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 March 31, 2023

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 May 5, 2023, the registrant had 31,168,449 shares of common stock, $0.01 par value per share, outstanding.

Table of Contents

Item 1. Financial Statements. (Unaudited)

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

	March 31, 2023 (Unaudited)	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 45,244	$ 36,640
Marketable securities, available-for-sale	4,762	7,762
Prepaid expenses and other current assets	1,178	851
Total current assets	51,184	45,253
Total assets	$ 51,184	$ 45,253
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 2,298	$ 3,435
Accrued liabilities	1,862	2,687
Total current liabilities	4,160	6,122
Total liabilities	4,160	6,122
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Preferred stock, $0.01 par value; 10,000,000 shares authorized, no shares issued and outstanding as of March 31, 2023 and December 31, 2022	—	—
Common stock, $0.01 par value; 200,000,000 shares authorized, 31,168,449 and 40,254,890 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	312	403
Additional paid-in capital	186,094	172,212
Accumulated other comprehensive loss	79	(57)
Accumulated deficit	(139,461)	(133,427)
Total stockholders' equity	47,024	39,131
Total liabilities and stockholders' equity	$ 51,184	$ 45,253

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

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

	Three Months Ended March 31,	
	2023	2022
Operating expenses:		
Research and development	$ 3,326	$ 10,800
General and administrative	3,153	4,153
Total operating expenses	6,479	14,953
Loss from operations	(6,479)	(14,953)
Other income:		
(Loss) gain from foreign exchange	(4)	1
Interest and other income, net	449	88
Other income, net	445	89
Net loss	$ (6,034)	$ (14,864)
Net loss per share, basic and diluted	$ (0.09)	$ (0.37)
Weighted-average shares used to compute net loss per share, basic and diluted	64,842,336	40,254,890
Comprehensive loss:		
Net loss	$ (6,034)	$ (14,864)
Unrealized gain (loss) on available-for-sale securities	136	(242)
Comprehensive loss	$ (5,898)	$ (15,106)

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)

	Three Months Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (6,034)	$ (14,864)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	—	353
Stock-based compensation expense	224	941
Amortization of premium on marketable securities	32	312
Non-cash loss on termination of lease	—	137
Gain on sale of equipment	—	(9)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(327)	(2,262)
Accounts payable	(1,265)	(3,084)
Other liabilities	(800)	1,974
Net cash used in operating activities	(8,170)	(16,502)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	—	(7)
Purchase of available-for-sale marketable securities	—	(1,027)
Proceeds from sales and maturities of marketable securities	3,104	20,540
Net cash provided by investing activities	3,104	19,506
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of pre-funded warrants for the purchase of common stock, net of issuance costs	16,666	—
Repurchase and retirement of common stock	(3,000)	—
Net cash provided by financing activities	13,666	—
Net change in cash and cash equivalents	8,600	3,004
Cash and cash equivalents at beginning of period	36,640	8,305
Effect of exchange rates on cash	4	(21)
Cash and cash equivalents at end of period	$ 45,244	$ 11,288
Supplemental non-cash disclosure:		
NONCASH INVESTING AND FINANCING ACTIVITY:		
Deferred financing costs in accounts payable	$ 99	$ —
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 gain (loss) on available-for-sale marketable securities	$ 136	$ (242)

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

Landos Biopharma, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity
(in thousands, except share amounts)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amounts				
Balance at December 31, 2022	40,254,890	$ 403	$ 172,212	$ (57)	$ (133,427)	$ 39,131
Repurchase and retirement of common stock	(9,086,441)	(91)	(2,909)	—	—	(3,000)
Issuance of pre-funded warrants for the purchase of common stock, net of issuance costs	—	—	16,567	—	—	16,567
Stock-based compensation expense	—	—	224	—	—	224
Unrealized gain on available-for-sale securities	—	—	—	136	—	136
Net loss	—	—	—	—	(6,034)	(6,034)
Balance at March 31, 2023	31,168,449	$ 312	$ 186,094	$ 79	$ (139,461)	$ 47,024

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amounts				
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

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.

Nasdaq Listing Rule Compliance

In June 2022, the Company received a notice from the Listing Qualifications Department of The Nasdaq Stock Market ("Nasdaq") notifying the Company that its listed securities did not maintain the minimum bid price requirement of $1.00 per share of common stock for continued listing on the Nasdaq Global Market. In December 2022, Nasdaq approved the Company's application to transfer to The Nasdaq Capital Market and notified the Company that it has been granted an additional 180-calendar day compliance period to regain compliance with the minimum bid price requirement. As part of the transfer, the Company provided notice to Nasdaq that it intended to cure the bid price deficiency by effecting a reverse stock split, if necessary, prior to the end of the compliance period. The Company intends to actively monitor the bid price of its common stock and will consider available options, including a reverse stock split, to regain compliance with the listing requirements.

Liquidity

As of March 31, 2023, the Company had cash, cash equivalents and marketable securities of $50.0 million, which it believes will be sufficient to fund its planned operations for at least one year from the issuance of these condensed consolidated financial statements. Since the Company's inception in 2017, it has funded its operations through the issuance of convertible preferred stock and convertible promissory notes, the proceeds from its IPO, the upfront payment from the license and collaboration agreement and the sale of pre-funded warrants in a private placement. As of March 31, 2023, the Company had an accumulated deficit of $139.5 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. 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 U.S. ("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, 2022. 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 months ended March 31, 2023 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 months ended March 31, 2023 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, 2022.

