Nkarta, Inc.

2025 Annual Report

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025

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 001-39370

Nkarta, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**47-4515206**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1150 Veterans Boulevard South San Francisco, CA	**94080**
(Address of principal executive offices)	**(Zip Code)**

(925) 407-1049
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	NKTX	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting equity held by non-affiliates of the registrant, based on the closing price of a share of common stock on June 30, 2025 as reported by The Nasdaq Stock Market on such date was approximately $82.6 million. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purpose.

As of March 18, 2026, the number of outstanding shares of the registrant's common stock, par value $0.0001 per share, was 71,290,490.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the U.S. Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated by reference in Part III, Items 10-14 of this Annual Report on Form 10-K.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, and the information incorporated herein by reference, particularly in the sections captioned “Business” under Part I, Item 1, “Risk Factors” under Part I, Item 1A, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” under Part II, Item 7, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In some cases, you can identify forward-looking statements by the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “objective,” “ongoing,” “plan,” “predict,” “project,” “potential,” “should,” “will,” or “would,” or the negative of these terms, or other comparable terminology intended to identify statements about the future. Examples of these forward-looking statements include, but are not limited to, statements concerning our financial and business performance, including our future funding requirements, our position, plans, strategies, and timelines (including the availability of disclosure of clinical data from our clinical trials) for the continued and future clinical development and commercial potential of our product candidates and the therapeutic potential, accessibility, tolerability, advantages, and safety profile of NK cell therapies, including NKX019 for the treatment of autoimmune diseases. 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. In addition, these statements are based on our management’s beliefs and assumptions and on information currently available to our management as of the date of this Annual Report on Form 10-K. While we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. You should read the sections titled “Risk Factor Summary” below and “Risk Factors” set forth in Part I, Item 1A of this Annual Report on Form 10-K 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, which such factors may be updated or supplemented from time to time by subsequent reports we file with the Securities and Exchange Commission (the "SEC"). As a result of these factors, we cannot assure you that the forward-looking statements in this Annual Report on Form 10-K will prove to be accurate.

Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. All of our forward-looking statements in this report are made only as of the date of this Annual Report on Form 10-K. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

You should read this Annual Report on Form 10-K, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

RISK FACTOR SUMMARY

Below is a summary of material factors that make an investment in our common stock speculative or risky. Importantly, this summary does not address all the risks and uncertainties that we face. Additional discussion of the risks and uncertainties summarized in this risk factor summary, as well as other risks and uncertainties that we face, can be found under "Cautionary Note Regarding Forward-Looking Statements" and Part I, Item 1A, "Risk Factors" in this Annual Report on Form 10-K. The below summary is qualified in its entirety by those more complete discussions of such risks and uncertainties. You should consider carefully the risks and uncertainties described under Part I, Item 1A, "Risk Factors" in this Annual Report on Form 10-K as part of your evaluation of an investment in our common stock.

- *We have a limited operating history and do not have any products approved for sale*.
- *We have incurred significant losses since our inception and we expect to continue to incur significant losses for the foreseeable future.*
- *We have never generated revenue from product sales and may never achieve or maintain profitability.*
- *We will require additional capital, which, if available, may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our product candidates.*
- *Our business depends upon the success of our CAR NK-cell technology platform.*
- *Utilizing CAR NK cells represents a novel therapeutic approach, and we must overcome significant challenges in order to develop, commercialize and manufacture our product candidates.*
- *Clinical development involves a lengthy and expensive process with an uncertain outcome, and we may encounter substantial delays due to a variety of reasons outside our control.*
- *Our business is highly dependent on the clinical success of our product candidates, and on the clinical success of NKX019, in particular, and we may fail to develop NKX019 and/or our other product candidates successfully or be unable to obtain regulatory approval for them.*
- *Clinical data supporting the effectiveness of CD19-targeted cell therapies against autoimmune diseases are limited, and CD19-targeted CAR NK-cell therapies, such as NKX019, may not provide the same, or any, therapeutic benefit against B-cell mediated autoimmune diseases, or be competitive with respect to other CD19-targeted therapies for the treatment of autoimmune diseases.*
- *Enrollment and retention of patients in clinical trials is an expensive and time-consuming process and could be delayed, made more difficult or rendered impossible by multiple factors outside our control.*
- *Certain aspects of the function and production of CAR NK cells are currently unknown or poorly understood, and may only become known through further preclinical testing and clinical trials. Any potential re-engineering required may result in delays and additional expense.*
- *The results of preclinical studies and early-stage clinical trials may not be predictive of future results. Interim, "topline" and preliminary data from our clinical trials may differ materially from the final data. Initial success in any clinical trials may not be indicative of results obtained when these trials are completed or in later stage trials.*
- *If any of our product candidates, or any competing product candidates, demonstrate relevant, serious adverse events, we may be required to halt or delay further clinical development.*
- *If we fail to compete effectively with academic institutions and other biopharmaceutical companies that develop similar or alternatives to cellular immunotherapy product candidates, our business will be materially adversely affected.*
- *Our manufacturing process is novel and complex, and we may encounter difficulties in production, or difficulties with internal manufacturing, which would delay or prevent our ability to provide a sufficient supply of our product candidates for clinical trials or our products for patients, if approved.*

- *We rely on third parties to manufacture certain materials for use in the production of our product candidates, or may rely on third parties to manufacture certain of our product candidates in the future, which increases the risk that we will not have sufficient quantities of such materials or product candidates, or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.*
- *We are reliant on a sole supplier for certain steps of our manufacturing process.*
- *Delays in commissioning and receiving regulatory approvals for our manufacturing facilities could delay our development plans and thereby limit our ability to develop our product candidates and generate revenues.*
- *The optimal donor and manufacturing parameters for our product candidates have not been definitively established, which may hinder our ability to optimize our product candidates or to address any safety or efficacy issues that may arise.*
- *If our license agreement with National University of Singapore and St. Jude Children's Research Hospital, Inc. is terminated, we could lose our rights to key components enabling our NK-cell engineering platform.*
- *If any patent protection we obtain is not sufficiently robust, our competitors could develop and commercialize products and technology similar or identical to ours.*
- *If any of our product candidates are approved for marketing and commercialization and we have not developed or secured marketing, sales and distribution capabilities, either internally or from third parties, we will be unable to successfully commercialize such products and may not be able to generate product revenue.*
- *Our product candidates, including NKX019, could be subject to regulatory limitations following approval, if and when such approval is granted.*
- *The market price for our common stock may be volatile, which could contribute to the loss of all or part of your investment.*
- *Concentration of ownership of our shares of common stock among our existing executive officers, directors and principal stockholders may prevent new investors from influencing significant corporate decisions.*
- *Computer system interruptions or security breaches of our information systems could significantly disrupt our product development programs and our ability to operate our business.*

WEBSITE REFERENCES

In this Annual Report on Form 10-K, we make references to our website at www.nkartatx.com. References to our website through this Annual Report on Form 10-K are provided for convenience only and the content on our website does not constitute a part of, and shall not be deemed incorporated by reference into, this Annual Report on Form 10-K.

