operations and Comprehensive Loss and did not require recognition of a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The Company elected to continue applying the guidance under ASC 840 for comparative periods, as allowed in Topic 842.

Recently Issued Accounting Pronouncements Not Yet Adopted

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 was effective for fiscal years beginning after December 15, 2019 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 expects 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 Condensed Consolidated Balance Sheets. 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 condensed 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) that 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.

The following table presents information about the Company's financial assets measured at fair value on a recurring basis and indicates the level of the fair value hierarchy utilized to determine such fair values as of June 30, 2022 (in thousands):

	June 30, 2022			
	Level 1	Level 2	Level 3	Aggregate fair value
Assets:				
U.S. government treasury securities	4,499	—	—	4,499
Fixed income securities	—	20,861	—	20,861
Asset backed securities	—	15,649	—	15,649
Total assets	$ 4,499	$ 36,510	$ —	$ 41,009

The following table presents information about the Company's financial assets and liabilities measured at fair value on a recurring basis and indicates the level of the fair value hierarchy utilized to determine such fair values as of December 31, 2021 (in thousands):

	December 31, 2021			
	Level 1	Level 2	Level 3	Aggregate Fair Value
Assets:				
Money market funds	$ 3,180	$ —	$ —	$ 3,180
Fixed income securities	—	54,224	—	54,224
Asset backed securities	—	28,351	—	28,351
Total assets	$ 3,180	$ 82,575	$ —	$ 85,755

The contractual maturities of available-for-sale securities as of June 30, 2022 are as follows (in thousands):

Within one year	$ 20,707
Within one to five years	15,803
Total contractual maturities	$ 36,510

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 and U.S. government treasury securities 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.

There were no transfers into or out of Level 3 securities during the six months ended June 30, 2022.

4. Balance Sheet Components

Property and Equipment, net

Property and equipment, net consists of the following**:**

	June 30, 2022	December 31, 2021
Laboratory equipment	$ 744	$ 837
Furniture and fixtures	297	307
Construction in process	—	104
Total property and equipment	1,041	1,248
Less: accumulated depreciation	(1,041)	(541)
Total property and equipment, net	$ —	$ 707

Depreciation expense for property and equipment was $224,000 and $50,000 for the three months ended June 30, 2022 and 2021, respectively, and $577,000 and $93,000 for the six months ended June 30, 2022 and 2021, respectively.

Accrued Liabilities

Accrued liabilities consist of the following:

	June 30, 2022	December 31, 2021
Accrued research and development	$ 729	$ 1,575
Accrued general and administrative	353	996
Accrued payroll and employee benefits	717	1,132
Total accrued liabilities	$ 1,799	$ 3,703

5. Stockholders' Equity

Convertible Preferred Stock

In connection with the completion of the Company's IPO in February 2021, all outstanding shares of the Company's convertible preferred stock automatically converted into 20,549,478 shares of common stock.

Stock-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. The number of shares of common stock reserved for issuance under the 2019 Plan automatically increases on January 1 of each calendar year, starting on January 1, 2020 and continuing through January 1, 2029, in an amount equal to the least of (i) 5% of the total number of shares of the Company's capital stock issued and outstanding on the last day of the calendar month before the date of each automatic increase; (ii) 1,000,000 shares; or (iii) a lesser number of shares determined by the Company's board of directors. Subject to this provision, the Company added 1,824,900 shares available for grant to the 2019 Plan effective January 1, 2022. As of June 30, 2022, there were approximately 6,575,706 shares available for future grants.

2021 Employee Stock Purchase Plan

In January 2021, the Board adopted the 2021 Employee Stock Purchase Plan (the "2021 ESPP"). The purpose of the 2021 ESPP is to secure the services of new employees, to retain the services of existing employees and to provide incentives for such individuals to exert maximum efforts toward the Company's success. The ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code for U.S. employees. The number of shares of common stock reserved for issuance under the 2021 ESPP automatically increases on January 1 of each calendar year, starting on January 1, 2022 and continuing through January 1, 2031, in an amount equal to the lesser of (i) 1% of the total number of shares of the Company's capital stock issued and outstanding on the last day of the calendar month before the date of each automatic increase; or (ii) a lesser number of shares determined by the Board. Subject to this provision, the Company added 402,548 shares available for grant to the 2021 ESPP effective January 1, 2022. As of June 30, 2022, there were approximately 791,251 shares available for future grants under the 2021 ESPP. As of June 30, 2022, no shares of common stock had been purchased under the 2021 ESPP.

2022 Inducement Plan

In March 2022, the Board adopted the 2022 Inducement Plan. The 2022 Inducement Plan is a non-stockholder approved stock plan under which the Company may grant equity awards to induce highly-qualified prospective officers and employees who are not currently employed by the Company to accept employment and provide them with a proprietary interest in the Company. The Company intends that the 2022 Inducement Plan be reserved for persons to whom the Company may issue securities without stockholder approval as an inducement pursuant to Nasdaq Marketplace Rule 5635(c)(4). The number of shares of common stock reserved for issuance under the 2022 Inducement Plan was initially determined to be 1,000,000 shares. As of June 30, 2022, there were 1,000,000 shares available for future grants under the 2022 Inducement Plan.

Stock Option Awards

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

The weighted average fair value per share of options to purchase common stock granted was $0.91 and $7.33 for the six months ended June 30, 2022 and 2021, respectively.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Research and development	$ 120	$ 211	$ 550	$ 989
General and administrative	514	101	1,025	346
Total stock-based compensation expense	$ 634	$ 312	$ 1,575	$ 1,335

At June 30, 2022, the total compensation cost related to unvested stock-based awards granted under the 2019 Plan but not yet recognized was approximately $2.1 million, which is expected to be recognized over a weighted-average period of approximately 3.6 years.

6. 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 Company enters 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 the Company believes that its non-cancelable obligations under these agreements are not material.

Leases

The Company adopted ASC 842 on January 1, 2022 and accordingly, recognized operating lease right-of-use ("ROU") assets and operating lease liabilities based on the present value of the future minimum lease payments over the lease terms at the adoption date, using the Company's assumed incremental borrowing rate of 8%. The Company amortized the operating lease ROU assets and operating lease liabilities over the applicable lease term.

The Company leased office space for its corporate headquarters located in Blacksburg, Virginia, under a non-cancelable operating lease, which expired in May 2022. In August 2021, the Company entered into a three-year lease for an additional facility in Blacksburg, Virginia that was terminated in March 2022.

In connection with the termination of the lease in March 2022, the Company made a one-time cash payment of $0.2 million and included assets with a net book value of $0.1 million, resulting in a loss on the termination of the lease of $0.3 million, which is included in general and administrative costs in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Loss. In addition, upon termination of the lease in March 2022, operating lease ROU assets and operating lease liabilities were reduced by approximately $0.7 million.

Rent expense was $27,000 and $57,000 for the three months ended June 30, 2022 and 2021, respectively, and $95,000 and $113,000 for the six months ended June 30, 2022 and 2021, respectively.

7. License Agreement

License and Collaboration Agreement

On May 14, 2021, the Company entered into an exclusive license and collaboration agreement (the "LianBio Agreement") with LianBio Respiratory Limited ("LianBio"). LianBio is a related party to the Company as a result of an affiliation of a member of the Company's board of directors at the time the LianBio Agreement was executed. Pursuant to the LianBio Agreement, the Company delivered to LianBio an exclusive license and the know-how (the "License") to develop, manufacture and commercialize omilancor and NX-13 (the "Products") 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"). LianBio will bear (i) all costs and expenses for any development or commercialization of the Products in the Territory and (ii) all costs and fees associated with applying for regulatory approval of the Products in the Territory. The Company received a non-refundable payment of $18.0 million upon execution of the LianBio 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 Products in the Territory.

In accordance with the LianBio Agreement, the Company agreed to supply to LianBio all clinical and commercial requirements of Products. The terms of the agreement do not provide for either (i) an option to LianBio to purchase Products from the Company at a discount from the standalone selling price or (ii) minimum purchase quantities. In addition, the Company and LianBio formed a Joint Steering Committee ("JSC") to provide oversight to the activities performed under the LianBio 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.

The Company concluded that LianBio 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. Given that LianBio is not obligated to purchase any minimum amount or quantities of Products, the supply of Products for clinical and commercial purposes was determined to be an option for LianBio, 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 LianBio's option to purchase Products does not create a material right as the expected pricing is not at a discount. At contract inception and through June 30, 2022, the Company determined that the contract contains a single performance obligation to deliver the License, which represents functional intellectually property given the functionality of the License is not expected to change substantially as a result of the Company's ongoing activities.

The Company determined that the upfront fixed payment of $18.0 million is the initial transaction price. The potential development milestone payments that the Company is eligible to receive upon the successful achievement of certain regulatory approvals or activities were excluded from the transaction price, as the milestone amounts were fully constrained based on the probability of achievement. The royalties and sales milestone payments are 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 LianBio and concluded that a significant financing component does not exist. As of June 30, 2021, the Company had completed the transfer of the License and know-how necessary and, as such, recognized the full $18.0 million 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 condensed 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, 2021 and 2020 and for each of the two years in the period ended December 31, 2021 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 24, 2022. 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.

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. You should refer to "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021 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.

Company Overview

We are a clinical-stage biopharmaceutical company focused on the discovery and development of oral therapeutics for patients with autoimmune diseases. We believe we were the first to identify and target LANCL2, NLRX1 and PLXDC2, which are immunometabolic pathways or targets. We believe that these novel pathways are 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 have identified seven novel immunometabolic pathways or targets based on predictions of immunometabolic function using a proprietary advanced artificial intelligence-based integrated computational and experimental precision medicine platform. Our near-term focus is on our clinical-stage programs including omilancor for the treatment of ulcerative colitis, or UC, NX-13 for the treatment of UC, and LABP-104 for the potential treatment of systemic lupus erythematosus, or SLE, and rheumatoid arthritis, or RA. We believe the therapeutics we discover and develop, if approved, could have a significant positive impact on the quality of life of patients suffering from autoimmune diseases.

Our lead product candidate, omilancor, is a gut-restricted oral therapeutic that is the first product candidate designed to engage the novel target lanthionine synthetase C-like protein 2, or LANCL2, a membrane receptor that has been shown to modulate immunological mechanisms that are associated with autoimmune diseases such as UC. We are developing omilancor as a once-daily oral treatment initially for UC. We are working on a reformulation of omilancor, including dose selection and assessment, and expect to announce both the timing and the next steps in the development of omilancor later this year.