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 U.S. government treasury securities 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 and asset backed securities with original maturities of over 90 days, all of which are considered available-for-sale debt securities. The Company classifies its available-for-sale securities as short-term marketable securities on the 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, net, within the Condensed Consolidated Statements of Operations and Comprehensive Loss, except for the changes in allowance for expected credit losses, which are recorded in other income, net, within the Condensed Consolidated Statements of Operations and Comprehensive Loss. Realized gains and losses are determined using the specific identification method.

The Company conducts periodic reviews to identify and evaluate each investment in its portfolio that has an unrealized loss to determine whether a credit loss exists. An unrealized loss exists when the current fair value of an individual security is less than its amortized cost basis.

A credit loss is estimated by considering available information relevant to the collectability of the security and information about past events, current conditions and reasonable and supportable forecasts. Any credit loss is recorded as a charge to other income, net, not to exceed the amount of the unrealized loss. Unrealized losses other than the credit loss are recognized in accumulated other comprehensive loss. When determining whether a credit loss exists, the Company considers several factors, including whether the Company has the intent to sell the security or whether it is more likely than not that the Company will be required to sell the security prior to recovery of its amortized cost basis. If the Company has an intent to sell, or if it is more likely than not that the Company will be required to sell a debt security in an unrealized loss position before recovery of its amortized cost basis, the Company will write down the security to its fair value and record the corresponding charge as a component of other income, net. No declines in value were deemed to be credit losses as of January 1, 2023, the adoption date of Accounting Standards Update ("ASU") 2016-13—*Financial Instruments (Topic 326) Measurement of Credit Losses on Financial Instrument* ("ASU 2016-23"), or during the three months ended March 31, 2023.

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 are often 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. While the Company has not experienced any losses on its deposits of cash or cash equivalents as of March 31, 2023, in March 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation as receiver. At the time of the closure, the Company held a cash balance with SVB. In March 2023, the Company successfully transferred all funds from this SVB account to one of its other banks not affiliated with SVB without incurring any loss.

The Company's available-for-sale investments primarily consist of high-grade corporate debt securities 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 per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock together with the number of additional shares of common stock that would have been outstanding if all potentially dilutive shares of common stock had been issued. The Company included the weighted-average of the pre-funded warrants issued in its private placement in the number of outstanding shares for calculating basic and diluted net loss per share because the shares issuable upon exercise of the pre-funded warrants will be issued for little to no consideration. The following table sets forth the computation of basic and diluted net loss per share during the periods presented (in thousands, except share and per share amounts):

	Three Months Ended March 31,	
	2023	2022
Numerator:		
Net Loss	$ (6,034)	$ (14,864)
Denominator:		
Weighted-average shares of common stock issued and outstanding	37,024,155	40,254,890
Weighted-average pre-funded warrants outstanding	27,818,181	—
Weighted-average shares used to calculate net loss per common share, basic and diluted	64,842,336	40,254,890
Net loss per common stock, basic and diluted	$ (0.09)	$ (0.37)

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

	Three Months Ended March 31,	
	2023	2022
Stock options to purchase common stock	4,821,236	1,676,389
Restricted stock units	998,070	—
Total	5,819,306	1,676,389

Comprehensive Loss

The Company's comprehensive loss is currently comprised of changes in unrealized loss 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 June 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-23, 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. The Company's adoption of ASU 2016-13 as of January 1, 2023 did not have a material impact on the condensed consolidated financial statements and accompanying notes.

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 March 31, 2023 (in thousands):

	March 31, 2023			
	Level 1	Level 2	Level 3	Aggregate fair value
Assets:				
Money market fund	$ 18,092	—	—	$ 18,092
U.S. government treasury securities	22,187	—	—	22,187
Fixed income securities	—	4,179	—	4,179
Asset backed securities	—	583	—	583
Total assets	$ 40,279	$ 4,762	$ —	$ 45,041

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, 2022 (in thousands):

	December 31, 2022			
	Level 1	Level 2	Level 3	Aggregate Fair Value
Assets:				
U.S. government treasury securities	$ 25,442	$ —	$ —	$ 25,442
Fixed income securities	—	6,639	—	6,639
Asset backed securities	—	1,123	—	1,123
Total assets	$ 25,442	$ 7,762	$ —	$ 33,204

The contractual maturities of available-for-sale securities as of March 31, 2023 are as follows (in thousands):

Within one year	$ 4,179
Within one to five years	583
Total contractual maturities	$ 4,762

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 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 three months ended March 31, 2023.

4. Asset Purchase and Redemption Agreement

In February 2023, the Company entered into an Asset Purchase and Redemption Agreement ("Purchase Agreement"), with Dr. Bassaganya-Riera, a related party who is the former chief executive officer of the Company and a greater than 5% owner of the Company's stock at the time of the transaction, Raquel Hontecillas and certain other stockholders (the "Purchasers"), whereby the Purchasers acquired (i) all of the Company's right, title and interest in omilancor, LABP-104 and LABP-111 and any such derivatives and analogs that target LANCL proteins (together the "Acquired Compounds"), (ii) a worldwide, perpetual, irrevocable, fully-paid up, royalty-free, exclusive, sublicensable and transferable license grant under the intellectual property rights retained by the Company and necessary or useful for the development, manufacture and commercialization of the Acquired Compounds, (iii) a royalty agreement providing, among other things, for the payment by the Company to the Purchasers of a royalty of 2% of all net sales by the Company of any products containing certain compounds that the Company retained following the closing under the Purchase Agreement and (iv) $3,000,000 in cash in exchange for (x) 9,086,441 shares of common stock of the Company held by the Purchasers (the "Purchaser Shares") and (y) a royalty agreement providing, among other things, for the payment by the Purchasers to the Company a royalty of 6% of all net sales by the Purchasers of any products containing any of the Acquired Compounds in consideration for the acquired intellectual property rights.