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PART I

Item 1. Business.

Overview

We are a clinical-stage biopharmaceutical company pioneering the development of allogeneic, off-the-shelf engineered natural killer ("NK") cell therapies. Our company was founded on the belief that engineered NK cell therapies can transform the lives of patients by offering therapies that are clinically meaningful, broadly accessible and unencumbered by the safety concerns often associated with other cell therapy approaches. Our lead pipeline program is NKX019, a chimeric antigen receptor-natural killer ("CAR NK") product candidate targeting the CD19 antigen for the treatment of patients with autoimmune diseases. Our CAR NK platform enables an on-demand, off-the-shelf approach involving scaled manufacturing to broaden patient access. We have developed proprietary technologies designed to generate an abundant supply of NK cells, increase NK cell recognition of target antigens, and enhance NK cell fitness to support scalable, off the shelf administration. NKX019 is allogeneic, which means it is produced using cells from a different person than the patient(s) being treated, and it is produced in quantity, then frozen and therefore available for treating patients without delay, unlike autologous cell therapies, which are derived from a patient's own cells and must be manufactured as needed for each patient. We believe that engineered NK cells have the potential to be effective and accessible therapies for autoimmune diseases and other diseases, be well tolerated, and avoid some of the toxicities observed with other cell therapies.

NKX019 is currently being studied in an ongoing Phase 1 clinical trial ("Ntrust-1") for lupus nephritis ("LN") and primary membranous nephropathy ("pMN") and a Phase 1 clinical trial ("Ntrust-2") for systemic sclerosis ("scleroderma"), idiopathic inflammatory myopathy ("myositis"), and antineutrophil cytoplasmic antibody (ANCA)-associated vasculitis ("AAV"). NKX019 is also being studied in an investigator-sponsored trial ("IST") at Columbia University Irving Medical Center for systemic lupus erythematosus ("SLE") and an IST led by researchers at the University of California, Irvine and the University of Kansas Medical Center in myasthenia gravis ("MG"). NKX019 was initially studied in a Phase 1 clinical trial for certain B-cell malignancies, along with NKX101, a CAR NK product candidate targeting cells that display NKG2D ligands, which was studied in a Phase 1 clinical trial for certain hematologic malignancies. Both oncology studies closed patient enrollment in 2023 and have been deprioritized to direct primary resources to the development of our lead pipeline program, NKX019, for the treatment of autoimmune diseases.

Our modular engineering platform builds on the distinctive biology of NK cells and their role in eradicating aberrant and pathologically transformed cells. Our process starts with mature NK cells derived from healthy donors. We build on the intrinsic ability of these immune cells to identify and kill transformed cells with cell engineering to further enhance their activity. This engineering involves inducing the expression of a chimeric antigen receptor ("CAR") on the surface of an NK cell to enable the cell to recognize specific proteins or antigens that are present on the surface of target cells. Our engineered CAR NK cells consist of an NK cell engineered with a targeting receptor, OX40 costimulatory domain, CD3ζ(zeta) signaling moiety, and a membrane-bound form of the cytokine IL(interleukin)-15 ("mbIL-15").

NKX019

Our NKX019 autoimmune program is based on the potential to eliminate the pathologic B cells that produce autoantibodies believed to underpin multiple autoimmune diseases via CD19 targeting. These autoantibodies, the immunologic hallmark of many autoimmune diseases, inappropriately recognize antigens expressed in healthy cells, causing various clinical syndromes from the resultant damage to normal tissues. Abnormal B cells are also the cause of multiple hematologic malignancies, including B-cell lymphoma. Approved CD19-directed cell therapies can eliminate these cancerous B cells, resulting in the possibility of durable complete responses in patients that are refractory to other therapies. Targeted depletion of cells from the B-cell lineage as a therapeutic mechanism is common to both autoimmune diseases and B-cell malignancies. This observation, in addition to recent reported studies of patients with autoimmune diseases who had considerable clinical benefit following treatment with CD19-directed cell therapies, support our belief that NKX019 has the potential to be a disease-modifying therapy for autoimmune diseases. Ntrust-1 is a multi-center, open-label, dose-escalation Phase 1 clinical trial of NKX019 for LN and pMN. Ntrust-2 is a multi-center, open-label, dose-escalation Phase 1 clinical trial of NKX019 for scleroderma, myositis, and AAV, which we believe maximizes the potential success of our clinical trials. In May 2025, we announced the modification of the lymphodepleting conditioning ("LD") prior to administration of

NKX019 to use a combination of fludarabine ("Flu") and cyclophosphamide ("Cy"), with the option for patients with cytopenias to continue to receive Cy alone as modified LD, in both our Ntrust-1 clinical trial and our Ntrust-2 clinical trial. At that time, we also announced that researchers at the University of California, Irvine initiated an IST of NKX019 in patients with MG.

In November 2025, we announced that deep B-cell depletion was observed in all patients treated to date who received NKX019 with LD using Flu and Cy versus partial B-cell depletion in patients receiving only Cy. At the same time, we reported the implementation of a streamlined enrollment process that allows participant data from both the Ntrust-1 and Ntrust-2 clinical trials to be reviewed by a combined independent Data Safety Monitoring Board ("iDSMB") to inform dose-escalation decisions. This update followed engagement with the U.S. Food and Drug Administration ("FDA") and authorization by the iDSMB to initiate enrollment in the second dose-escalation cohort.