NX-13 is a novel, gut-restricted oral therapeutic that targets NOD-like receptor X1, or NLRX1, a mitochondria-associated receptor that has been associated with the modulation of inflammatory cytokines for UC. NX-13 is designed to target NLRX1 and induce anti-inflammatory effects in CD4+ T cells and other immune cells in the gastrointestinal tract. We are developing NX-13 as a once-daily oral treatment for UC. In August 2022, we announced positive top-line results for the Phase 1b trial of NX-13 in moderate UC patients. The data from this trial showed that NX-13 was well tolerated following evaluation of multiple doses over four weeks compared with a placebo. While the study was shorter in duration than standard induction trials and not powered for efficacy, there was an indication of signals of clinical improvement as soon as two weeks in patients' symptoms and four weeks by endoscopy in exploratory endpoints. We expect to announce the timing for the initiation of a Phase 2 trial of NX-13 in moderate-to-severe UC patients later this year.

LABP-104 is a novel, systemically bioavailable, oral therapeutic that targets LANCL2. We are developing LABP-104 as a once-daily oral treatment for SLE and/or RA. The pathogenesis of SLE is connected to defective apoptosis leading to stimulation of B cells by dendritic cells and CD4+ T cells to produce auto-antibodies. These antibodies activate the complement system and deposit in organs, leading to inflammation and tissue damage. We believe the activation of LANCL2 can intercept these events upstream through skewing of CD4+ T cells to regulatory phenotypes and maintenance of the metabolic requirements for autophagy. We conducted a Phase 1a trial of LABP-104 in healthy volunteers and expect topline results to be reported later this year. We expect to announce both the timing and the next steps for the development of LABP-104 also later this year.

In May 2021, we entered into an exclusive collaboration and license agreement, or the LianBio Agreement, with LianBio Respiratory Limited, or LianBio, pursuant to which we granted LianBio an exclusive license to develop, manufacture and commercialize OMILANCOR and NX-13 in Greater China (mainland China, Hong Kong, Taiwan and Macau), South Korea, Singapore, Thailand, Vietnam, Myanmar, Cambodia, Indonesia, and the Philippines, or the Territory. We received an upfront cash payment of $18.0 million in connection with the execution of the LianBio Agreement and are eligible to receive development milestone payments of up to $95.0 million and sales milestone payments of up to $105.0 million. We are also eligible to receive tiered low-double-digit royalties based on net sales of omilancor and NX-13 in the Territory, subject to reductions in specified circumstances.

We have a limited operating history. Since inception, our operations have focused on developing our clinical and preclinical product candidates, organizing and staffing our company, business planning, raising capital, establishing our intellectual property portfolio and conducting clinical trials and preclinical studies. 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 our inception in 2017, we have funded operations through the issuance of convertible preferred stock and convertible promissory notes, through proceeds from our initial public offering, or IPO, and through the upfront payment from a license and collaboration agreement with a related party. As of June 30, 2022, we had an accumulated deficit of $120.3 million and we expect to incur substantial operating losses for at least the next several years. As a result, we will need to raise additional capital 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, and to adequately prepare for commercialization of our product candidates that may achieve regulatory approval in the future. As of June 30, 2022, we had cash, cash equivalents and marketable securities of $55.8 million, which we believe will be sufficient to fund our planned operations for at least the next 12 months. Upon completion of our portfolio prioritization review later this year, we will provide further details into our operating plans and capital resources. We anticipate that our expenses may increase significantly in connection with our ongoing activities, as we:

- conduct our ongoing and planned clinical trials of omilancor, NX-13, and LABP-104, as well as initiate and complete additional clinical trials;
- pursue regulatory approval of our product candidates;
- seek to discover and develop additional clinical and preclinical product candidates;
- scale up our clinical and regulatory capabilities;
- establish a commercialization infrastructure and scale up external manufacturing and distribution capabilities to commercialize any product candidates for which we may obtain regulatory approval;
- adapt our regulatory compliance efforts to incorporate requirements applicable to marketed products;
- maintain, expand and protect our intellectual property portfolio;
- hire additional clinical, manufacturing and scientific personnel;
- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts; and
- incur additional legal, accounting and other expenses in operating as a public company.

Components of our Results of Operations

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 contract research organizations, or CROs, and other third parties that conduct research, preclinical activities and clinical trials on our behalf, as well as contract manufacturing organizations, or 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 supplies; 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 certain other 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 higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. While we expect our research and development expenses to remain relatively consistent in the near-term as we complete our ongoing clinical trials, and as a result of our strategic review of our clinical programs, we expect that our research and development expenses will increase in the long-term and will comprise a larger percentage of our total expenses as we initiate new clinical trials, hire additional research and development staff, continue to discover and develop additional product candidates and prepare regulatory filings for any product candidates that successfully complete clinical trials.

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 potential 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;
- our ability to secure adequate supply of our product candidates for our trials;
- 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, and 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 U.S. Food and Drug Administration, 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 remain relatively consistent for the foreseeable future; however, in the long term we expect that they will increase 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. Our expenditures are subject to 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.

Other Income, net

Other income, net, primarily consists of interest income received from available-for-sale marketable securities.

Results of Operations

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

The following table summarizes our results of operations for the three and six months ended June 30, 2022 and 2021 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue:	$ —	$ 18,000	$ —	$ 18,000
Operating expenses				
Research and development	$ 6,604	$ 11,522	17,404	18,776
General and administrative	4,662	2,596	8,815	5,241
Total operating expenses	11,266	14,118	26,219	24,017
(Loss) income from operations	(11,266)	3,882	(26,219)	(6,017)
Other income:				
Gain (loss) from foreign exchange	25	(5)	26	13
Other (expense) income, net	(43)	220	45	283
Other (expense) income, net	(18)	215	71	296
Net (loss) income	$ (11,284)	$ 4,097	$ (26,148)	$ (5,721)

Research and Development Expenses

Research and development expenses were $6.6 million for the three months ended June 30, 2022 compared to $11.5 million for the three months ended June 30, 2021. The decrease of $4.9 million was primarily attributed to a decrease in CRO and clinical data management costs due to the strategic review of our clinical programs that resulted in the termination of further enrollment in two clinical trials of omilancor for the treatment of Crohn's Disease (CD). This was partially offset by an increase in consulting and temporary labor costs for the three months ended June 30, 2022. Research and development expenses were $17.4 million for the six months ended June 30, 2022 compared to $18.8 million for the six months ended June 30, 2021. The decrease of $1.4 million was primarily attributed to a decrease in manufacturing costs and a decrease in clinical activities related to our omilancor program due to the termination of further enrollment in two clinical trials of omilancor for the treatment of CD, partially offset by an increase in clinical activities related to our NX-13 and LABP-104 programs.

The following table summarizes our research and development expenses by product candidate for the three and six months ended June 30, 2022 and 2021 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
External costs by clinical program:				
Omilancor	$ 997	$ 7,199	$ 6,248	$ 10,564
NX-13	2,466	2,356	4,347	3,424
LABP-104	517	282	1,290	867
Total external costs by clinical program:	3,980	9,837	11,885	14,855
Compensation	1,001	1,050	2,537	2,683
Other	1,623	635	2,982	1,238
Total research and development expenses	$ 6,604	$ 11,522	$ 17,404	$ 18,776

General and Administrative Expenses

General and administrative expenses were $4.7 million for the three months ended June 30, 2022 compared to $2.6 million for the three months ended June 30, 2021. The increase of $2.1 million was primarily attributable to increases in employee-related expenses, including stock-based compensation, as well as an increase in recruiting and legal fees. General and administrative expenses were $8.8 million for the six months ended June 30, 2022 compared to $5.2 million for the six months ended June 30, 2021. The increase of $3.6 million was primarily attributable to increases in legal costs, employee-related expenses, including stock-based compensation, recruiting fees, and a one-time charge incurred in connection with a lease termination.

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. 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 the issuance of convertible preferred stock and convertible promissory notes, proceeds from our IPO, and the upfront payment from the LianBio Agreement. 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. As of June 30, 2022, we had $55.8 million in cash, cash equivalents and marketable securities and an accumulated deficit of $120.3 million.

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,	
	2022	2021
Net cash used in operating activities	$ (34,499)	$ (3,160)
Net cash provided (used in) by investing activities	45,377	(71,333)
Net cash provided by financing activities	—	90,764
Net increase in cash and cash equivalents	$ 10,878	$ 16,271

Operating Activities

During the six months ended June 30, 2022, we used cash in operating activities of $34.5 million, reflecting a net loss of $26.1 million, partially offset by non-cash charges of $2.8 million and a net change of $11.2 million in our operating assets and liabilities. The non-cash charges consist primarily of $1.6 million of stock-based compensation expense, $0.6 million of depreciation expense and $0.5 million related to the amortization of the premium on investments. The net change in our operating assets and liabilities was primarily due to a decrease in accounts payable and other liabilities and an increase in prepaid expenses and other current assets.

During the six months ended June 30, 2021, we used cash in operating activities of $3.2 million, reflecting a net loss of $5.7 million, partially offset by non-cash charges of $2.1 million and a net change of $0.5 million in our operating assets and liabilities. The non-cash charges consist primarily of $1.3 million of stock-based compensation expense and $0.4 million related to accrued interest on investments. The net change in our operating assets and liabilities was primarily due to a decreases in accounts payable and accrued liabilities and an increase in prepaid expenses and other current assets.

Investing Activities

Net cash provided by investing activities for the six months ended June 30, 2022 was $45.4 million, consisting of proceeds from sales and maturities of marketable securities, partially offset by purchases of available-for-sale marketable securities. Net cash used in investing activities for the six months ended June 30, 2021 was $71.3 million, consisting primarily of purchases of marketable securities and property and equipment, partially offset by proceeds from sales and maturities of 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 net proceeds received from our IPO.

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. Further, we do not know when, or if, we will generate any revenue under the LianBio Agreement as future payments are conditioned upon the achievement of development and commercialization milestones that are uncertain as of this date. Although we expect our expenses to remain relatively consistent in the near-term, we expect our expenses to increase in the long-term in connection with our ongoing activities, particularly as we continue the research and development of, initiate additional 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. 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 our existing cash, cash equivalents and marketable securities will enable us to fund our planned operations for at least the next 12 months. Upon completion of our portfolio prioritization review later this year, we will provide further details into our operating plans and capital resources. 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, NX-13 and LABP-104;
- the incremental clinical and manufacturing costs that we may incur in relation to the timing and next steps for omilancor, NX-13 and LABP-104 that we plan to announce later this year;
- the costs related to facilities and operations;
- the costs and results of discovery work;
- 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 as 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 if 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, marketing and distribution arrangements or other sources. 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, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of existing stockholders. 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.

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 condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of our condensed 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 condensed 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.

Our significant accounting policies are described in Note 1 to the condensed consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. The accounting policies and estimates that are most critical to a full understanding and evaluation of our reported financial results are described in Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. There were no material changes to our critical accounting policies during the six months ended June 30, 2022.