The impact of this transaction resulted in a $3.0 million reduction of equity for the repurchase and retirement of the Purchaser Shares. There was no value assigned or recorded to the potential royalty consideration to be received or paid as such values were determined to be insignificant.

5. Balance Sheet Components

Accrued Liabilities

Accrued liabilities consist of the following:

	March 31, 2023	December 31, 2022
Accrued research and development	$ 1,237	$ 1,222
Accrued general and administrative	195	271
Accrued payroll and employee benefits	430	1,194
Total accrued liabilities	$ 1,862	$ 2,687

6. Equity and Stock-Based Compensation

Securities Purchase Agreement

In January 2023, the Company entered into a securities purchase agreement (the "Securities Purchase Agreement") with the institutional accredited investors named therein (the "Investors"), pursuant to which the Company issued and sold to the Investors in a private placement (the "Private Placement") pre-funded warrants (the "Pre-Funded Warrants") to purchase an aggregate of 30,909,090 shares (the "Warrant Shares") of the Company's common stock. Each Pre-Funded Warrant has an exercise price of $0.01 per Warrant Share. The purchase price per Pre-Funded Warrant was $0.54. The Company received net proceeds of $16.6 million in the Private Placement, after deducting $0.1 million of offering expenses payable by the Company.

The Pre-Funded Warrants issued in the Private Placement provide that the holder of the Pre-Funded Warrants will not have the right to exercise any portion of its Pre-Funded Warrants if such holder, together with its affiliates and any other persons whose beneficial ownership of common stock would be aggregated with the holder for purposes of Section 13(d) or Section 16 of the Securities Exchange Act of 1934, as amended, would beneficially own in excess of 35% of the number of shares of common stock outstanding immediately after giving effect to such exercise. The Warrant Shares will also be subject to certain registration rights under the Company's Amended and Restated Investors' Rights Agreement. As of March 31, 2023, none of the Pre-Funded Warrants have been exercised.

Treasury Stock

In February 2023, in connection with entering into the Purchase Agreement with its founder, a related party who is the former chief executive officer of the Company and a greater than 5% owner of the Company's common stock at the time of the transaction, and other stockholders, the Company repurchased 9,086,441 shares of common stock for an aggregate price of $3.0 million. The repurchased common stock was subsequently retired in March 2023. The Company recorded the shares repurchased using the cost method.

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, 2023. As of March 31, 2023, there were approximately 6,235,479 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, 2023. As of March 31, 2023, there were approximately 1,193,799 shares available for future grants under the 2021 ESPP. As of March 31, 2023, 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 March 31, 2023, there were 1,000,000 shares available for future grants under the 2022 Inducement Plan.

Stock Option Awards

The weighted average fair value per share of options to purchase common stock granted was $0.39 and $1.47 for the three months ended March 31, 2023 and 2022, respectively.

At March 31, 2023, the total compensation cost related to unvested stock-based awards granted under the 2019 Plan but not yet recognized was approximately $2.2 million, which is expected to be recognized over a weighted-average period of approximately 3.3 years.

Restricted Stock Units

At March 31, 2023, the total compensation cost related to unvested restricted stock units granted under the 2019 Plan but not yet recognized was approximately $0.4 million, which is expected to be recognized over a weighted-average period of approximately 2.9 years.

The following table summarizes stock-based compensation expense, which was included in the Condensed Consolidated Statements of Operations and Comprehensive Loss as follows (in thousands):

	Three Months Ended March 31,	
	2023	2022
Research and development	$ 67	$ 430
General and administrative	157	511
Total stock-based compensation expense	$ 224	$ 941

7. 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 $0 and $0.1 million for the three months ended March 31, 2023 and 2022, respectively.

Retained Compounds Royalty Agreement

Pursuant to the terms of the Purchase Agreement entered into by the Company and the Purchasers in February 2023, the Company entered into a royalty agreement whereby the Purchasers are eligible to receive a 2% royalty of all net sales by the Company of any products containing certain compounds that the Company retained following the closing under the Purchase Agreement ("Retained Compounds Royalty Agreement"). The Company recognizes such royalty payment obligations when such payments are probable and reasonably estimable. Due to the uncertainty related to the ongoing research and development activities, obtaining regulatory approval and achieving successful commercialization to which net sales could be derived, the Company has not recognized a royalty obligation as of and for the three months ended March 31, 2023.

8. License and Collaboration Agreement

In May 2021, the Company entered into an exclusive license and collaboration agreement (the "LianBio Agreement") with LianBio Respiratory Limited ("Lian"). Lian is a related party to the Company as a result of an affiliation of a member of the Company's board of directors at the time the LianBio Agreement was executed. Pursuant to the LianBio Agreement, the Company delivered to Lian 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"). Lian 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 February 2023, the Company amended the LianBio Agreement to no longer cover omilancor. Subsequent to the amendment, the Company is eligible to receive development milestone payments of up to $40.0 million as well as sales milestone payments of up to $105.0 million relating to the development of NX-13. The Company is also eligible to receive tiered low-double-digit royalties based on future net sales of NX-13 in the Territory, subject to reductions in specified circumstances.