The therapeutic benefit of targeting CD19-positive B cells in patients with SLE has been reported in a recent academic study published in *Nature Medicine* in September 2022 (Mackensen et al. (2022) Nat. Med. 28:2124-2132). Five patients with severe refractory SLE with LN received an autologous CD19 CAR T-cell therapy following LD with Flu and Cy. All patients showed significant clinical improvement in symptoms, including drug-free remissions after approximately three months. The CAR T cells expanded in all patients, with peak levels occurring around day 9, followed by a rapid decline. There was no high-grade cytokine release syndrome ("CRS"), no neurotoxicity, and no substantial elevation of serum IL-6 levels. Depletion of circulating B cells was rapid yet transient, with B cell numbers returning to normal within two to four months. This transience of depletion contrasts sharply with the CD19 CAR T-cell experience in B-cell malignancies, where B-cell suppression typically exceeds 18 months. Despite the limited persistence of CAR T cells and short-term B-cell suppression, all patients had seroconversion of anti-double-stranded DNA antibodies and ongoing disease control, even after B-cell recovery. A subsequent publication expanded this dataset to eight patients with SLE, all of whom had seroconversion and disease remission (Müller et al. (2024) N Engl J Med 390: 687-700). Median follow up in the group was 15 months with some patients having up to 29 months of remission.

As we pursue our goal of developing innovative and broadly accessible cell therapies, manufacturing capabilities and technology are a significant focus of our efforts. We have been manufacturing clinical supply at one of our two good manufacturing practice ("cGMP") facilities located in South San Francisco, California, and intend to use our second facility in South San Francisco for additional clinical supply, supply of NKX019 or future product candidates for future pivotal clinical trials, and potential commercial supply of our product candidates.

Our Strategy

We are developing novel engineered, allogeneic, off-the-shelf cell therapies to improve the lives of people living with autoimmune diseases. Key elements of our strategy to achieve this include:

CAR NK platform enlists natural, healthy human donor NK cells for optimal product candidates.

Our cell engineering platform utilizes healthy donors as our source for NK cells. By enlisting this natural source of NK cells, we start with bona fide NK cells endowed with inherent cytotoxic and tumor-recognizing capabilities. This contrasts with other more complex cell sources where these basic therapeutic features must be painstakingly designed and synthetically added to the cells. Donor-derived NK cells are also available in abundance, providing a large quantity of cells with which to begin each manufacturing run. Finally, healthy donor-derived adult cells consist of a diverse repertoire of NK cells. By utilizing a cell source that contains the full range of naturally occurring NK cells, we believe we can capitalize on the inherent diversity of the innate immune system and potentially select for different NK cell sub-populations with desired characteristics.

Prioritize development of NKX019 for B-cell mediated autoimmune diseases.

NKX019 is designed to target CD19, which is expressed through certain stages of B-cell development. When aberrantly activated, B cells can produce autoantibodies that inappropriately recognize cell surface antigens on normal cells. These antibodies and resultant immune complexes can damage normal tissues and lead to autoimmune diseases, such as LN. Due to the broad expression of CD19 on B cells, the targeting and depletion of CD19-positive

B cells has been proposed as a mechanism by which long-term drug-free remissions may be achieved in B-cell mediated autoimmune diseases.

Autologous CAR T cell therapies have transformed the treatment landscape for certain blood cancers by targeting cancerous B cells via CD19. This approach also kills normal B cells in large numbers via an on-target, off-tumor effect. In those patients who respond to CD19-directed CAR T cell therapy, normal B cells are also depleted beyond detection in the blood. Recent academic studies have applied this approach of B-cell depletion to the treatment of patients with B-cell mediated autoimmune diseases. In one published report, five patients with highly refractory LN had remarkable improvements in clinical symptoms and normalization of autoantibodies following a course of treatment with CD19 CAR T cells. Because the targeting of CD19 has demonstrated clinical activity with CAR T and CAR NK cell therapies, we believe that NKX019 presents an opportunity to treat a variety of autoimmune diseases while addressing the limitations of CAR T cell therapies.

We are evaluating NKX019 in clinical trials for the treatment of LN, pMN, scleroderma, myositis, and AAV. We have shown that NKX019 is highly active in vitro against B cells from patients with B-cell mediated autoimmune diseases and continue to evaluate additional potential autoimmune indications for potential clinical investigation.

Continue to progress our proprietary manufacturing capabilities to enable speed, control, flexibility, scalability, and cost efficiency.

We believe that internal cGMP manufacturing capabilities will facilitate clinical product supply, lower the risk of manufacturing disruptions, and enable more cost-effective manufacturing for both clinical and, if successfully developed, commercial supply of our product candidates. We currently manufacture our clinical drug supply at one of our two cGMP facilities in South San Francisco, California. Our second facility is designed to manufacture additional clinical supply, including for potential pivotal clinical trials, and subject to successful scaling and process validation and operational readiness, may support commercial supply of NKX019 or future product candidates.

Based on our current operating plans and assumptions regarding manufacturing scaling and facility performance, we believe our current facilities will be sufficient to meet our anticipated requirements for non-pivotal and pivotal clinical trials, as well as our potential commercial launch.

Continue to advance our CAR NK platform.

Our proprietary NK cell engineering platform is based on a modular and generalizable approach that we believe enables us to generate next generation and new product candidates in a rapid and cost-efficient manner. Our engineered CAR NK cells generally consist of an NK cell engineered with a targeting receptor, OX40 costimulatory domain, CD3ζ(zeta) signaling moiety, and mbIL-15. We believe that the modular nature of our platform and the proprietary technologies we use for the multiplex engineering of NK cells are advantages that can support the generation of new Investigational New Drugs ("INDs") for product candidates with enhanced properties. With these attributes, we plan to continue assessing opportunities to develop additional product candidates focused on novel targets as well as clinically and commercially validated targets.

Continue to evaluate enabling, adjacent or potentially competing technologies, and, where advantageous, seek licenses or collaborations regarding those technologies, to advance our platform.

We continue to evaluate enabling, adjacent, and potentially competing technologies that may enhance our NK cell platform and expand the potential applications of our product candidates. As part of these efforts, we conduct discovery and preclinical research designed to identify new targets, engineering approaches, and manufacturing innovations that may improve the functionality, scalability, or therapeutic potential of our NK cell product candidates. We may also pursue licenses, strategic collaborations, or other partnerships with biotechnology and pharmaceutical companies, academic institutions, or technology providers where such arrangements could accelerate development, broaden our platform capabilities, or support the advancement of our pipeline.