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 (our principal executive officer and principal financial 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, 2022, 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, 2022 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 1. Legal Proceedings

In the ordinary course of business, we may be involved in various legal or regulatory proceedings. We are not currently subject to any material legal or regulatory proceedings.

Item 1A. Risk Factors

An investment in our common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described under Item 1A of Part I of our Annual Report on Form 10-K, together with all other information contained or incorporated by reference in this report before you decide to invest in our common stock. If any of the Risk Factors were to actually occur, our business, financial condition, results of operations and our potential future growth prospects could be materially and adversely affected. Under the circumstances, the trading price of our common stock could decline, and you may lose all or part of your investment.

If we fail to comply or regain compliance with the continued listing standards of the Nasdaq Global Market, we may be delisted and the price of our common stock, our ability to access the capital markets and our financial condition could be negatively impacted.

Our common stock is currently listed on Nasdaq under the symbol "LABP." To maintain the listing of our common stock on the Nasdaq Global Market, we are required to meet certain listing requirements, including, among others, maintaining a minimum closing bid price of $1.00 per share. In June 2022, the decline in the market price of our common stock resulted in a notice that we are not in compliance with the minimum bid price requirement for continued listing on the Nasdaq Global Market. If we are not able to regain compliance within the compliance period offered by Nasdaq, we could be delisted, which would have a further material adverse effect on market prices of our common stock and stockholder liquidity. We intend to actively monitor the bid price of our common stock and will consider available options to regain compliance with the listing requirement; however, there can be no assurance that we will be able to regain compliance with the listing requirement or will otherwise be in compliance with other Nasdaq listing criteria. If the Nasdaq Global Market delists our securities from trading on its exchange for failure to meet the listing standards, we and our stockholders could face significant negative consequences including:

- limited availability of market quotations for our securities;
- a determination that the common stock is a "penny stock" which will require brokers trading in the common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for shares of common stock;
- a limited amount of analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

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

Unregistered Sales of Equity Securities

None.

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.

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
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*+	Separation and Release of Claims Agreement by and between the Company and Jyoti Chauhan, dated May 4, 2022.
10.2*+	Employment Agreement by and between the Company and Gregory Oakes, effective as of June 20, 2022.
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.

\# 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.

\+ Indicates management contract or compensatory plan.

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: August 11, 2022

By: /s/ Gregory Oakes

Gregory Oakes
President and Chief Executive Officer
(Principal Executive and Financial Officer)

Exhibit 10.1

Revised May 4, 2022
Jyoti Chauhan
42562 Magellan Square
Brambleton, VA 20148
Re: Separation Agreement

Dear Jyoti:

This letter revises the letter sent to you on February 28, 2022, as initially revised on April 25, 2022, and sets forth the substance of the Separation Agreement (the "***Agreement***") which Landos Biopharma, Inc. (the "***Company***") is offering to you.

1. Separation. Your last day of work with the Company and your employment separation date will be May 6, 2022 (the "***Separation Date***").

2. Accrued Salary and PTO. On the next regular payroll date following the Separation Date, the Company will pay you all accrued salary, subject to standard payroll deductions and withholdings. You will receive these payments regardless of whether or not you sign this Agreement. Pursuant to Company policy, PTO is not paid at separation.

3. Severance Benefits. Although the Company has no policy or practice requiring the payment of severance benefits, if you execute and return this Agreement within the timeframe provided herein, but no earlier than the Separation Date, and fully comply with your obligations hereunder, the Company will provide you with the following severance benefits (the "***Severance Benefits***"):

a. Severance Pay. The Company will pay you, as severance, an amount equal to your base salary for the months of May (minus 6 days paid as wages), June, July, August, September and October 2022, less standard payroll deductions and withholdings. The severance will be paid in installments in the form of continuation of your base salary payments. The first installment will be a partial payment equivalent to your base salary for May 7th through 15th and will be paid on May 15, 2022, provided you execute and return this Agreement to the Company within the timeframe set forth herein. The remaining installments will be paid on the Company's ordinary semi-monthly payroll dates.

b. Accelerated Vesting. As an additional severance benefit, the Company will provide accelerated vesting through June 30, 2002 of the unvested shares subject to February 3, 2021 grant as set forth in Section 5 of this Agreement.

4. Compliance with Section 409A. The severance payments described in this Agreement are offered to you by the Company are payable in reliance on Treasury Regulation Section 1.409A-1(b)(9) and the short-term deferral exemption in Treasury Regulation Section 1.409A-1(b)(4). For purposes of Code Section 409A, your right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. All payments and benefits under this Agreement are subject to applicable withholdings and deductions.

5. Stock Options. On October 20, 2020, you were granted an option to purchase 364,980 shares of the Company's common stock, and on February 3, 2021, you were granted an option to purchase 250,604 shares of the Company's common stock, in each case pursuant to the Company's 2019 Equity Incentive Plan, as amended (the "***Plan***"). You have exercised your option to purchase 209,299 of the shares granted pursuant to the October 20, 2020 grant, and you have 155,681 shares that remain outstanding. All 250,604 shares granted pursuant to the February 3, 2021 grant remain outstanding. Under the terms of the Plan and your stock option grants, vesting will cease as of the Separation Date, provided however, that if you execute this Agreement, the Company will vest as of the Separation Date those shares that would have vested between the Separation Date and June 30, 2022. Your rights to exercise your option to purchase any vested shares will be as set forth in the Plan. In addition, if you execute this Agreement, the Company will provide you with copies of the grant documents you signed for shares pursuant to the Plan.

6. Benefit Plans. If you are currently participating in the Company's group health insurance plans, your participation as an employee will end on the last day of the month in which the Separation Date occurs. Thereafter, to the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company's current group health insurance policies, you will be eligible to continue your group health insurance benefits at your own expense. Later, you may be able to convert to an individual policy through the provider of the Company's health insurance if you wish.

Your participation in Employer-Sponsored Group Life Insurance will cease on the last day of the month in which the Separation Date occurs. Your participation in Long Term Disability Insurance will cease as of the Separation Date; however, you may elect to convert your Life and Long-Term Disability Insurance by contacting Candi Woodruff.

Deductions for the 401(k) Plan will end with your last regular paycheck. You will receive information by mail concerning 401(k) plan rollover procedures should you be a participant in this program.

As your current health insurance policy with Landos Biopharma is HSA eligible, you have the right to the funds contributed to your HSA account. The funds are held with HealthEquity and you are encouraged to speak with HealthEquity directly to make decisions with those funds. In order to continue contributing to your Health Savings Account in the future, you must maintain a HDHP

health insurance plan. No other contributions will be made into your HSA from Landos Biopharma as of the date of this agreement and no funds will be withheld from your pay for contributions on your behalf.

7. Other Compensation or Benefits. You acknowledge that, except as expressly provided in this Agreement, you will not receive any additional compensation, severance or benefits after the Separation Date.

8. Expense Reimbursements. You agree that, within ten (10) days of the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for reasonable business expenses pursuant to its regular business practice.

9. Return of Company Property. By the Separation Date, you agree to return to the Company all Company documents (and all copies thereof) and other Company property that you have had in your possession at any time, including, but not limited to, Company files, notes, drawings, records, business plans and forecasts, financial information, specifications, computer- recorded information, account information (including the identity and location of all financial and other accounts of the Company, account numbers, usernames, passwords, and any additional information needed to obtain access to the Company's accounts, systems, or other information), tangible property (including, but not limited to, computers, credit cards, entry cards, identification badges and keys; and, any materials of any kind that contain or embody any proprietary or confidential information of the Company (and all reproductions thereof)). Please coordinate return of Company property with Kyle Evans. **Receipt of any of the Severance Benefits is expressly conditioned upon return of all Company property.**

10. Confidential Information and Post-Separation Obligations. Both during and after your employment you will refrain from any unauthorized use or disclosure of the Company's Confidential Information (as defined below). You understand and acknowledge that you are employed by the Company in a relationship of confidence and trust with respect to the Company's Confidential Information. You agree that you will hold in confidence and will not disclose, use, lecture upon or publish any Confidential Information, except as such disclosure, use or publication may be required by law or in connection with your work for Company, or unless an officer of Company expressly authorizes such disclosure in writing. You recognize that all Confidential Information is the sole and exclusive property of the Company and its assigns. You agree to take all reasonable precautions to prevent the inadvertent or accidental disclosure of Confidential Information. Notwithstanding the foregoing, pursuant to 18 U.S.C. Section 1833(b), you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (1) is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. "***Confidential Information***" shall mean any

and all confidential knowledge, data or information of Company, including, without limitation: (a) trade secrets, inventions, mask works, ideas, processes, formulas, software in source or object code versions, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques and any other proprietary technology and all Intellectual Property Rights therein; (b) information regarding research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, margins, discounts, credit terms, pricing and billing policies, quoting procedures, methods of obtaining business, forecasts, future plans and potential strategies, financial projections and business strategies, operational plans, financing and capital-raising plans, activities and agreements, internal services and operational manuals, methods of conducting Company business, suppliers and supplier information, and purchasing; (c) information regarding any of Company's business partners and their services, the type and quantity of products and services received by Company, and other non-public information relating to business partners; (d) information regarding personnel, employee lists, compensation, and employee skills; and (e) any other non- public information which a competitor of Company could use to the competitive disadvantage of Company. Notwithstanding the foregoing, you are free to use information which was known to you prior to employment with Company or which is generally known in the trade or industry through no breach of this Agreement or other act or omission by you. The Company has received and will continue to receive from third parties their confidential and/or proprietary knowledge, data or information ("***Third Party Information***") subject to a duty on Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. You agree to hold Third Party Information in confidence and will not disclose to anyone (other than Company personnel who need to know such information in connection with their work for the Company) or use, except in connection with my work for Company, Third Party Information unless expressly authorized by an officer of Company in writing. If at any time you have any questions about the nature and scope of your post-separation obligations, please contact Candi Woodruff, Human Resource Manager.

11. Confidentiality. From the date that you receive this Agreement and continuing thereafter, the provisions of this Agreement will be held in strictest confidence by you and the Company and will not be publicized or disclosed in any manner whatsoever; provided, however, that: (a) you may disclose this Agreement to your immediate family; (b) the parties may disclose this Agreement in confidence to their respective attorneys, accountants, auditors, tax preparers, and financial advisors; (c) the Company may disclose this Agreement as necessary to fulfill standard or legally required corporate reporting or disclosure requirements; and (d) the parties may disclose this Agreement insofar as such disclosure may be necessary to enforce its terms or as otherwise required by law. In particular, and without limitation, you agree not to disclose the terms of this Agreement to any current or former Company employee. Notwithstanding the foregoing, nothing in this Agreement shall limit your right to voluntarily communicate with the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the Securities and Exchange Commission, other federal government agency or

similar state or local agency or to discuss the terms and conditions of your employment with others to the extent expressly permitted by Section 7 of the National Labor Relations Act.