In accordance with the LianBio Agreement, the Company agreed to supply to Lian all clinical and commercial requirements of Products. The terms of the agreement do not provide for either (i) an option to Lian to purchase Products from the Company at a discount from the standalone selling price or (ii) minimum purchase quantities. In addition, the Company and Lian 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 Lian meets the definition of a customer because the Company is delivering intellectual property and other services in which the parties are not jointly sharing the risks and rewards. Therefore, the Company concluded that the promises summarized above represent transactions with a customer within the scope of ASC 606. Given that Lian 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 Lian, rather than a performance obligation of the Company at contract inception and will be accounted for if and when exercised. The Company also determined that Lian's option to purchase Products does not create a material right as the expected pricing is not at a discount. At contract inception and through March 31, 2023, 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 Lian 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, 2022 and 2021 and for each of the two years in the period ended December 31, 2022 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 23, 2023. 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, 2022 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 development of novel, oral, once-daily therapeutics for patients with certain immunology diseases. Our core expertise is the development of compounds that target novel pathways at the interface of immunity and metabolism. Based on our understanding of the role that cellular metabolic pathways have on modulating inflammatory responses, we aim to inhibit these inflammatory responses by changing the metabolic processes in target cells. We believe the therapeutics we develop, if approved, could have a significant positive impact on the quality of life of patients suffering from immunology diseases.

Our current focus and lead candidate is NX-13, a novel, oral gut-selective NLRX1 agonist. We are developing NX-13 as a once-daily oral treatment for ulcerative colitis, or UC, 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 cells in the gastrointestinal tract.

We announced top-line results from our NX-13 Phase 1b trial in UC patients in August 2022. The data showed favorable safety and tolerability profiles across a range of doses, as well as signals of clinical improvement as soon as two weeks in patients' symptoms and four weeks by endoscopy in exploratory endpoints. We believe that these early signals, as well as the data from long-term toxicology studies, support the potential of NX-13 as a new treatment for UC. We are continuing an in-depth analysis of the clinical, pharmacokinetic, or PK, and pharmacodynamic, or PD, data for NX-13. A preliminary analysis demonstrated promising signals of both target engagement and molecular dose response among the 250mg and 500mg immediate release, or IR, doses. In the second quarter of 2023, we initiated the NEXUS trial, which is a Phase 2 proof-of-concept clinical trial for NX-13. The NEXUS trial will be dose ranging, blinded, placebo-controlled and statistically powered. We are on track for first patient enrollment for the NEXUS trial in the second quarter of 2023, and we expect to report top-line data from this trial by the fourth quarter of 2024.

In addition to NX-13, we have discovered several preclinical product candidates, comprising the following:

- LABP-73, an oral, small molecule NLRX1 pathway agonist in development for the treatment of asthma and Chronic Obstructive Pulmonary Disease, or COPD,
- LABP-66, an oral, small molecule NLRX1 pathway agonist in development for the treatment of multiple sclerosis, or MS, and Alzheimer's disease; and
- LABP-69, an oral, small molecule PLXDC2 pathway agonist in development for the treatment of diabetic nephropathy and rheumatoid arthritis, or RA.

In February 2023, we entered into an Asset Purchase and Redemption Agreement, or the Purchase Agreement, with Dr. Bassaganya-Riera, a related party who is our former Chief Executive Officer and a greater than 5% owner of our common stock at the time of the transaction, Raquel Hontecillas and certain other stockholders, or together the Purchasers, whereby the Purchasers acquired (i) all of our right, title and interest in omilancor, LABP-104 and LABP-111 and any such derivatives and analogs that target LANCL proteins, or together the Acquired Compounds, (ii) a worldwide, perpetual, irrevocable, fully-paid up, royalty-free, exclusive, sublicensable and transferable license grant under the intellectual property rights retained by us and necessary or useful for the development, manufacture and commercialization of the Acquired Compounds, (iii) a royalty agreement providing, among other things, for the payment by us to the Purchasers of a royalty of 2% of all net sales by us of any products containing certain compounds that we retained following the closing under the Purchase Agreement and (iv) $3,000,000 in cash in exchange for (x) 9,086,441 shares of our common stock held by the Purchasers and (y) a royalty agreement providing, among other things, for the payment by the Purchasers to us of a royalty of 6% of all net sales by the Purchasers of any products containing any of the Acquired Compounds in consideration for the acquired intellectual property rights.

In May 2021, we entered into an exclusive collaboration and license agreement, or the LianBio Agreement, with LianBio Respiratory Limited, or Lian, pursuant to which we granted Lian an exclusive license, or the License, to develop, manufacture and commercialize NX-13 and omilancor. In February 2023, we amended the LianBio Agreement to no longer cover omilancor and developmental milestones events were amended to reflect the transfer of omilancor. Subsequent to the amendment, we are eligible to receive development milestone payments of up to $40.0 million as well as sales milestone payments of up to $105.0 million. We are also eligible to receive tiered low-double-digit royalties based on future net sales of NX-13 in the territory comprising the People's Republic of China, Hong Kong, Macau, Taiwan, Cambodia, Indonesia, Myanmar, Philippines, Singapore, South Korea, Thailand and Vietnam, 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.

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, through the upfront payment from a license and collaboration agreement with a related party and through the sale of pre-funded warrants in a private placement. As of March 31, 2023, we had an accumulated deficit of $139.5 million and we expect to incur substantial operating losses for at least the next several years. As such, 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 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 March 31, 2023, we had cash, cash equivalents and marketable securities of $50.0 million. We believe that our existing cash, cash equivalents and marketable securities as of March 31, 2023, will be sufficient to fund our operating expenses and capital requirements into the first half of 2025. We anticipate that our expenses may increase significantly in connection with our ongoing activities, as we:

- conduct our ongoing and planned clinical trials of NX-13;
- 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 a higher development cost than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will be lower in 2023 relative to 2022 as a result of wind down of previous clinical trial activities. However, in the long term, we expect that they will increase and will comprise a larger percentage of our total expenses as we progress and complete our ongoing clinical trials, initiate new clinical trials, continue to discover and develop additional product candidates and prepare regulatory filings for any product candidates that successfully complete clinical 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, or 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 be slightly lower in 2023 relative to 2022 as we focus our resources toward the development of NX-13. 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.