The Immune System and Autoimmune Diseases

The normal role of the immune system is to defend the body's own tissues against harmful pathogens. However, in autoimmune diseases, the immune system targets the body's own cells and tissues. This occurs due to the loss of immune tolerance, a mechanism that prevents the immune system from reacting against the body's own tissues and self-antigens. When immune tolerance is lost, activation of autoreactive immune cells including T and B cells occurs, resulting in T and B cells being unable to recognize the body as "self". This leads to the body's own T cells directly attacking target self-antigens and causes B cells to produce autoantibodies that lead to inflammation and tissue damage.

The enhancement and engineering of immune effector cells to selectively target and kill pathologic cells has had a profound impact on the treatment of hematologic malignancies. This approach is now being investigated for its potential to "reset" the immune system in the context of autoimmune diseases. Several autoimmune diseases are associated with the production of autoantibodies that act against healthy cells and tissue. The use of immune effector cells to target the source of these autoantibodies is being explored as a potential disease modifying therapy for autoimmune diseases.

Cellular Immunotherapies

Cellular immunotherapy involves engineering human cells to recognize and destroy diseased cells in a targeted manner. Most cellular immunotherapies are focused on modulating or enhancing the activity of different lymphocytes, a subtype of white blood cell that are responsible for defending the body against pathogens and other foreign material, as well as killing cancerous cells within the body. There are different classes of lymphocytes which differ in function. T cells are a type of lymphocyte that primarily serves to protect from infections such as bacteria, viruses, fungi, and parasites. Every T cell recognizes a specific antigen, or substances found on pathogens or other foreign material. This type of lymphocyte is activated and divides rapidly when it detects its specific antigen. Accordingly, T cells are the foundation of the adaptive immune system, selectively responding to different threats.

NK cells are the foundation of the innate immune system. While T cells are activated by unique antigens specific to each T cell, the activity of NK cells is tightly regulated by a common set of activating receptors on these cells that serve to improve recognition and killing of cancerous or virally infected cells, as well as a set of inhibitory receptors that help identify healthy cells. This balance of inhibition and activation spares healthy cells from the surveillance and killing effects of the innate immune system.

A frequently used approach for cellular immunotherapy involves engineering CARs on the surface of a lymphocyte that enable the cell to recognize specific proteins or antigens that are present on the surface of diseased cells. The concept of a CAR builds upon and enhances the normal biology of T cells and NK cells, whereby naturally occurring receptors serve to activate these cells when a foreign pathogen or transformed cell is detected. The key components of CARs used today often include the following elements:

- **Target binding domain.** At one end of the CAR is a binding domain that is specific to a target antigen or protein. This domain extends out from the surface of the engineered lymphocyte, where it can recognize the target antigen or antigens. The target binding domain may be based upon a binder derived from a monoclonal antibody against a target antigen, such as the CD19 binder for NKX019.
- **Transmembrane domain and hinge.** This middle portion of the CAR links the target binding domain to the activating elements inside the cell. This transmembrane domain anchors the CAR in the cell's membrane. In addition, the transmembrane domain may also interact with other transmembrane proteins that enhance CAR function. The hinge domain, which extends to the exterior of the cell, connects the

transmembrane domain to the receptor and provides structural flexibility to facilitate binding to the target antigen on the surface of the target cell.

- **Activating domains.** The other end of the CAR, inside the lymphocyte, includes domains responsible for activating the lymphocyte when the CAR binds to its target antigen. The first, found in almost all CAR constructs, is called CD3ζ(zeta) and is the natural basis for lymphocyte activation. The second, called a costimulatory domain, is found in the more recent generations of CARs under development and provides an additional activating signal. Together, these signals trigger lymphocyte activation, resulting in proliferation of the CAR cells and killing of the diseased cells. In addition, activated CAR cells stimulate the secretion of cytokines and other molecules that can thereby recruit and activate additional immune cells to increase killing of the diseased cells.

The FDA has approved six CAR-based T-cell therapies for the treatment of certain types of cancer affecting B cells, and several CAR-based T-cell therapies are in clinical development for B-cell mediated autoimmune diseases. Each of these approved therapies is an autologous therapy, or derived from a patient's own cells, which necessitates a complex, individualized manufacturing process for every patient treated. The approvals of these patient-specific cell therapies were a landmark event for many reasons, including the ability to treat and provide long-term remission for otherwise deadly disease; achieving the run-to-run product consistency required by the FDA despite the complex manufacturing required; and achieving successful reimbursement in the United States and other countries of several hundred thousand dollars per treatment. To date, there are no approved cell therapies to treat autoimmune diseases driven by autoantibody-producing B cells.

Limitations of Current CAR T Therapies

Despite advances made with CAR T therapies, including approvals in cancer, the accessibility of these cell therapies remains limited and may impact their potential to treat autoimmune diseases. Only a minority of eligible patients who might benefit from currently approved cell therapies are able to receive them. These therapies have certain features that are believed to limit their accessibility and broader adoption. These features include:

- **Adverse events.** According to the product labels for the three CAR T therapies approved for non-Hodgkin lymphoma ("NHL"), CRS was observed in 46% to 94% of patients treated in the respective pivotal clinical trials. In addition, neurotoxicity was seen in 35% to 87% of patients treated in such trials. Because of the frequency and severity of these adverse events, patients treated with the approved CAR T therapies can require lengthy hospitalization and costly ancillary care. In 2024, the FDA required that a boxed warning be added on all approved CAR T therapies for B-cell malignances to reflect the risk of secondary T-cell malignancies occurring after CAR T treatment.

- **Availability restricted to select centers.** Administration of CAR T therapies is concentrated at specialized treatment centers due to safety considerations, infrastructure requirements, and logistical complexity. In June 2025, the FDA eliminated the Risk Evaluation and Mitigation Strategy ("REMS") program that had previously applied to then-approved BCMA- and CD19-directed CAR T therapies; however, the administration of these therapies continues to require significant clinical expertise and institutional capabilities.

- **Accessibility further compromised by lengthy manufacturing time.** Due to the individualized manufacturing process, patients must wait approximately two to four weeks to be treated with their engineered cells. In the registrational trials for the first four approved CAR T therapies, 7% to 34% of enrolled patients did not receive CAR T cells, for reasons including manufacturing failure as well as patient progression or death while waiting for manufacturing.