12. Non-Disparagement. Both you and the Company agree not to disparage the other party, and the other party's officers, directors, employees, shareholders and agents, in any manner likely to be harmful to them or their business, business reputation or personal reputation; provided that both you and the Company will respond accurately and fully to any question, inquiry or request for information when required by legal process. The Company's obligations under this Section are limited to Company representatives with knowledge of this provision. Notwithstanding the foregoing, nothing in this Agreement shall limit your right to voluntarily communicate with the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the Securities and Exchange Commission, other federal government agency or similar state or local agency or to discuss the terms and conditions of your employment with others to the extent expressly permitted by Section 7 of the National Labor Relations Act. The Company agrees that if a request for employment verification is directed to Candi Woodruff, she will confirm dates of employment and position held and provide no further information.

13. Cooperation by You and the Company after Separation Date. During the time that you are receiving payments under this Agreement, you agree to cooperate fully with the Company in all matters relating to the transition of your work and responsibilities on behalf of the Company, including, but not limited to, any present, prior or subsequent relationships and the orderly transfer of any such work and institutional knowledge to such other persons as may be designated by the Company, by making yourself reasonably available for consultation during regular business hours. The Company agrees that if you execute this Agreement, the Company will provide you with any copies of the H-1B paperwork for your employment at the Company that it has in its files, and, to the extent that United States Citizenship and Immigration Services (USCIS) contacts the Company for information regarding your immigration application, the Company agrees to reasonably respond to those inquiries. If you send a letter to the Board of Directors of the Company, you will receive a response. You agree to keep that response confidential under the same terms as described in Section 14 of this Agreement.

14. Release. In exchange for the payments and other consideration under this Agreement, to which you would not otherwise be entitled, and except as otherwise set forth in this Agreement, you, on behalf of yourself and, to the extent permitted by law, on behalf of your spouse, heirs, executors, administrators, assigns, insurers, attorneys and other persons or entities, acting or purporting to act on your behalf (collectively, the "***Employee Parties***"), hereby generally and completely release, acquit and forever discharge the Company, its parents and subsidiaries, and its and their officers, directors, managers, partners, agents, representatives, employees, attorneys, shareholders, predecessors, successors, assigns, insurers and affiliates (the "***Company Parties***") of and from any and all claims, liabilities, demands, contentions, actions, causes of action, suits, costs, expenses, attorneys' fees, damages, indemnities, debts, judgments, levies, executions and obligations of every kind and nature, in law, equity, or otherwise, both known and unknown, suspected and unsuspected, disclosed and undisclosed, arising out of or in any way

related to agreements, events, acts or conduct at any time prior to and including the execution date of this Agreement, including but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with your employment with the Company or the termination of that employment; claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; claims pursuant to any federal, state or local law, statute, or cause of action; tort law; or contract law (individually a "***Claim***" and collectively "***Claims***"). The Claims you are releasing and waiving in this Agreement include, but are not limited to, any and all Claims that any of the Company Parties:

- has violated its personnel policies, handbooks, contracts of employment, or covenants of good faith and fair dealing;

- has discriminated against you on the basis of age, race, color, sex (including sexual harassment), national origin, ancestry, disability, religion, sexual orientation, marital status, parental status, source of income, entitlement to benefits, any union activities or other protected category in violation of any local, state or federal law, constitution, ordinance, or regulation, including but not limited to: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; 42 U.S.C.
§ 1981, as amended; the Equal Pay Act; the Americans With Disabilities Act; the Genetic Information Nondiscrimination Act; the Family and Medical Leave Act; the Virginians with Disabilities Act; the Virginia Human Rights Act; the Employee Retirement Income Security Act; the Employee Polygraph Protection Act; the Worker Adjustment and Retraining Notification Act; the Older Workers Benefit Protection Act; the anti-retaliation provisions of the Sarbanes-Oxley Act, or any other federal or state law regarding whistleblower retaliation; the Lilly Ledbetter Fair Pay Act; the Uniformed Services Employment and Reemployment Rights Act; the Fair Credit Reporting Act; and the National Labor Relations Act; and

- has violated any statute, public policy, or common law (including, but not limited to, Claims for retaliatory discharge; negligent hiring, retention or supervision; defamation; intentional or negligent infliction of emotional distress and/or mental anguish; intentional interference with contract; negligence; detrimental reliance; loss of consortium to you or any member of your family and/or promissory estoppel).

Notwithstanding the foregoing, other than events expressly contemplated by this Agreement you do not waive or release rights or Claims that may arise from events that occur after the date this Agreement is executed. Also excluded from this Agreement are any Claims which cannot be waived by law, including, without limitation, any rights you may have under applicable workers' compensation laws. Nothing in this Agreement shall prevent you from filing, cooperating with, or participating in any proceeding or investigation before the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the

Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal government agency, or similar state or local agency ("***Government Agencies***"), or exercising any rights pursuant to Section 7 of the National Labor Relations Act. You further understand this Agreement does not limit your ability to voluntarily communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Agreement does not limit your right to receive an award for information provided to the Securities and Exchange Commission, you understand and agree that you are otherwise waiving, to the fullest extent permitted by law, any and all rights you may have to individual relief based on any Claims that you have released and any rights you have waived by signing this Agreement. If any Claim is not subject to release, to the extent permitted by law, you waive any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a Claim in which any of the Company Parties is a party. This Agreement does not abrogate your existing rights under any Company benefit plan or any plan or agreement related to equity ownership in the Company; however, it does waive, release and forever discharge Claims existing as of the date you execute this Agreement pursuant to any such plan or agreement.

15. Your Acknowledgments and Affirmations. You acknowledge and agree that (i) the consideration given to you in exchange for the waiver and release in this Agreement is in addition to anything of value to which you were already entitled, and (ii) that you have been paid for all time worked, have received all the leave, leaves of absence and leave benefits and protections for which you are eligible, and have not suffered any on-the-job injury for which you have not already filed a Claim. You affirm that all of the decisions of the Company Parties regarding your pay and benefits through the date of your execution of this Agreement were not discriminatory based on age, disability, race, color, sex, religion, national origin, or any other classification protected by law. You affirm that you have not filed or caused to be filed, and are not presently a party to, a Claim against any of the Company Parties. You further affirm that you have no known workplace injuries or occupational diseases. You acknowledge and affirm that you have not been retaliated against for reporting any allegation of corporate fraud or other wrongdoing by any of the Company Parties, or for exercising any rights protected by law, including any rights protected by the Fair Labor Standards Act, the Family Medical Leave Act or any related statute or local leave or disability accommodation laws, or any applicable state workers' compensation law.

16. No Admission. This Agreement does not constitute an admission by the Company of any wrongful action or violation of any federal, state, or local statute, or common law rights, including those relating to the provisions of any law or statute concerning employment actions, or of any other possible or claimed violation of law or rights.

17. Breach. You agree that upon any breach of this Agreement you will forfeit all amounts paid or owing to you under this Agreement. Further, you acknowledge that it may be

impossible to assess the damages caused by your violation of the terms of Sections 9, 10, 11 or 12 of this Agreement and further agree that any threatened or actual violation or breach of those Sections of this Agreement will constitute immediate and irreparable injury to the Company. You therefore agree that any such breach of this Agreement is a material breach of this Agreement, and, in addition to any and all other damages and remedies available to the Company upon your breach of this Agreement, the Company shall be entitled to an injunction to prevent you from violating or breaching this Agreement. You agree that if the Company is successful in whole or part in any legal or equitable action against you under this Agreement, you agree to pay all of the costs, including reasonable attorneys' fees, incurred by the Company in enforcing the terms of this Agreement.

18. Miscellaneous. This Agreement constitutes the complete, final and exclusive embodiment of the entire agreement between you and the Company with regard to this subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question will be modified by the court so as to be rendered enforceable. This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the Commonwealth of Virginia as applied to contracts made and to be performed entirely within Virginia.

If this Agreement is acceptable to you, please sign and date below on or before May 9, 2022, but not earlier than the Separation Date, and send me the fully signed Agreement. The Company's severance offer contained herein will automatically expire if you do not sign and return the fully signed Agreement within this timeframe.

I thank you for your efforts to date on behalf of the Company. I also wish you good luck in your future endeavors.

Sincerely,

LANDOS BIOPHARMA, INC.

By: _____
Tim M. Mayleben
Interim President & CEO

ACCEPTED AND AGREED:

Jyoti Chauhan

EXECUTIVE EMPLOYMENT AGREEMENT

This **Executive Employment Agreement** (the "***Agreement***") is entered into effective June 20, 2022 (the "***Effective Date***"), by and between Gregory Oakes (the "***Executive***") and Landos Biopharma, Inc. (the "***Company***").

The Company desires to employ the Executive and, in connection therewith, to compensate the Executive for Executive's personal services to the Company; and

Executive wishes to be employed by the Company and provide personal services and certain covenants to the Company in return for certain compensation and benefits.

Accordingly, in consideration of the mutual promises and covenants contained herein, the parties agree to the following:

1. Employment by the Company.

1.1 Position and Duties. Subject to the terms set forth herein, the Company agrees to employ Executive as its Chief Executive Officer and Executive hereby accepts such employment. Executive will report to the Company's Board of Directors (the "***Board***"), performing such duties as are normally associated with Executive's position and such duties as are assigned to Executive from time to time, subject to the oversight and direction of the Board or the Board's designee. During the term of Executive's employment with the Company, Executive will devote Executive's best efforts and substantially all of Executive's business time and attention to the business of the Company. Executive shall perform Executive's duties under this Agreement principally out of the Company's executive office, once determined. Until the Company determines the location of its executive office, Executive's shall perform his duties under the Agreement principally out of his home offices in New Jersey or Pennsylvania. In addition, Executive shall make such business trips to such places as may be necessary or advisable for the efficient operations of the Company.

1.2 Company Policies and Benefits. The employment relationship between the parties shall also be subject to the Company's written and distributed personnel policies and procedures as they may be interpreted, adopted, revised or deleted from time to time in the Company's sole discretion. Executive will be eligible to participate on the same basis as similarly situated employees in the Company's benefit plans in effect from time to time during Executive's employment. All matters of eligibility for coverage or benefits under any benefit plan shall be determined in accordance with the provisions of the such plan. The Company reserves the right to change, alter, or terminate any benefit plan in its sole discretion. Notwithstanding the foregoing, in the event that the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

2. COMPENSATION.

2.1 Salary. Executive shall receive for Executive's services to be rendered under this Agreement an initial base salary of $600,000 on an annualized basis, subject to review and upwards adjustment by the Company in its sole discretion ("***Base Salary***"); *provided, however,* that the Company may reduce Executive's Base Salary in connection with an across-the-board reduction in salaries for similarly situated employees or a temporary reduction for similarly situated employees due to financial exigency. The Base Salary shall be payable subject to standard federal and state payroll withholding requirements in accordance with the Company's standard payroll practices.