Interest and Other Income, net

Interest and other income, net, primarily consists of grant income received under the NIH grant agreement and interest income received from available-for-sale marketable securities. We were awarded a grant by the NIH for a phase 2 proof-of-concept efficacy study of omilancor in Crohn's disease patients. The grant award provided for reimbursement of actual, allowable costs incurred.

Results of Operations

Comparison of the three months ended March 31, 2023 and 2022

The following table summarizes our results of operations for the three months ended March 31, 2023 and 2022 (in thousands):

	Three Months Ended March 31,	
	2023	2022
Operating expenses:		
Research and development	$ 3,326	$ 10,800
General and administrative	3,153	4,153
Total operating expenses	6,479	14,953
Loss from operations	(6,479)	(14,953)
Other income:		
(Loss) gain from foreign exchange	(4)	1
Interest and other income, net	449	88
Other income, net	445	89
Net loss	$ (6,034)	$ (14,864)

Research and Development Expenses

Research and development expenses were $3.3 million for the three months ended March 31, 2023 compared to $10.8 million for the three months ended March 31, 2022. The decrease of $7.5 million was primarily attributed to reduced clinical activities for our omilancor and LABP-104 programs due to the wind down of the related clinical trials, as well as decreases in consulting costs and depreciation expense.

The following table summarizes our research and development expenses by product candidate for the three months ended March 31, 2023 and 2022 (in thousands):

	Three Months Ended March 31,	
	2023	2022
External costs by clinical program:		
Omilancor	$ (55)	$ 5,251
NX-13	1,752	1,881
LABP-104	21	773
Total external costs by clinical program:	1,718	7,905
Compensation	1,280	1,536
Other	328	1,359
Total research and development expenses	$ 3,326	$ 10,800

General and Administrative Expenses

General and administrative expenses were $3.2 million for the three months ended March 31, 2023 compared to $4.2 million for the three months ended March 31, 2022. The decrease of $1.0 million was primarily attributable to a decrease in consulting costs and stock-based compensation, as well as a prior year loss on lease termination that didn't recur in the current period, partially offset by increases in legal fees associated with the Purchase Agreement.

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, the upfront payment from the LianBio Agreement and the sale of pre-funded warrants in a private placement.

In March 2022, we filed a shelf registration statement on Form S-3, or the 2022 Shelf Registration Statement, with the SEC. The 2022 Shelf Registration Statement became effective in August 2022. The 2022 Shelf Registration Statement permits the offering, issuance and sale by us of up to a maximum aggregate offering price of $200.0 million of common stock, preferred stock, debt securities and warrants in one or more offerings and in any combination. As of March 31, 2023, we had $200.0 million of common stock remaining that can be sold under the 2022 Shelf Registration Statement, although this amount will be limited for as long as we are subject to General Instruction I.B.6 of Form S-3, which limits the amount of funds we can raise through primary public offerings of securities in any twelve-month period using a registration statement on Form S-3 to one-third of the aggregate market value of the shares of our common stock held by non-affiliates. Therefore, we will be limited in the amount of proceeds we are able to raise by selling shares of our common stock using Form S-3, including the 2022 Shelf Registration Statement, until such time as our public float held by non-affiliates exceeds $75.0 million.

In January 2023, we entered into a securities purchase agreement, or the Securities Purchase Agreement, with the institutional accredited investors named therein, or the Investors, pursuant to which we issued and sold to the Investors in a private placement, or the Private Placement, pre-funded warrants, or the Pre-Funded Warrants, to purchase an aggregate of 30,909,090 shares, or the Warrant Shares, of our common stock. Each Pre-Funded Warrant has an exercise price of $0.01 per Warrant Share. The purchase price per Pre-Funded Warrant was $0.54. The Pre-Funded Warrants issued in the Private Placement are exercisable at any time but provide that the holder of the Pre-Funded Warrants will not have the right to exercise any portion of its Pre-Funded Warrants if such holder, together with its affiliates and any other persons whose beneficial ownership of common stock would be aggregated with the holder for purposes of Section 13(d) or Section 16 of the Securities Exchange Act of 1934, as amended, would beneficially own in excess of 35% of the number of shares of common stock outstanding immediately after giving effect to such exercise. The Warrant Shares will also be subject to certain registration rights under our Amended and Restated Investors' Rights Agreement. We received net proceeds of $16.6 million in the Private Placement, after deducting $0.1 million of offering expenses payable by us.

As of March 31, 2023, we had approximately $50.0 million in cash, cash equivalents and marketable securities and an accumulated deficit of $139.5 million. We had no indebtedness as of March 31, 2023.

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

	Three Months Ended March 31,	
	2023	2022
Net cash used in operating activities	$ (8,170)	$ (16,502)
Net cash provided by investing activities	3,104	19,506
Net cash provided by financing activities	13,666	—
Net change in cash and cash equivalents	$ 8,600	$ 3,004

Operating Activities

During the three months ended March 31, 2023, we used cash in operating activities of $8.2 million, reflecting a net loss of $6.0 million, partially offset by non-cash charges of $0.3 million and a net change of $2.4 million in our operating assets and liabilities. The non-cash charges consist primarily of stock-based compensation expense. The net change in our operating assets and liabilities was primarily due to a decrease in accounts payable and other liabilities.