- **High manufacturing complexity and cost.** The manufacture of autologous T cell therapy is individualized and labor-intensive. The collection of T cells through leukapheresis from each individual patient is a time-consuming and costly step in the autologous manufacturing process. In contrast to traditional pharmaceutical manufacturing where a single manufacturing run generates product for hundreds or thousands of patients, a full manufacturing run of autologous T cell therapy generates product for a single patient. In addition, autologous T cell therapy requires specialized infrastructure to maintain a strict chain of custody and identity of patient cells throughout collection, manufacturing and delivery, adding significant cost to the process and limiting the ability to scale.

These limitations are difficult to address as many are inherent to fundamental aspects of T cell biology. CRS, which accounts for many of the adverse events which in part limit availability, is believed to be a consequence of the exponential expansion of T cells upon detection of a target antigen. Manufacturing time, product variability, and cost are due in great part to the autologous nature of approved CAR-T therapies.

Allogeneic NK Cell Therapies

The development of allogeneic, off-the-shelf cell therapies addresses certain limitations of autologous CAR T cells by offering these potential advantages:

- **Tolerability.** In initial clinical data reported by us and others, patients who received allogeneic NK cell therapies did not experience the more severe adverse events that are commonly associated with approved autologous CAR T cell therapies. This emerging safety profile of allogeneic NK cell therapies may enable their use in outpatient settings and broader access to treatment.
- **Availability.** Because an allogeneic NK cell therapy is produced in quantity then frozen in advance of patient need, it would be available for on-demand administration to patients in an outpatient setting.
- **Consistency.** By using true NK cells from a healthy donor as starting material, and producing large numbers of doses per manufacturing run, an allogeneic NK cell therapy provides the opportunity for more rigorous quality control and release of consistent engineered cells.
- **Cost of manufacturing.** An allogeneic NK cell therapy provides an opportunity to spread manufacturing costs across a large number of doses, thereby significantly lowering the cost per dose produced.

The Opportunity for Engineered NK Cells in Treating Autoimmune Diseases

Early studies using CD19-directed CAR T-cell therapies provide important proof of concept for disease modification in autoimmune diseases. In addition, some features of NK cells are potentially advantageous, as compared to T cells.

- **Well-defined target.** Targeting CD19 cells can lead to a deep suppression of the B cells that produce pathogenic autoantibodies. Despite this transient suppression afforded by cell therapy thus far, some patients have shown sustained drug-free remissions that persist after recovery. This has potential applicability to multiple autoimmune diseases that are similarly driven by autoantibodies.
- **Supportive data.** NKX019 has been extensively evaluated in clinical and pre-clinical settings. In our NKX019 clinical trial in oncology, NKX019 drove responses in patients with various refractory B-cell malignancies. Further, *in vitro* assays reveal consistent sensitivity to B cells collected from patients with various autoimmune diseases.
- **B cell susceptibility.** Pathogenic B cells that secret autoantibody may be more susceptible to NK-mediated killing than cancer cells. Malignant B cells have multiple pathways for evading killing, including antigen escape via downregulation or loss of CD19 expression and growth in a tumor cluster which offers a relatively immunosuppressive and inaccessible tumor microenvironment, none of which is expected in non-malignant B cells, although NKX019 can target cells expressing low levels of CD19. Further, the cell burden of target cells is generally much lower at the time of treatment in autoimmune diseases than in B-cell malignancies, thereby increasing the expected effector to target ratio of NKX019 in contrast to the antigen-dependent activation and expansion required by CD19-directed CAR T therapies.
- **Tissue trafficking and penetration.** NK cells traffic to nearly every tissue in the body, including immune-privileged sites that are known to be isolated from the rest of the body's immune system. In addition, malignant B cells provide a proxy for trafficking of B cells, and NKX019 has driven complete responses in patients with NHL despite widespread malignant B cell (blood, bone marrow, lymph nodes, secondary lymphoid tissue, extra-nodal sites).

- **Immediate activity.** NK cells do not require expansion for maximal activity and peak exposure occurs near the time of infusion. The explosive growth of T cells is believed to be the basis of both their activity and the risk of CRS and immune effector cell-associated neurotoxicity syndrome associated with CAR T cell therapy.
- **Disease-tailored LD.** Adoptive cell therapy typically requires LD, which is preparative chemotherapy often with Cy and Flu, to provide an optimal cytokine milieu and suppress the host immune response. However, the pharmacokinetics of NK cells and T cells differ, enabling alternative LD approaches to address these differences. Specifically, the early peak exposure and mbIL-15 engineering of NKX019 allow evaluation of single-agent LD with Cy. A Flu-sparing LD regimen would eliminate potential toxicities of this agent, including cytopenias and myelodysplastic syndromes. Further, Cy is already used by specialist providers for various autoimmune conditions and may provide an opportunity for expanding this potentially disease-modifying to multiple other areas of high unmet need beyond SLE.
- **On-demand availability.** Because an allogeneic NK cell therapy is produced in quantity then frozen in advance of patient need, it would be available for on-demand administration to patients, potentially in an outpatient setting, where patients with autoimmune diseases are typically treated. This approach also eliminates the need for infrastructure to support apheresis and other facets of bespoke manufacturing, lowering the burden for providers and facilities to deliver therapy.

Challenges with Developing NK Cell Therapies

We believe that the emerging data from our clinical trials of NK cell products along with the prior academic experience with NK cells validate the opportunity for NK cells for the treatment of autoimmune diseases. To achieve a commercially viable engineered NK cell therapy, we believe that a number of challenges inherent with NK cells must be addressed. These include the following:

- **Expansion.** One of the historical challenges in treating patients with NK cells has been the lack of robust techniques to grow these cells in large numbers without causing exhaustion, or the inability of the expanded NK cells to kill target cells with the same potency as native NK cells.
- **Engineering.** Primary NK cells have been reported to be difficult to engineer efficiently. Poor efficiency of engineering could limit the potency and consistency of engineered NK cell therapies.
- **Persistence.** Non-engineered human NK cells turn over rapidly, with a half-life of seven to 10 days in the body. This short lifetime could limit the cytotoxicity of these NK cells.
- **Cryopreservation.** Without cryopreservation, a truly off-the-shelf engineered NK cell therapy would be challenging to commercialize. However, freezing then thawing NK cells while maintaining cytotoxicity is difficult to achieve using standard techniques for T cell cryopreservation.