2.2 Annual Discretionary Bonus. Beginning as of the commencement of his employment, Executive will be eligible for a discretionary annual calendar year performance bonus (the "***Annual Bonus***") with a target of sixty percent (60%) of Executive's then current Base Salary (the "***Target Percentage***"), subject to review and adjustment from time to time by the Company in its sole discretion, payable subject to standard payroll withholding requirements. Whether or not Executive is eligible for any Annual Bonus will be dependent upon (a) the actual achievement by Executive and the Company of the applicable individual and corporate performance goals, as determined by the Board in its reasonable discretion but with input from Executive, within a reasonable period after the start of employment or the applicable calendar year, and (b) Executive's continuous performance of services to the Company through the date any such bonus is paid. The Annual Bonus may be greater or lesser than the Target Percentage and may be zero. The annual period over which performance is measured for purposes of this bonus is January 1 through December 31, and, unless otherwise stated in Section 6, the bonus shall be paid by March 15 following such period. The Board will determine in its good faith discretion the extent to which Executive has achieved the performance goals upon which the bonus is based and the amount of the bonus, if any, based on the achievement of the applicable individual and corporate performance goals. Executive's eligibility for an Annual Bonus and the Target Percentage, if any, is subject to change in the discretion of the Board (or any authorized committee thereof). Executive is eligible for a full Annual Bonus for the calendar year 2022.

2.3 Retention Bonus. Executive is eligible for a bonus in the amount of $150,000 (the "***Retention Bonus***"), subject to standard payroll withholding and deductions, advanced in a lump sum on the first regularly scheduled payroll date following the Effective Date provided Executive is an active employee on such payroll date. Executive will earn the Retention Bonus on a monthly basis, earning 1/12th of the Retention Bonus on the last day of each month over the twelve (12) month period after the Effective Date, by remaining employed by the Company on the last day of each applicable month. Notwithstanding the forgoing, and subject to the terms and conditions set forth in Section 6, in the event Executive is terminated without Cause (as defined below) or resigns for Good Reason (as defined below) (including a termination for Cause or resignation for Good Reason during the Corporate Transaction Measurement Period), or Executive is terminated by the Company for death, disability, or discontinuance of business, the Company will forgive any repayment of the Retention Bonus due to the Company. In the event that Executive resigns from the Company without Good Reason or is terminated by the Company for Cause within twelve (12) months of the Effective Date, Executive shall be obligated to, and hereby agrees to, repay the net, after-tax amount of the Retention Bonus that has not yet been earned. To the extent permitted by applicable law, Executive expressly authorizes the Company to deduct the amount advanced from any amount otherwise owed

to him by the Company and agrees to repay any balance owed within thirty (30) days following his employment termination date. Executive also hereby agrees to execute any such separate authorization paperwork necessary to effect such deduction.

2.4 **Equity.** Subject to the approval of the Board or a committee thereof (which will not be unreasonably withheld), and to Executive being an employee of the Company on the date of grant, Executive shall be granted a stock option award (the "***Option Award***") with respect to 1,677,251 shares of Company common stock. The Option Award shall have an exercise price equal to the fair market value of a share of Company common stock on the date of grant. Unless otherwise stated in Section 6, twenty-five percent (25%) of the Option Award shall vest on the first anniversary of the date of grant, with the remainder vesting in equal monthly installments over the subsequent three year period, subject to Executive's continued service through each vesting date. The Option Award shall remain exercisable for a period of 18 months, or the original term of the option, whichever is shorter, following Executive's termination of employment without Cause, for Good Reason, or by reason of Disability (as defined in the Plan as hereinafter defined) or death. The Option Award shall be subject to the terms of the Company's 2019 Equity Incentive Plan (the "***Plan***") and the form of option agreement issued thereunder. Executive shall be eligible for consideration for an annual equity grant starting with the first annual grant process that follows the fourth anniversary of the Effective Date.

2.5 **Expense Reimbursement**. The Company will reimburse Executive for reasonable business expenses in accordance with the Company's standard expense reimbursement policy, as the same may be modified by the Company from time to time. The Company shall reimburse Executive for all customary and appropriate business-related expenses actually incurred and documented in accordance with Company policy, as in effect from time to time. For the avoidance of doubt, to the extent that any reimbursements payable to Executive are subject to the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***"): (a) any such reimbursements will be paid no later than December 31 of the year following the year in which the expense was incurred, (b) the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and (c) the right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

2.6 **Attorneys' Fees**. The Company will pay Executive's reasonable attorneys' fees, up to $20,000 incurred in connection with the negotiation of this Agreement and related documents. The Company shall pay fees directly to Executive's attorney, no later than 30 days after the latest of (i) the date Davis+Gilbert LLP submits an invoice to the Company; (ii) the date Davis+Gilbert LLP submits a completed IRS Form W-9 to the Company; and (iii) the date Executive submits a completed IRS Form W-9 to the Company.

3.CONFIDENTIAL INFORMATION, INVENTIONS, NON-COMPETITION AND NON-SOLICITATION OBLIGATIONS. As a condition of employment, Executive agrees to execute and abide by the Employee Confidential Information, Inventions, Non-Solicitation and Non-Competition Agreement attached as **Exhibit A** ("***Confidential Information Agreement***"). The Confidential Information Agreement may be amended by the parties from time to time without regard to this Agreement. The Confidential Information Agreement contains provisions that are intended by the parties to survive and do survive termination of this Agreement.

4.Outside Activities During Employment. Except with the prior written consent of the Company, Executive will not, while employed by the Company, undertake or engage in any other employment, occupation or business enterprise that would interfere with Executive's responsibilities and the performance of Executive's duties hereunder, except for (i) reasonable time devoted to volunteer services for or on behalf of such religious, educational, non-profit and/or other charitable organization as Executive may wish to serve, (ii) reasonable time devoted to activities in the non-profit and business communities consistent with Executive's duties, (iii) such other activities as may be specifically approved in writing by the Company. This restriction shall not, however, preclude Executive (i) from owning less than one percent (1%) of the total outstanding shares of a publicly traded company, or (ii) from employment or service in any capacity with Affiliates of the Company. As used in this Agreement, "***Affiliates***" means an entity under common management or control with the Company.

5.No Conflict with Existing Obligations. Executive represents that Executive's performance of all the terms of this Agreement and as an Executive of the Company do not and will not breach any agreement or obligation of any kind made prior to Executive's employment by the Company, including agreements or obligations Executive may have with prior employers or entities for which Executive has provided services. Executive has not entered into, and Executive agrees that Executive will not enter into, any agreement or obligation, either written or oral, in conflict herewith.

6.Termination Of Employment. The parties acknowledge that Executive's employment relationship with the Company is at-will. Either Executive or the Company may terminate the employment relationship for any reason whatsoever at any time, with or without cause or advance notice. The provisions in this Section govern the amount of compensation, if any, to be provided to Executive upon termination of employment and do not alter this at-will status.

6.1 Termination by the Company without Cause or Resignation by Executive for Good Reason.

(a) The Company shall have the right to terminate Executive's employment with the Company pursuant to this Section 6.1 at any time without "Cause" (as defined in Section 6.2(b) below) by giving notice as described in Sections 6.6 and 8.1 of this Agreement. A termination pursuant to Sections 6.2, 6.3, 6.4 or 6.5 below is not a termination without Cause for purposes of receiving the benefits described in this Section 6.1.

(b) Executive shall have the right to resign from his employment for "Good Reason" (as defined in Section 6.1(i)) by following the notice and cure process outlined in Section 6.1(i), provided that the circumstance creating Good Reason is not cured by the Company pursuant to Section 6.1(i).

(c) If the Company terminates Executive's employment at any time without Cause or Executive resigns from his employment with the Company for Good Reason, and provided that such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "***Separation from Service***"), then Executive shall be entitled to receive the "Accrued Obligations" (as defined in Section 6.1(e) below). Additionally, if Executive complies with the obligations in Section 6.1(e) below,

including but not limited to the Release requirement, Executive shall be eligible to receive the following "***Severance Benefits***":

(i) If the termination or resignation occurs at any time except during the Corporate Transaction Measurement Period (as defined in Section 6.1(d) below), the Company will pay Executive an amount equal to Executive's then current Base Salary for twelve (12) months, less all applicable withholdings and deductions, and paid in equal installments beginning on the Company's first regularly scheduled payroll date following the Release Effective Date (as defined below in Section 6.1(e) below), with the remaining installments occurring on the Company's regularly scheduled payroll dates thereafter. If the termination or resignation occurs during the Corporate Transaction Measurement Period, the Company will pay Executive an amount equal to Executive's then current Base Salary for eighteen (18) months, less all applicable withholdings and deductions, in a lump sum on the Company's first regularly scheduled payroll date following the Release Effective Date.

(ii) If the termination or resignation occurs at any time except during the Corporate Transaction Measurement Period, then if Executive timely elects continued coverage under COBRA for himself and his covered dependents under the Company's group health plans following such termination, then the Company shall pay that portion of Executive's COBRA premiums it was paying prior to the Separation Date necessary to continue Executive's and his covered dependents' health insurance coverage in effect for himself (and his covered dependents) on the termination date until the earliest of: (i) twelve (12) months from the separation date; (ii) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment; or (iii) the date Executive ceases to be eligible for COBRA continuation coverage for any reason, including plan termination (such period from the termination date through the earlier of (i)-(iii), the "***Non-CT COBRA Payment Period***"). Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA premiums on Executive's behalf would result in a violation of applicable law (including, but not limited to, the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of paying COBRA premiums pursuant to this Section, the Company shall pay Executive on the last day of each remaining month of the Non-CT COBRA Payment Period, a fully taxable cash payment equal to the COBRA premium for such month, subject to applicable tax withholding for the remainder of the Non-CT COBRA Payment Period. If the termination or resignation occurs during the Corporate Transaction Measurement Period, then the COBRA Payment Period shall be modified with respect to prong (i) above to eighteen (18) months, but prongs (ii) and (iii) above shall remain the same (the "***CT COBRA Payment Period***"). Nothing in this Agreement shall deprive Executive of his rights under COBRA or ERISA for benefits under plans and policies arising under his employment by the Company.