During the three months ended March 31, 2022, we used cash in operating activities of $16.5 million, reflecting a net loss of $14.9 million, partially offset by non-cash charges of $1.7 million and a net change of $3.4 million in our operating assets and liabilities. The non-cash charges consist primarily of $0.9 million of stock-based compensation expense, $0.4 million of depreciation expense, $0.3 million related to the amortization of the premium on marketable securities and $0.1 million of non-cash expense related to the loss

recorded on the termination of an operating lease. The net change in our operating assets and liabilities was primarily due to a decrease in accounts payable, an increase in other liabilities and an increase in prepaid expenses and other assets.

Investing Activities

Net cash provided by investing activities during the three months ended March 31, 2023 was $3.1 million, consisting primarily of proceeds from sales and maturities of marketable securities. Net cash provided by investing activities for the three months ended March 31, 2022 was $19.5 million, consisting of proceeds from sales and maturities of marketable securities, partially offset by purchases of available-for-sale marketable securities.

Financing Activities

Net cash provided by financing activities during the three months ended March 31, 2023 of $13.7 million was primarily related to net proceeds received from the issuance of pre-funded warrants for the purchase of common stock, partially offset by the repurchase and retirement of common stock.

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 additional revenue under the LianBio Agreement or pursuant to the royalty rights under the Purchase Agreement as future payments are conditioned upon the achievement of development and commercialization milestones that are uncertain as of this date. We expect our expenses to proportionately increase in connection with our ongoing activities, particularly as we continue the research and development of, continue or initiate clinical trials of, and seek marketing approval for, our product candidates. In addition, if we obtain approval for any of our product candidates, we expect to incur significant commercialization expenses related to sales, marketing, manufacturing and distribution. 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 as of March 31, 2023 will be sufficient to fund our operating expenses and capital requirements into the first half of 2025. 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 NX-13;
- 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 for which we receive marketing approval;
- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval;
- our ability to establish and maintain strategic collaborations, licensing or other agreements and the financial terms of such agreements; and

- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights and defending against any intellectual property-related claims.

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

Our future commercial revenue, if any, will be derived from sales of products that we do not expect to be commercially available for several years, if at all. Until such time, if ever, that we can generate product revenue sufficient to achieve profitability, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaboration agreements, other third-party funding, strategic alliances, licensing arrangements and marketing and distribution arrangements. Adequate additional financing may not be available to us on acceptable terms, or at all. We currently have no credit facility or committed sources of capital. To the extent that we raise additional capital through the sale of equity or convertible debt securities, 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. Pursuant to the Securities Purchase Agreement, the Investors are entitled to exercise the pre-funded warrants to purchase an aggregate of 30,909,090 shares of our common stock. If the Investors were to exercise their outstanding Pre-Funded Warrants, existing stockholders will recognize significant dilution. 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 Judgements 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 U.S. 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 consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. 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, 2022. There were no material changes to our critical accounting policies and estimates during the three months ended March 31, 2023.

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 March 31, 2023, 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 March 31, 2023 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

There have been no material changes in the risk factors described in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2022

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

Unregistered Sales of Equity Securities

In January 2023, we entered into a securities purchase agreement, or the Securities Purchase Agreement, with the institutional accredited investors named therein, or the Investors, pursuant to which we issued and sold to the Investors in a private placement, or the Private Placement, pre-funded warrants, or the Pre-Funded Warrants, to purchase an aggregate of 30,909,090 shares, or the Warrant Shares, of our common stock, or the Common Stock. Each Pre-Funded Warrant has an exercise price of $0.01 per Warrant Share. The purchase price per Pre-Funded Warrant was $0.54. We received net proceeds of $16.6 million in the Private Placement, after deducting $0.1 million of offering expenses payable by us.

The Pre-Funded Warrants issued in the Private Placement are exercisable at any time but provide that the holder of the Pre-Funded Warrants will not have the right to exercise any portion of its Pre-Funded Warrants if such holder, together with its affiliates and any other persons whose beneficial ownership of Common Stock would be aggregated with the holder for purposes of Section 13(d) or Section 16 of the Securities Exchange Act of 1934, as amended, would beneficially own in excess of 35.00% of the number of shares of Common Stock outstanding immediately after giving effect to such exercise. The Warrant Shares will also be subject to certain registration rights under our Amended and Restated Investors' Rights Agreement.

We have relied on the exemption from the registration requirements of the Securities Act by virtue of Section 4(a)(2) thereof. In connection with the Investors' execution of the Securities Purchase Agreement, each Investor represented to us that it is an "accredited investor" as defined in Regulation D of the Securities Act and that the Pre-Funded Warrants purchased by it were acquired for its own account for investment only and with no present intention of distributing any of the Pre-Funded Warrants or Warrant Shares or any arrangement or understanding with any other persons regarding the distribution of the Pre-Funded Warrants or Warrant Shares.

Use of Proceeds from Initial Public Offering

In February 2021, our Registration Statement on Form S-1, as amended (File No. 333-252083), was declared effective in connection with our initial public offering, pursuant to which we sold an aggregate of 6,250,000 shares of our common stock at a price to the public of $16.00 per share. 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 in February 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).
4.1	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-39971), filed with the Securities and Exchange Commission on January 5, 2023).
10.1+*	Severance Agreement by and between the Company and Fabio Cataldi, effective as of September 5, 2022.
10.2^	Securities Purchase Agreement by and between the Company and the investors that are a party thereto, dated January 4, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-39971), filed with the Securities and Exchange Commission on January 5, 2023).
10.3	Amendment No. 1 to the Amended and Restated Investor's Rights Agreement, dated January 10, 2023, by and between the Company and the investors that are a party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-39971), filed with the Securities and Exchange Commission on January 13, 2023).
10.4†^	Asset Purchase and Redemption Agreement, by and between the Company and the counter parties identified therein, dated February 28, 2023 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K (File No. 001-39971), filed with the Securities and Exchange Commission on February 28, 2023).
10.5†	First Amendment to License and Collaboration Agreement, by and between the Company and LianBio Respiratory Limited, dated February 28, 2023 (incorporated by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K (File No. 001-39971), filed with the Securities and Exchange Commission on March 23, 2023.
31.1*	Certification of Principal Executive and Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*#	Certification of Principal Executive and Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document. – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.
\+ Indicates management contract or compensatory plan.
^ Schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request.
† Certain portions of this exhibit (indicated by asterisks) have been omitted because they are not material and would likely cause competitive harm to the registrant if publicly disclosed.
# This certification is being furnished solely to accompany this Quarterly Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

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

Landos Biopharma, Inc.