Our NK Cell Engineering Platform

Our cell engineering platform is designed to operationalize the full therapeutic potential of NK cells and address the limitations and challenges of current technologies for engineering T cells and NK cells. The platform is a result of our internal expertise and deep understanding of NK cell biology. It includes proprietary technologies for NK cell expansion, persistence, targeting, genome editing, and cryopreservation. This enables us to generate an abundant supply of NK cells, engineer enhanced NK cell recognition of target antigens, improve the persistence of these cells for sustained activity in the body, and freeze, transport and store our engineered NK cells for off-the-shelf use for the treatment of autoimmune diseases.

We have chosen to use healthy donors as our source for NK cells. We believe this offers a number of advantages including:

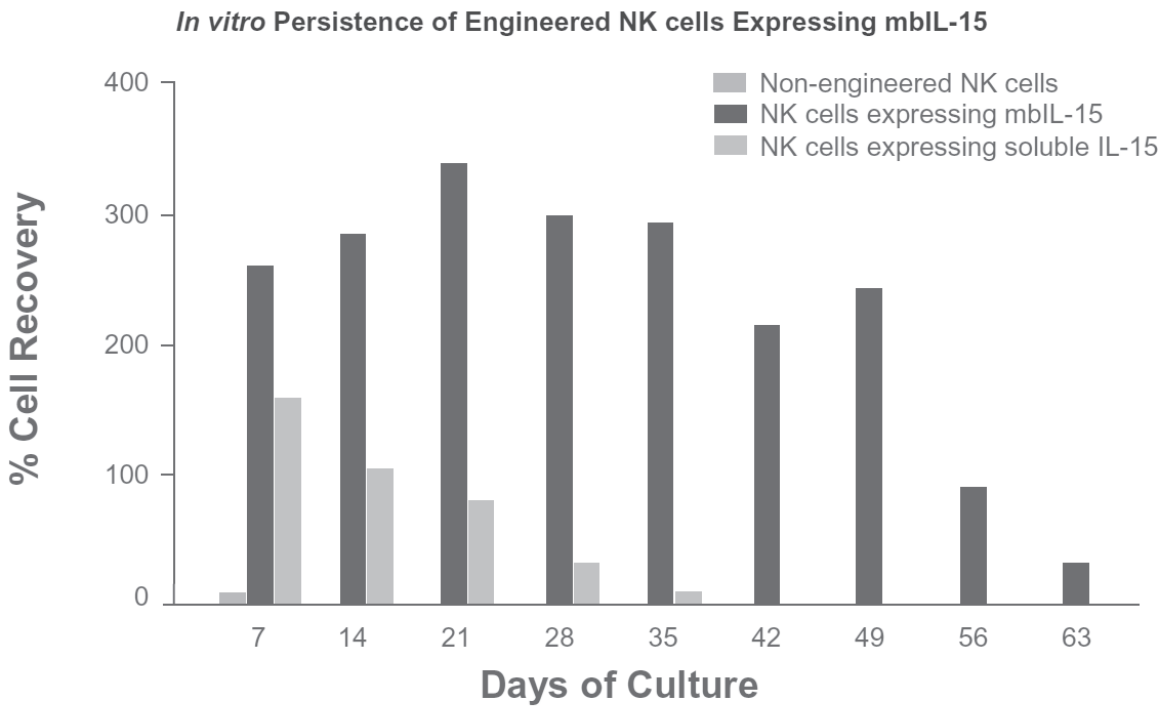
- Starting with differentiated, natural, and mature NK cells with inherent cell-targeting and cytotoxic capabilities, as compared to other cell sources such as stem cells, which must be artificially manipulated in an in vitro setting to reproduce these fundamental features;

- A large number of NK cells as starting material for each manufacturing run, as compared to other potential sources of NK cells;
- The ability to select donors with consistent and favorable NK cell characteristics, thereby avoiding challenges with patient-derived or other cell sources; and
- A diverse repertoire of NK cells. Different NK cell sub-populations have different characteristics, and by utilizing the entire natural gamut of NK cells as our cell source, we can capitalize on the inherent diversity of the innate immune system.

Below are the five core technologies that comprise our proprietary platform. Each of these technologies is part of an integrated approach to develop potent, scalable, and consistent NK cell products:

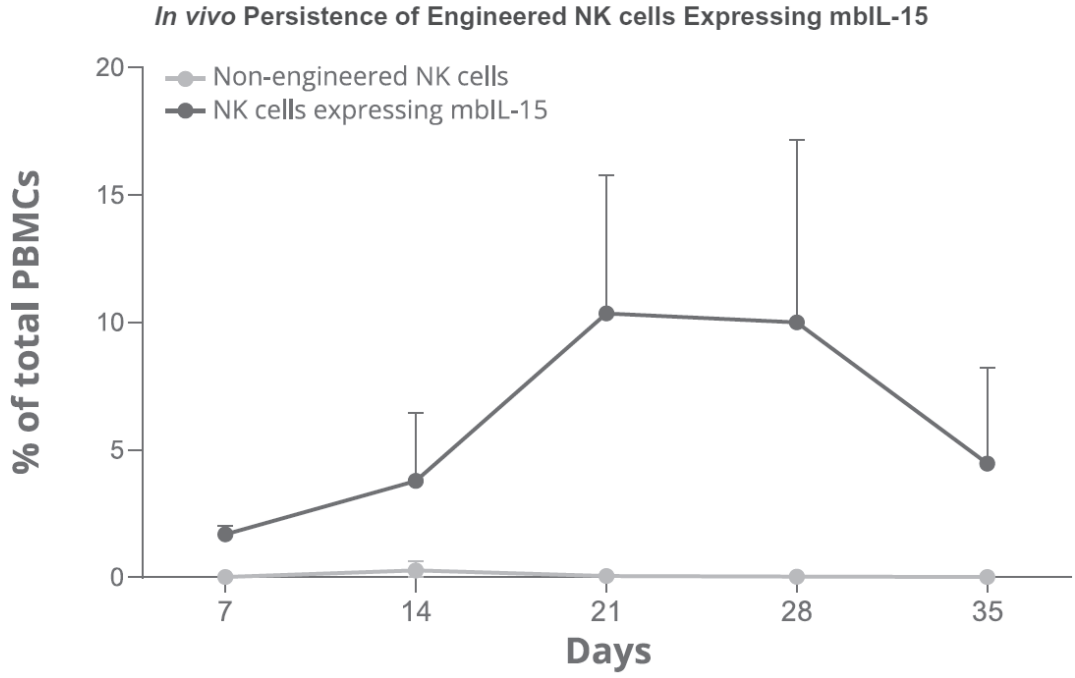
Expansion. The first pillar of our technology platform enables NK cell expansion without causing cell exhaustion. Our proprietary, engineered K562 stimulatory cells ("NKSTIM cells") have been engineered with mbIL-15 as well as a protein named 4-1BB ligand ("4-1BBL"). IL-15 is a naturally occurring growth protein that induces cell proliferation in NK cells. 4-1BBL binds to 4-1BB, a receptor normally found on NK cells that stimulates NK cell division and expansion. Therefore, NKSTIM cells are selectively able to stimulate the expansion of NK cells as compared to other leukocytes, and thereby provide large numbers of NK cells. Based on our current process and early cGMP manufacturing experience, we believe that we can produce hundreds of doses from a single manufacturing run.