(iii) If the termination or resignation occurs after the completion of the Company's calendar year, but before any bonuses are paid for such calendar year, Executive will be eligible for a bonus for the completed calendar year pursuant to the terms and process set forth in Section 2.2 above, dependent upon the actual achievement by Executive and the Company of the applicable individual and corporate performance goals, as determined by the Board in its good faith. The Company will pay Executive any bonus awarded for the completed calendar year, less applicable withholdings and deductions, payable on the later of (A) the date that annual performance bonuses

are normally paid to other executives at the Company for that calendar year or (B) the Release Effective Date (the "***Completed Year Bonus***"). In addition, the Company shall pay Executive an amount equal to Executive's pro rata Annual Bonus (based on the Target Percentage) for the calendar year in which Executive's termination occurs (i.e., for the period from January 1 through and including the date of Executive's separation of employment with the Company), payable subject to standard federal and state payroll withholding requirements on the Company's first regularly scheduled payroll date following the Release Effective Date (the "***Pro Rata Bonus***").

(iv) The Company will forgive Executive's obligation to repay the Retention Bonus, if applicable.

(v) If the termination or resignation occurs at any time except during the Corporate Transaction Measurement Period, then the vesting of all outstanding unvested time-based equity awards that are held by Executive as of the date of Executive's date of termination from employment shall be accelerated as to the number of shares that would have vested in accordance with the applicable vesting schedule as if Executive had been in service for an additional twelve (12) months as of Executive's termination date (based upon months of service and not the occurrence of corporate events or milestones). If the termination or resignation occurs during the Corporate Transaction Measurement Period, then the vesting of all outstanding unvested time-based equity awards that are held by Executive as of the date of Executive's date of termination from employment shall be fully accelerated and vested.

(d) A termination without Cause or a resignation for Good Reason in either case on or within twelve (12) months following the effective date of a Corporate Transaction (as defined in the Plan, but provided that an event will not constitute a "Corporate Transaction" under this Agreement unless it also qualifies as a "change in control event" under Treasury Regulations Section 1.409A-3(i)(5)) is a termination or resignation during the "***Corporate Transaction Measurement Period***."

(e) Executive will be paid all of the Accrued Obligations on the Company's first payroll date after Executive's date of termination from employment or earlier if required by law. If eligible to receive the Severance Benefits pursuant to Section 6.1(c) of this Agreement, Executive will only receive such Severance Benefits if: (i) within the time period provided in the separation agreement (which shall be no longer than 60 days following the date of Executive's Separation from Service), Executive has signed and delivered to the Company a separation agreement in the form presented by the Company, that includes, among other terms, an effective general release of claims in favor of the Company and its affiliates and representatives (the "***Release***"), which cannot be revoked in whole or part by such date (the date that the Release can no longer be revoked is referred to as the "***Release Effective Date***") and in substantially the same form as **Exhibit B** attached hereto, subject to revision based on advice from Company counsel to comply with changes in applicable law; and (ii) if Executive holds any other positions with the Company, he resigns such position(s) to be effective no later than the date of Executive's termination date (or such other date as requested by the Board); (iii) Executive returns all Company property; (iv) Executive complies with his post-termination obligations under this Agreement and the Confidential Information Agreement; and (v) Executive complies with the terms of the Release, including, without limitation, any non-disparagement, confidentiality and cooperation provisions contained in the Release. To the extent

that any of the Severance Benefits are deferred compensation under Section 409A of the Code, and are not otherwise exempt from the application of Section 409A, then, if the period during which Executive may consider and sign the Release spans two calendar years, the payment of the Severance Benefits will not be made or begin until the later calendar year.

(f) For purposes of this Agreement, "***Accrued Obligations***" are (i) Executive's accrued but unpaid salary through the date of termination, (ii) any unreimbursed business expenses incurred by Executive payable in accordance with the Company's standard expense reimbursement policies, and (iii) benefits owed to Executive under any qualified retirement plan or health and welfare benefit plan in which Executive was a participant in accordance with applicable law and the provisions of such plan.

(g) The Severance Benefits provided to Executive pursuant to this Section 6.1 are in lieu of, and not in addition to, any benefits to which Executive may otherwise be entitled under any Company severance plan, policy or program.

(h) Any damages caused by the termination of Executive's employment without Cause would be difficult to ascertain; therefore, the Severance Benefits for which Executive is eligible pursuant to Section 6.1(c) above in exchange for the Release is agreed to by the parties as liquidated damages, to serve as full compensation, and not a penalty.

(i) "***Good Reason***" for purposes of this Agreement shall mean the occurrence of any of the following conditions without Executive's consent, after Executive's provision of written notice to the Company of the existence of such condition (which notice must be provided as described in Section 8.1 within thirty (30) days of the initial existence of the condition and must specify the particular condition in reasonable detail), provided that the Company has not first provided notice to Executive of its intent to terminate Executive's employment: (i) a material reduction in Executive's duties, responsibilities or authorities, including a requirement that the Executive report to anyone other than the Board, provided, however, that neither the conversion of the Company to a subsidiary, division or unit of an acquiring entity in connection with a Corporate Transaction (as defined in the Plan) nor any change in Executive's reporting relationship as a result of such Corporate Transaction will be deemed a "material reduction," unless Executive's duties, responsibilities or authorities with respect the business of the Company are materially reduced; (ii) a material (greater than 10%) reduction by the Company of Executive's Base Salary or Target Percentage (except in the case of either an across-the-board reduction in salaries or Target Percentage of similarly situated employees or a temporary reduction due to financial exigency); (iii) the relocation by the Company of Executive's principal place of employment by fifty (50) or more miles from Executive's then-current principal place of employment, provided that Executive agrees to relocate to the Company's executive office when that office is established, and such relocation shall not be "Good Reason" so long as the executive office is in the Northeastern United States; or (iv) a material breach of this Agreement. Notwithstanding the foregoing, Good Reason shall only exist if the Company is provided a thirty (30) day period to cure the event or condition giving rise to Good Reason, and it fails to do so within that cure period and, additionally, Executive must resign for such Good Reason condition by giving notice as described in Section 8.1 within thirty (30) days after the period for curing the violation or condition has ended.

6.2 Termination by the Company for Cause.

(a) The Company shall have the right to terminate Executive's employment with the Company at any time for Cause by giving notice as described in Section 6.6(a)(i) or (iii) of this Agreement.

(b) "***Cause***" for purposes of this Agreement shall mean that Executive has engaged in any of the following: (i) a material breach of any covenant or condition under this Agreement, the Confidential Information Agreement, or any other similar written agreement between the Company and Executive; (ii) any material act constituting dishonesty, fraud, immoral or disreputable conduct that is deemed by the Board in its reasonable, good faith discretion to be injurious to the Company or its reputation; (iii) any conduct which constitutes a felony under applicable law; (iv) material violation of any Company policy or any material act of misconduct, in either case that is deemed by the Board in its reasonable, good faith discretion to be injurious to the Company or its reputation; (v) refusal to follow or implement a written clear and reasonable directive of the Board; (vi) failure to pass to the satisfaction of the Company, a preliminary background check or failure to submit proof of legal eligibility to work in the United States; (vii) breach of fiduciary duty; or (viii) gross negligence or gross incompetence in the performance of Executive's duties or failure to substantially perform such duties (other than due to disability or illness) after the expiration of fifteen (15) days without cure after written notice of such failure.

(c) In the event Executive's employment is terminated at any time for Cause, Executive will not receive Severance Benefits, or any other compensation or benefits, except that, pursuant to the Company's standard payroll policies, the Company shall provide to Executive the Accrued Obligations.

6.3 Resignation by Executive (other than for Good Reason).

(a) Executive may resign from Executive's employment with the Company at any time by giving notice as described in Section 6.6(a)(iv) and (v) of this Agreement.

(b) In the event Executive resigns from Executive's employment with the Company (other than for Good Reason), Executive will not receive Severance Benefits, or any other compensation or benefits, except that, pursuant to the Company's standard payroll policies, the Company shall provide to Executive the Accrued Obligations.

6.4 Termination by Virtue of Death or Disability of Executive.

(a) In the event of Executive's death while employed pursuant to this Agreement, all obligations of the parties hereunder shall terminate immediately, and the Company shall, pursuant to the Company's standard payroll policies, provide to Executive's legal representatives all Accrued Obligations and forgive repayment of the Retention Bonus, if applicable.

(b) Subject to applicable state and federal law, the Company shall at all times have the right, upon written notice to Executive, to terminate this Agreement based on Executive's Disability. Termination by the Company of Executive's employment based on "***Disability***" shall

mean termination because Executive is unable due to a physical or mental condition to perform the essential functions of Executive's position with or without reasonable accommodation for six (6) months in the aggregate during any twelve (12) month period or based on the written certification by two licensed physicians of the likely continuation of such condition for such period. One of the physicians shall be chosen by the Company and the other shall be chosen by the Executive, or by Executive's representative. This definition shall be interpreted and applied consistent with the Americans with Disabilities Act, the Family and Medical Leave Act, and other applicable law. In the event Executive's employment is terminated based on Executive's Disability, Executive will not receive Severance Benefits, or any other severance compensation or benefit, except that, pursuant to the Company's standard payroll policies, the Company shall provide to Executive the Accrued Obligations and forgive repayment of the Retention Bonus, if applicable and subject to Executive's execution and non-revocation of the Release.

6.5 **Termination Due to Discontinuance of Business.** Anything in this Agreement to the contrary notwithstanding, in the event the Company's business is discontinued because rendered impracticable by substantial financial losses, lack of funding, legal decisions, administrative rulings, declaration of war, dissolution, national or local economic depression or crisis or any reasons beyond the control of the Company, then this Agreement shall terminate as of the day the Company determines to cease operation with the same force and effect as if such day of the month were originally set as the termination date hereof. In the event this Agreement is terminated pursuant to this Section 6.5, Executive will not receive the Severance Benefits, or any other compensation or benefit, except that, pursuant to the Company's standard payroll policies, the Company shall provide to Executive the Accrued Obligations and forgive repayment of the Retention Bonus, if applicable and subject to Executive's execution and non-revocation of the Release.

6.6 **Notice; Effective Date of Termination**.

(a) Termination of Executive's employment pursuant to this Agreement shall be effective on the earliest of:

(i) immediately after the Company gives notice to Executive of Executive's termination, with or without Cause pursuant to Section 6.2(b)(i)-(vii);

(ii) immediately upon Executive's death;

(iii) (A) fifteen (15) days after the Company gives written notice to Executive of its intent to terminate Executive for Cause pursuant to Section 6.2(b)(viii) if the condition giving rise to Cause is not timely cured; (B) ten (10) days after the Company gives notice to Executive of Executive's termination on account of Executive's Disability, unless the Company specifies a later date, in which case, termination shall be effective as of such later date, *provided* that Executive has not returned to the full time performance of Executive's duties prior to such date;

(iv) immediately upon Executive's full satisfaction of the requirements of Section 6.1(i) for a resignation for Good Reason; or

(v) ten (10) days after Executive gives written notice to the Company of Executive's resignation without Good Reason, *provided*, *however*, the Company may, in its sole discretion, set a termination date at any time between the date of notice and the date of resignation, in which case Executive's resignation shall be effective as of such other date. Executive will receive compensation through any required notice period.