Date: May 12, 2023

By: /s/ Gregory Oakes

Gregory Oakes

President and Chief Executive Officer

(Principal Executive and Financial Officer)

SEVERANCE AGREEMENT

This Severance Agreement (the "***Agreement***") is entered into effective September 5, 2022 (the "***Effective Date***"), by and between Landos Biopharma, Inc. (the "***Company***"), and Fabio Cataldi (the "***Executive***").

WHEREAS, the Company considers it important to foster the continuous employment of its key management personnel; and

WHEREAS, the Company desires to provide the Executive with certain severance benefits in the event the employment of the Executive is terminated after the Effective Date under certain circumstances.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Company and the Executive hereby agree as follows:

1.Term of Agreement. This Agreement shall become effective on the date hereof and shall remain in until the earlier of (i) the date of termination, in the event the Executive's employment is terminated by the Company for Cause (as defined in Section 3.2(b) below), by the Executive without Good Reason (as defined in Section 3.1(h) below), due to death or Disability (as defined in Section 3.4(b) below) or due to discontinuance of business, (ii) the expiration of the Severance Period, or (iii) termination by mutual agreement of the parties.

2.At-Will Employment. Executive shall be employed by the Company on an "at- will" basis, meaning either the Company or Executive may terminate Executive's employment at any time for any reason. Nothing in this Agreement abrogates the at-will employment relationship nor shall be deemed to give Executive the right to be retained in the employ of the Company, or to interfere with the right of the Company.

3.Termination Events and Severance. The provisions in this Section govern the payments and severance benefits, if any, to be provided to Executive upon termination of employment.

3.1 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 3.1 at any time without "Cause" (as defined in Section 3.2(b) below) by giving notice as described in Sections 3.6 and 4.1 of this Agreement. A termination pursuant to Sections 3.2, 3.3, 3.4 or 3.5 below is not a termination without Cause for purposes of receiving the benefits described in this Section 3.1.

(b) Executive shall have the right to resign from his employment for "Good Reason" (as defined in Section 3.1(h)) by following the notice and cure process outlined in Section 3.1(h), provided that the circumstance creating Good Reason is not cured by the Company pursuant to Section 3.1(h).

(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 3.1(d) below). Additionally, if Executive complies with the obligations in Section 3.1(d) below, including but not limited to the Release requirement, Executive shall be eligible to receive the following "***Severance Benefits***":

(i) 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 3.1(d) below), with the remaining installments occurring on the Company's regularly scheduled payroll dates thereafter.

(ii) If the termination or resignation occurs on or within twelve (12) months following the effective date of a Corporate Transaction (as defined in the Company's 2019 Equity Incentive Plan (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)), 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) 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 3.1(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 A** 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 Company); (iii) Executive returns all Company property; (iv) Executive complies with his post-termination obligations under this Agreement and Executive's Employee Confidential Information and Inventions Assignment Agreement dated July 27, 2022 (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 (as defined below) of the Code (as defined below), 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.

(e) 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.

(f) The Severance Benefits provided to Executive pursuant to this Section 3.1 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.

(g) 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 3.1(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.

(h)"***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 4.1 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 Company's Chief Executive Officer, 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 (as defined in the offer letter between Executive and the Company dated July 26, 2022 (the "***Offer Letter***")) or target Annual Bonus (as defined in the Offer Letter) (except in the case of either an across-the-board reduction in salaries and/or annual bonuses 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 4.1 within thirty (30) days after the period for curing the violation or condition has ended.

3.2 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 3.6(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.

3.3 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 3.6(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.

3.4 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.

(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.

3.5 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 3.5, 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.

3.6 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 3.2(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 3.2(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 3.1(h) 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 4.1 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.

3.7 Cooperation with the Company After Termination of Employment. As a condition of receiving Severance Benefits pursuant to this Agreement, 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 executives 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.

3.8 Application of Section 409A.

(a) It is intended that all of the severance benefits and other payments under this Agreement satisfy, to the greatest extent possible, one or more exemptions from the application of Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***") and the regulations and other guidance thereunder and any state law of similar effect (collectively, "***Section 409A***") to the maximum extent that such an exemption is available and any ambiguities herein shall be interpreted accordingly; provided, however, that to the extent such exemption is not available, the severance benefits and other payments under this Agreement are intended to comply with the requirements of Section 409A to the extent necessary to avoid adverse personal tax consequences , and this Agreement will be construed in a manner consistent with such intention, incorporating by reference all required definitions and payment terms.

(b) No severance payments will be made under this Agreement unless Executive's termination of employment constitutes a Separation from Service. It is intended that
(i) each installment of any benefits payable under this Agreement to Executive be regarded as a separate "payment" for purposes of Treasury Regulations Section 1.409A-2(b)(2)(i), (ii) all payments of any such benefits under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9)(iii), and (iii) any such benefits consisting of COBRA premiums also satisfy, to the greatest extent possible, the exemption from the application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(9)(v).