Persistence. Pharmacokinetics of allogeneic NK cells will be limited by both immune suppression of allogeneic cells following LD, and by the intrinsic half-life of the administered cells. In addition to immune suppression, LD enhances the bioavailability of host cytokines, especially IL-15, which is associated with improved persistence of CAR T cell therapies. The second component of our technology platform is engineering NK cells with mbIL-15 to enhance their persistence without dependence on LD-mediated cytokines, facilitating a disease-tailored approach to LD. Because IL-15 is a selective driver of NK activation and expansion, tethering IL-15 to the surface of our engineered NK cells serves to stimulate the naturally occurring IL-15 receptor on these NKs, and thereby provide weeks of persistence in immune-deficient animal models. Because mbIL-15 selectively stimulates NK cells without elevating soluble IL-15 concentration, we believe that mbIL-15 provides meaningful advantages as compared to secreted IL-15 or the systemic administration of other cytokines such as IL-2 or IL-21. The first graph below shows data from a cell culture experiment which demonstrates the increase of the number and persistence of NK cells engineered with mbIL-15, as compared to unmodified NK cells or NK cells expressing soluble IL-15. The second graph below shows the increased number and persistence in mice of NK cells engineered with mbIL-15, as compared to unmodified NK cells, as a percentage of total peripheral blood mononuclear cells.



Evaluation of the effect of soluble IL-15 and mbIL-15 on the numbers of NK cells in cell culture.

Source: Imamura et al., Blood. 2014 Aug 14;124(7):1081-8



Effect of the addition of mbIL-15 to the longevity of circulating NK cells in a mouse model. At day 0, comparable numbers of NK cells were introduced to all mice in both experimental arms.

Targeting and Signaling. The third element of our technology platform is CARs optimized for NK cells, based on extensive preclinical evaluation of different possible constructs. We have performed extensive optimization of the CARs that serve to direct our engineered NK cells to target-cells as well as provide signals that engage the inherent ability of NK cells to target and kill transformed cells. For NKX019, we have found that using the OX40 costimulatory domain enhances the ability of the engineered NK cells to kill cancerous cells repeatedly in several *in vitro* models, as compared to CAR NK cells that include other costimulatory domains commonly used for CAR T cells. We confirmed these findings in animal models for both product candidates.

Genome Editing. The fourth component of our platform is the ability to edit our NK cells using CRISPR-Cas9 technology. We have identified a number of genomic modifications that serve to further enhance the cytotoxicity and resistance to tumor-mediated immune suppression. We have shown that knocking out certain genes can prolong the persistence and activity of CAR NK cells, and improve their resistance to suppression by the tumor microenvironment.

Immune Evasion. Through a combination of ectopic expression and genome editing, we have identified a number of strategies that could enable NK cells to resist allogeneic suppression.

Cryopreservation. The fifth constituent of our technology platform is cryopreservation of our engineered NK cells, the ability to freeze and store these cells for an extended time. The development of robust cryopreservation techniques is a result of our insight into the biology of engineered NK cells as well as extensive experimental optimization. Based on our preclinical data, we are able to freeze and subsequently thaw individual doses of engineered NK cells without significant loss of cell killing potency of our engineered NK cells. Cryopreservation of our allogeneic CAR NK cells will enable their off-the-shelf use in medical centers around the world, for administration to a patient at any time. Therefore, we believe that our cryopreservation of CAR NK cells will enable us to achieve the attractive commercial profile of an off-the-shelf, allogeneic cell therapy.

We believe that these key elements of our technology platform have the potential to grant us a key competitive advantage if our product candidates are approved.

Our Pipeline

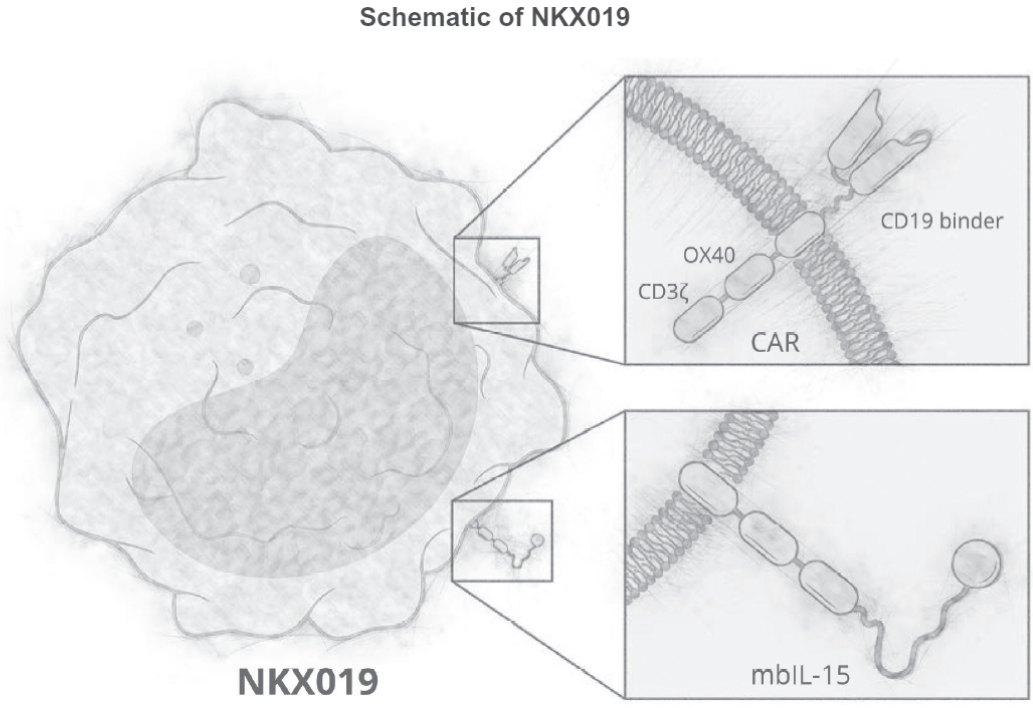
Our current pipeline for our lead program is shown below.