(b) In the event notice of a termination under subsections (a)(i) and (iii) is given orally, at the other party's request, the party giving notice must provide written confirmation of such notice within five (5) business days of the request in compliance with the requirement of Section 8.1 below. In the event of a termination for Cause, written confirmation shall specify the subsection(s) of the definition of Cause relied on to support the decision to terminate.

6.7 **Cooperation With Company After Termination of Employment**. Following termination of Executive's employment for any reason, Executive shall reasonably cooperate with the Company in all matters relating to the winding up of Executive's pending work including, but not limited to, any litigation in which the Company is involved, and the orderly transfer of any such pending work to such other employees as may be designated by the Company. The Company will reimburse Executive for reasonable out-of-pocket expenses Executive incurs in connection with any such cooperation (excluding forgone wages, salary, or other compensation) and will make reasonable efforts to accommodate Executive's scheduling needs.

6.8 **Application of Section 409A**. It is intended that all of the severance payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Code and the regulations and other guidance thereunder and any state law of similar effect (collectively, "***Section 409A***") provided under Treasury Regulations Sections 1.409A-1(b)(4) and 1.409A-1(b)(9), and this Agreement will be construed in a manner that complies with Section 409A. If not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A, and incorporates by reference all required definitions and payment terms. No severance payments will be made under this Agreement unless Executive's termination of employment constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h)). For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulations Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement (whether severance payments or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. If the Company determines that the severance benefits provided under this Agreement constitutes "deferred compensation" under Section 409A and if Executive is a "specified employee" of the Company, as such term is defined in Section 409A(a)(2)(B)(i) of the Code at the time of Executive's Separation from Service, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the timing of the Severance will be delayed as follows: on the earlier to occur of (a) the date that is six months and one day after Executive's Separation from Service, and (b) the date of Executive's death (such earlier date, the "***Delayed Initial Payment Date***"), the Company will (i) pay to Executive a lump sum amount equal to the sum of the severance benefits that Executive would otherwise have received through the Delayed Initial Payment Date if the commencement of the payment of the severance benefits had not been delayed pursuant to this Section 6.8 and (ii) commence paying the balance of the severance benefits in accordance with the applicable

payment schedule set forth in Section 6.1. No interest shall be due on any amounts deferred pursuant to this Section 6.8.

7.SECTION 280G MATTERS.

7.1 If any payment or benefit Executive would receive from the Company or otherwise in connection with a Change of Control or other similar transaction ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax, or (y) the largest portion, up to and including the total, of the Payment, whichever amount ((x) or (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt of the greatest economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a Reduced Amount will give rise to the greater after tax benefit, the reduction in the Payments shall occur in the following order: (a) reduction of cash payments; (b) cancellation of accelerated vesting of equity awards other than stock options; (c) cancellation of accelerated vesting of stock options; and (d) reduction of other benefits paid to Executive. Within any such category of payments and benefits (that is, (a), (b), (c) or (d)), a reduction shall occur first with respect to amounts that are not "deferred compensation" within the meaning of Section 409A and then with respect to amounts that are. In the event that acceleration of compensation from Executive's equity awards is to be reduced, such acceleration of vesting shall be canceled, subject to the immediately preceding sentence, in the reverse order of the date of grant.

7.2 The independent registered public accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the event described in Section 280G(b)(2)(A)(i) of the Code shall perform the foregoing calculations. If the independent registered public accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting such event, the Company shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such independent registered public accounting firm required to be made hereunder. The independent registered public accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Executive within thirty (30) calendar days after the date on which Executive's right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as reasonably requested by the Company or Executive. Any good faith determinations of the independent registered public accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

8.GENERAL PROVISIONS.

8.1 **Notices**. Any notices required hereunder to be in writing shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by electronic mail or confirmed facsimile if sent during normal business hours of the recipient, and if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return

receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at its primary office location, ATTN: BOARD OF DIRECTORS, and to Executive at Executive's address as listed on the Company payroll or to Executive's Company-issued email address or Executive's email address as listed in Company records, or at such other address as the Company or Executive may designate by ten (10) days' advance written notice to the other.

8.2 **Severability**. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

8.3 **Survival.** Provisions of this Agreement which by their terms must survive the termination of this Agreement in order to effectuate the intent of the parties will survive any such termination, whether by expiration of the term, termination of Executive's employment, or otherwise, for such period as may be appropriate under the circumstances.

8.4 **Waiver**. If either party should waive any breach of any provisions of this Agreement, it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

8.5 **Complete Agreement**. This Agreement, along with the Employee Confidential Information and Inventions Assignment Agreement, constitutes the entire agreement between Executive and the Company with regard to the subject matter hereof. This Agreement is the complete, final, and exclusive embodiment of their agreement with regard to this subject matter and supersedes any prior oral discussions or written communications and agreements. This Agreement is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified or amended except in writing signed by Executive and an authorized officer of the Company. The parties have entered into a separate Confidential Information Agreement and have or may enter into separate agreements related to equity. These separate agreements govern other aspects of the relationship between the parties, have or may have provisions that survive termination of Executive's employment under this Agreement, may be amended or superseded by the parties without regard to this Agreement and are enforceable according to their terms without regard to the enforcement provision of this Agreement. In the event of a conflict between the terms of this Agreement, and any other agreement or plan, the terms of this Agreement shall govern.

8.6 **Counterparts**. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

8.7 **Headings**. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

8.8 **Successors and Assigns**. The Company shall assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any Company or other entity with or into which the Company may hereafter merge or consolidate or to which the Company may transfer all or substantially all of its assets, if in any such case said Company or other entity shall by operation of law or expressly in writing assume all obligations of the Company hereunder as fully as if it had been originally made a party hereto, but may not otherwise assign this Agreement or its rights and obligations hereunder. The Executive may not assign or transfer this Agreement or any rights or obligations hereunder, other than to the Executive's estate upon Executive's death.

8.9 **Choice of Law**. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of Delaware.

8.10 **Resolution of Disputes.** To ensure the rapid and economical resolution of disputes that may arise in connection with Executive's employment with the Company, and in exchange for the mutual promises contained in this Agreement, Executive and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, Executive's employment with the Company, or the termination of Executive's employment, shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. § 1-16, to the fullest extent permitted by law, by final, binding and confidential arbitration conducted by JAMS or its successor, under JAMS' then applicable rules and procedures appropriate to the relief being sought (available upon request and also currently available at the following web addresses: (i) https://www.jamsadr.com/rules-employment-arbitration/ and (ii) https://www.jamsadr.com/rules-comprehensive-arbitration/). **Executive acknowledges that by agreeing to this arbitration procedure, both Executive and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** In addition, all claims, disputes, or causes of action under this section, whether by Executive or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. This paragraph shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law, including, without limitation, discrimination, retaliation, or harassment claims, to the extent such claims are not permitted by applicable law(s) to be submitted to mandatory arbitration and the applicable law(s) are not preempted by the Federal Arbitration Act or otherwise invalid (collectively, the "***Excluded Claims***"). In the event Executive intends to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be filed with a court, while any other claims will remain subject to mandatory arbitration. Executive will have the right to be represented, at Executive's own expense, by legal counsel at any arbitration proceeding. Questions of whether a claim is subject to arbitration under this agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as

would otherwise be permitted by law; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The arbitrator shall be authorized to award all relief that Executive or the Company would be entitled to seek in a court of law. Executive and the Company shall equally share all JAMS' arbitration fees, or such fees shall be paid in such other manner to the extent required by, and in accordance with, applicable law to effectuate Executive's and the Company's agreement to arbitrate. Each party is responsible for its own attorneys' fees, except as expressly set forth in Executive's Employee Confidential Information and Inventions Assignment Agreement. To the extent JAMS does not collect or Executive otherwise does not pay to JAMS an equal share of all JAMS' arbitration fees for any reason, and the Company pays JAMS Executive's share, Executive acknowledges and agree that the Company shall be entitled to recover from Executive half of the JAMS arbitration fees invoiced to the parties (less any amounts Executive paid to JAMS) in a federal or state court of competent jurisdiction. Nothing in this Agreement is intended to prevent either Executive or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

In Witness Whereof, the parties have executed this Employment Agreement on the day and year first written above.

SIGNATURE PAGE FOLLOWS

LANDOS BIOPHARMA, INC.

By: /s/Tim Mayleben
Name: Tim Mayleben
Title: Interim President and CEO

Executive:

/s/ Gregory Oakes
Gregory Oakes

Exhibit A

EMPLOYEE CONFIDENTIAL INFORMATION, INVENTIONS, NON-SOLICITATION AND NON-COMPETITION AGREEMENT

Exhibit B

RELEASE AGREEMENT

This Release Agreement ("***Agreement***") is made as of _____ by and between Gregory Oakes (the "***Employee***") and Landos Biopharma, Inc. (the "***Company***") (together, the "***Parties***").

The Company has agreed to provide the Employee with certain benefits in exchange for his execution of and compliance with this Agreement. Now therefore, in consideration of the mutual promises and benefits set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Severance. In consideration for Employee's execution of and compliance with this Agreement, the Company will provide Employee with the following **[Severance Benefits]**: **[list payments and benefits]**

2. Release. Employee hereby releases, acquits and forever discharges the Company, its parents and subsidiaries, and their officers, directors, agents, servants, employees, stockholders, successors, assigns and affiliates (the "***Company Parties***"), of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys fees, damages, indemnities and obligations of every kind and nature, in law, equity, or otherwise, which were known or through reasonable diligence should have been known, arising out of or in any way related to Releases, events, acts or conduct at any time prior to the date Employee executes this Agreement, including, but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with Employee's employment with the Company, including but not limited to, claims of intentional and negligent infliction of emotional distress, any and all tort claims for personal injury, claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; claims pursuant to any federal, state or local law or cause of action including, but not limited to, any and all claims and causes of action that the Company, its parents and subsidiaries, and its and their respective officers, directors, agents, servants, employees, attorneys, shareholders, successors, assigns or affiliates (individually a "***Claim***" and collectively "***Claims***"):

- has violated its personnel policies, handbooks, contracts of employment, or covenants of good faith and fair dealing;

- has discriminated against him on the basis of age, race, color, sex (including sexual harassment), national origin, ancestry, disability, religion, sexual orientation, marital status, parental status, source of income, entitlement to benefits, any union activities or other protected category in violation of any local, state or federal law, constitution, ordinance, or regulation, including but not limited to: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act ("***ADEA***"), as amended; 42 U.S.C. § 1981, as amended; the Equal Pay Act; the Americans With Disabilities Act; the Genetic Information Nondiscrimination Act; the Family and Medical Leave Act; the New Jersey Law Against Discrimination; the New Jersey Equal Pay Act; the New Jersey Conscientious Employee Protection Act; the New Jersey Civil Rights Act; the New Jersey Family Leave Act; the New Jersey Wage Payment Law; the New Jersey Wage and Hour Law; the New Jersey Wage Withholding Protection Law; the New Jersey Earned Sick Leave Law;

the Pennsylvania Human Relations Act; the Pennsylvania Wage Payment and Collection Law; the Pennsylvania Whistleblower Law; the Pennsylvania Equal Pay Law; the City of Philadelphia Fair Practices Code; the Employee Retirement Income Security Act; the Employee Polygraph Protection Act; the Worker Adjustment and Retraining Notification Act; the Older Workers Benefit Protection Act; the anti-retaliation provisions of the Sarbanes-Oxley Act, or any other federal or state law regarding whistleblower retaliation; the Lilly Ledbetter Fair Pay Act; the Uniformed Services Employment and Reemployment Rights Act; the Fair Credit Reporting Act; and the National Labor Relations Act;

- has violated any statute, public policy or common law (including but not limited to claims for retaliatory discharge; negligent hiring, retention or supervision; defamation; intentional or negligent infliction of emotional distress and/or mental anguish; intentional interference with contract; negligence; detrimental reliance; loss of consortium to him or any member of his family and/or promissory estoppel).