(c) To the extent that any severance payments are deferred compensation under Section 409A, and are not otherwise exempt from the application of Section 409A, then, to the extent required to comply with Section 409A, if the period during which Separation Agreement could become effective spans two calendar years, then, regardless of when the Separation Agreement is returned to the Company and becomes effective, the Separation Agreement will not be deemed effective (solely for purposes of the timing of payment of severance benefits under this Agreement) any earlier than the latest permitted effective date, and all severance payments shall accordingly occur in the second calendar year. 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, 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 if the commencement of the payment of the severance benefits had not been delayed pursuant to this Section 3.8(c); and (ii) commence paying the balance of the severance benefits in accordance with the applicable payment schedule set forth in Sections 3.1. No interest shall be due on any amounts deferred pursuant to this Section 3.8(c).

(d) The Company makes no representation that compensation paid pursuant to the terms of this Agreement will be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment.

3.9 Excise Tax Adjustment.

(a) If any payment or benefit Executive will or may receive from the Company or otherwise (a "***280G Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this Section, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then any such 280G Payment provided pursuant to this Agreement (a "***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 (after reduction) being subject to the Excise Tax, or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state, foreign and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "***Reduction Method***") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "***Pro Rata Reduction Method***").

(b) Notwithstanding any provision of this Section 3.9 to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis;
(B) as a second priority, Payments that are contingent on future events (*e.g.*, being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(c) Unless Executive and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity, or group effecting the Change in Control transaction, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section 3.9. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to Executive and the Company within fifteen (15) calendar days after the date on which Executive's right to a 280G Payment becomes reasonably likely to occur (if requested at that time by Executive or the Company) or such other time as requested by Executive or the Company.

(d) If Executive receives a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 3.9(a) and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, Executive agrees to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 3.9(a)) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 3.9(a), Executive shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

3.10Withholding. Any payments to the Executive provided for hereunder shall be provided net of any applicable withholding required under federal, state, or local law and of any additional withholding to which the Executive has agreed.

4. Miscellaneous.

4.1 Notices. Any notices required hereunder shall be in writing and 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 and to Executive at Executive's address as listed on the Company payroll or (if notice is given prior to Executive's termination of employment) to Executive's Company-issued email address, or at such other address as the Company or Executive may designate by ten (10) days' advance written notice to the other.

4.2 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.

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

4.4 Complete Agreement. This Agreement constitutes the entire agreement between Executive and the Company with regard to the subject matter hereof and supersede any prior oral discussions or written communications and agreements on the same subject matter. This Agreement is intended to sit side by side with other agreements between Executive and the Company including, without limitation, the Offer Letter and the Confidential Information Agreement, each interpreted according to its terms. 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.

4.5 Counterparts. This Agreement may be executed by electronic transmission and 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.

4.6 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.

4.7 **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. Executive may not assign or transfer this Agreement or any rights or obligations hereunder, other than to Executive's estate upon Executive's death.

4.8 **No Assignment of Benefits**. Except as otherwise provided herein or by law, no right or interest of the Executive under this Agreement shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including without limitation by execution, levy, garnishment, attachment, pledge, or in any manner; no attempted assignment or transfer thereof shall be effective; and no right or interest of the Executive under this Agreement shall be liable for, or subject to, any obligation or liability of the Executive.

4.9 **Governing Law**. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Massachusetts without regard to principles of conflicts of laws thereof.

4.10 **Headings**. The headings and captions herein are provided for reference and convenience only, shall not be considered part of this Agreement, and shall not be employed in the construction of this Agreement.

4.11 Resolution of Disputes. To ensure the rapid and economical resolution of disputes that may arise in connection with Executive's employment with the Company, Executive and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to the Massachusetts Antidiscrimination Act, Mass. Gen. Laws ch.151B and the Massachusetts Wage Act, Mass. Gen. Laws ch. 149, and any other 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 for employment disputes before a single arbitrator (available upon request and also currently available at http://www.jamsadr.com/rules- employment-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, 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 intend 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 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 the Confidential Information Agreement. 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 Company has caused this Agreement to be executed by its duly authorized officer, and the Executive has executed this Agreement, each on the day and year written below.

Landos Biopharma, Inc.	**Executive**
By: /s/ Gregory Oakes Gregory Oakes Chief Executive Officer	**/s/ Fabio Cataldi** Fabio Cataldi
Date: August 5, 2022	**Date:** August 10, 2022

Exhibit A

RELEASE AGREEMENT

This Release Agreement ("***Agreement***") is made as of by and between Fabio Cataldi (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 Massachusetts Fair Employment Practices Act (M.G.L. c. 151B); the Massachusetts Equal Rights Act; the Massachusetts Equal Pay Act; the Massachusetts Privacy Statute; the Massachusetts Sick Leave Law; the Massachusetts Civil Rights Act; the Massachusetts Payment of Wages Act (M.G.L. c. 149 sections 148 and 150); the Massachusetts Overtime regulations (M.G.L. c. 151 sections 1A and 1B); the Massachusetts Meal Break regulations (M.G.L. c. 149 sections 100 and 101); 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 and Inventions Assignment 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 and Inventions Assignment 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 affirms 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 Agreement should be resolved in favor of one party hereto and against another party hereto. Any controversy concerning the construction of this Agreement will be decided neutrally without regard to authorship. This 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 Commonwealth of Massachusetts as applied to contracts made and to be performed entirely within Massachusetts.

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

Landos Biopharma, Inc.	**Executive**
By:	
Name:	Fabio Cataldi
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. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under 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. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Landos Biopharma, Inc.

Date: May 12, 2023

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 March 31, 2023 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: May 12, 2023

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