Notwithstanding the foregoing, other than events expressly contemplated by this Agreement Employee does not waive or release rights or Claims that may arise from events that occur after the date this waiver is executed and Employee is not releasing any right of indemnification he may have for any liabilities arising from actions within the course and scope of employment with the Company. Also excluded from this Agreement are any Claims which cannot be waived by law, including, without limitation, any rights Employee may have under applicable workers' compensation laws and the right, if applicable, to file or participate in an investigative proceeding of any federal, state or local governmental agency. Nothing in this Agreement shall prevent Employee from filing, cooperating with, or participating in any proceeding or investigation before the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal government agency, or similar state or local agency ("***Government Agencies***"), or exercising any rights pursuant to Section 7 of the National Labor Relations Act. Employee further understands this Agreement does not limit his ability to voluntarily communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Agreement does not limit Employee's right to receive an award for information provided to the Securities and Exchange Commission, Employee understands and agrees that, Employee is otherwise waiving, to the fullest extent permitted by law, any and all rights he/she may have to individual relief based on any Claims that have been released and any rights Employee has waived by signing this Agreement. If any Claim is not subject to release, to the extent permitted by law, Employee waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a Claim in which any of the Company Parties is a party. This Agreement does not abrogate Employee's existing rights under any Company benefit plan or any plan or agreement related to equity ownership in the Company; however, it does waive, release and forever discharge Claims existing as of the date Employee executes this Agreement pursuant to any such plan or agreement.

3. ADEA Waiver and Release. Employee acknowledge that he is knowingly and voluntarily waiving and releasing any rights he/ may have under the ADEA, as amended. He also acknowledges that the consideration given for the waiver and release is in addition to anything of value to which he was already entitled. He further acknowledges that he has been advised by this writing, as required by the ADEA, that: (a) this waiver and release does not apply to any rights or claims that may arise after the execution date of this Agreement; (b) he has been advised that he has the right to consult with an attorney

prior to executing this Agreement; (c) he has been given **[twenty-one (21)/forty-five (45)]** days to consider this Agreement and seven (7) days following the execution of this Agreement by the parties to revoke the Agreement; and (e) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth day after this Agreement is executed by the Employee, provided that the Company has also executed this Agreement by that date (the "***Effective Date***").

4. Return of Company Property. By the Separation Date, Employee agrees to return to the Company all Company documents (and all copies thereof) and other Company property that he has had in his possession at any time, including, but not limited to, Company files, notes, drawings, records, business plans and forecasts, financial information, specifications, computer-recorded information, tangible property (including, but not limited to, computers), credit cards, entry cards, identification badges and keys; and, any materials of any kind that contain or embody any proprietary or confidential information of the Company (and all reproductions thereof). Please coordinate return of Company property with **[name/title]**. Receipt of the severance benefits described in Section 1 of this Agreement is expressly conditioned upon return of all Company Property.

5. Proprietary Information and Post-Termination Obligations. Both during and after Employee's employment Employee acknowledges his continuing obligations under his Employee Confidential Information, Inventions, Non-Solicitation and Non-Competition Agreement not to use or disclose any confidential or proprietary information of the Company and to refrain from certain solicitation and competitive activities. A copy of the Employee Confidential Information, Inventions, Non-Solicitation and Non-Competition Agreement is attached hereto as **Exhibit A**. If Employee has any doubts as to the scope of the restrictions in the agreement, Employee should contact **[name/title]** immediately to assess his compliance. The Company reserves its right to enforce its contract rights. Employee understands he should familiarize himself with the enclosed agreement which he signed. Confidential information that is also a "trade secret," as defined by law, may be disclosed (A) if it is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, in the event that Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the trade secret to his attorney and use the trade secret information in the court proceeding, if Employee: (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

6. Confidentiality. The provisions of this Agreement will be held in strictest confidence by Employee and will not be publicized or disclosed in any manner whatsoever; *provided, however,* that: (a) he may disclose this Agreement to his immediate family; (b) he may disclose this Agreement in confidence to his attorney, accountant, auditor, tax preparer, and financial advisor; and (c) he may disclose this Agreement insofar as such disclosure may be required by law. Notwithstanding the foregoing, nothing in this Agreement shall limit Employee's right to voluntarily communicate with the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the Securities and Exchange Commission, other federal government agency or similar state or local agency or to discuss the terms and conditions of his employment with others to the extent expressly permitted by Section 7 of the National Labor Relations Act.

7. Non-Disparagement. Employee agrees not to disparage the Company Parties, in any manner likely to be harmful to them or their business, business reputation or personal reputation; provided that he

may respond accurately and fully to any question, inquiry or request for information when required by legal process. The Company agrees to instruct its executive officers and directors not to disparage Executive in any manner likely to be harmful to Executive or his business or personal reputation; provided that they may respond accurately and fully to any question, inquiry, or request for information when required by legal process. Notwithstanding the foregoing, nothing in this Agreement shall limit Employee's right to voluntarily communicate with the Equal Employment Opportunity Commission, United States Department of Labor, the National Labor Relations Board, the Securities and Exchange Commission, other federal government agency or similar state or local agency or to discuss the terms and conditions of his employment with others to the extent expressly permitted by Section 7 of the National Labor Relations Act.

8. Cooperation after Termination. Employee agrees to cooperate fully with the Company in all matters relating to the transition of his work and responsibilities on behalf of the Company, including, but not limited to, any present, prior, or subsequent relationships and the orderly transfer of any such work and institutional knowledge to such other persons as may be designated by the Company, by making himself reasonably available during regular business hours.

9. Acknowledgments and Affirmations. Employee also acknowledges that (i) the consideration given to him in exchange for the waiver and release in this Agreement is in addition to anything of value to which he was already entitled; (ii) that he has been paid for all time worked, has received all the leave, leaves of absence and leave benefits and protections for which he is eligible, and has not suffered any on-the-job injury for which he has not already filed a claim; (iii) he has been given sufficient time to consider this Agreement and to consult an attorney or advisor of his choosing; and (iv) he is knowingly and voluntarily executing this Agreement waiving and releasing any claims he may have as of the date he executes it. Employee affirms that all of the decisions of the Company Parties regarding his pay and benefits through the date of his execution of this Agreement were not discriminatory based on age, disability, race, color, sex, religion, national origin or any other classification protected by law. Employee affirm that he has not filed or caused to be filed, and is not presently a party to, a Claim against any of the Company Parties. Employee further affirms that he has no known workplace injuries or occupational diseases. Employee acknowledges and affirms that he has not been retaliated against for reporting any allegation of corporate fraud or other wrongdoing by any of the Company Parties, or for exercising any rights protected by law, including any rights protected by the Fair Labor Standards Act, the Family Medical Leave Act or any related statute or local leave or disability accommodation laws, or any applicable state workers' compensation law.

10. No Admission. This Agreement does not constitute an admission by the Company of any wrongful action or violation of any federal, state, or local statute, or common law rights, including those relating to the provisions of any law or statute concerning employment actions, or of any other possible or claimed violation of law or rights.

11. Breach. The parties agree that upon a material breach of this agreement, the breaching party will forfeit all benefits of this agreement, including for the Employee, all amounts paid or owing to him under this Agreement. The parties acknowledge that it may be impossible to assess the damages caused by the violation of the terms of Sections 4, 5, 6 and 7 of this Agreement and further agree that any threatened or actual violation or breach of those Sections of this Agreement will constitute immediate and irreparable injury to the non-breaching party. The parties therefore agree that in addition to any and all other damages and remedies available to the non-breaching party, the non-breaching party shall be entitled to an injunction to prevent violation or breach of this Agreement. If either party brings an action to enforce

this Agreement and is successful in whole or part in any legal or equitable action against the other party under this Agreement, such successful party may recover from the other party all of the costs, including reasonable attorneys' fees, incurred in enforcing the terms of this Agreement.

12. Miscellaneous. This Agreement, including Exhibit A, constitutes the complete, final and exclusive embodiment of the entire agreement between Employee and the Company with regard to this subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. This Agreement may not be modified or amended except in a writing signed by both Employee and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both Employee and the Company, and inure to the benefit of both Employee and the Company, their heirs, successors and assigns. There will be no presumption that any ambiguity in this Release Agreement should be resolved in favor of one party hereto and against another party hereto. Any controversy concerning the construction of this Release Agreement will be decided neutrally without regard to authorship. This Release Agreement may be executed in multiple counterparts, each of which will be deemed an original and will have the same effect as if the signatures to each were on the same instrument. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question will be modified by the court so as to be rendered enforceable. This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of Delaware as applied to contracts made and to be performed entirely within Delaware.

In Witness Whereof, the Parties have duly authorized and caused this Agreement to be executed as follows:

Landos Biopharma, Inc. **Executive**

By: _____ _____

Name: Gregory Oakes

Title:

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, Gregory Oakes, 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.

Landos Biopharma, Inc.

Date: August 11, 2022

By: /s/ Gregory Oakes
Gregory Oakes
President and Chief Executive Officer
(Principal Executive and Financial 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, 2022 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.

Landos Biopharma, Inc.

Date: August 11, 2022

By: /s/ Gregory Oakes
Gregory Oakes
President and Chief Executive Officer
(Principal Executive and Financial Officer)