Asset	Program Name	Indication	Research	IND-Enabling	Clinical
NKX019 CD19 CAR NK	Ntrust-1	Lupus Nephritis, Primary Membranous Nephropathy			
	Ntrust-2	Scleroderma, Myositis, ANCA Vasculitis			
	IST - Columbia University Irving Medical Center	Systemic Lupus Erythematosus			
	IST - University of California, Irvine and University of Kansas Medical Center	Myasthenia Gravis			

IST: Investigator Sponsored Trial

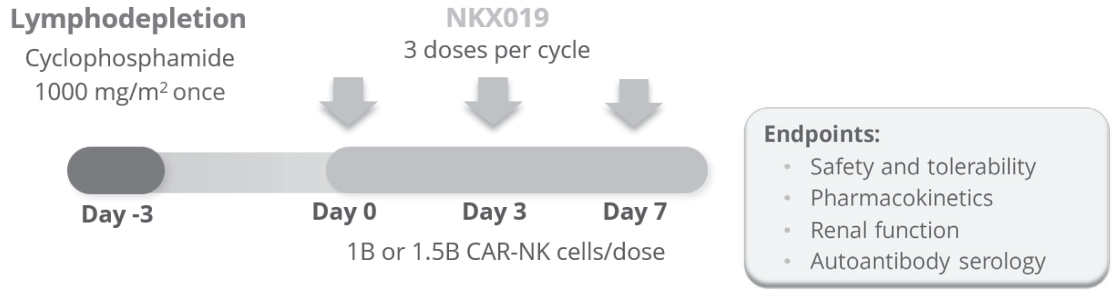
NKX019

Our product candidate NKX019 consists of allogeneic, donor-derived and expanded NK cells that have been genetically engineered to express mbIL-15 along with a CAR containing a CD19 binder, an OX40 costimulatory domain and a CD3ζ(zeta) signaling moiety for enhanced cell targeting and greater persistence and activity. CD19 is expressed on B cells through various stages of development, including on plasmablasts, which are associated with autoantibody production. NKX019 is active against B cells, supported by our clinical data from patients in our clinical protocols, as well as in vitro studies using cell collected from patients with various autoimmune diseases.



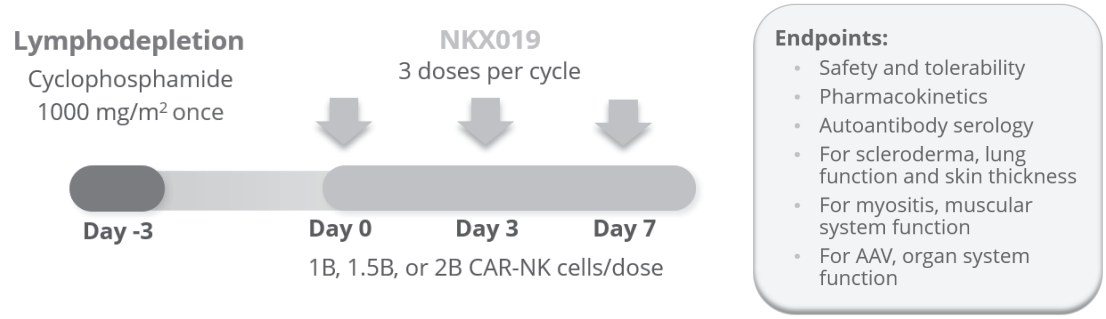
Ntrust-1 Clinical Trial for Lupus Nephritis and Primary Membranous Nephropathy

In October 2023, we announced the clearance of an IND application by the FDA to evaluate NKX019 for the treatment of LN in our Ntrust-1 clinical trial, and in May 2025, we announced the addition of pMN as an indication to our Ntrust-1 clinical trial, which is a multi-center, open-label, dose-escalation Phase 1 clinical trial that evaluates the safety and clinical activity of NKX019 in patients with refractory LN. The clinical trial consists of dose-finding followed by dose-expansion and is designed to identify the recommended Phase 2 dose. Patients receive a three-dose cycle of NKX019 at 1 billion or 1.5 billion cells per dose on Days 0, 3, and 7 following LD with single agent cyclophosphamide, an agent with an established safety profile in SLE and LN. The study is designed to initially enroll up to 12 patients, and in December 2024, we announced the first patient had been dosed. The dosing schema for the clinical trial is shown in the graphic below.



Ntrust-2 Clinical Trial for Additional Autoimmune Diseases

In June 2024, we announced the clearance of an IND application by the FDA to evaluate NKX019 for the treatment of scleroderma, myositis, and AAV. Ntrust-2 is enrolling patients with scleroderma, myositis, and AAV into parallel cohorts, and NKX019 will be dosed on Days 0, 3, and 7. The study is designed to initially enroll up to 12 patients. The dosing schema for the clinical trial is shown in the graphic below.



Investigator Sponsored Trials for Autoimmune Diseases

In July 2024, we announced that researchers at Columbia University Irving Medical Center initiated an IST of NKX019 in patients with SLE, and in November 2024, we announced that their first patient had been dosed. This single-center, single-arm, open-label Phase 1 IST is designed to enroll up to six patients with SLE, regardless of renal involvement, and will evaluate safety and clinical outcomes in a potentially different population than Ntrust-1. Translational and biomarker studies, including autoantibodies, cytokine profiles and pharmacokinetics are also planned. Patients receive NKX019 on Days 0, 3 and 7 following LD with single-agent cyclophosphamide.

In December 2024, we announced the IND clearance of an IST led by researchers at the University of California, Irvine and the University of Kansas Medical Center to evaluate NKX019 in patients with MG. The single-arm, open-label Phase 1 IST is designed to enroll patients with MG and will evaluate safety and clinical outcomes. Translational and biomarker studies, including autoantibodies, cytokine profiles and pharmacokinetics are also planned. Patients will receive NKX019 on Days 0, 3 and 7 following LD with single-agent cyclophosphamide.

CAR NK Platform and Other Programs

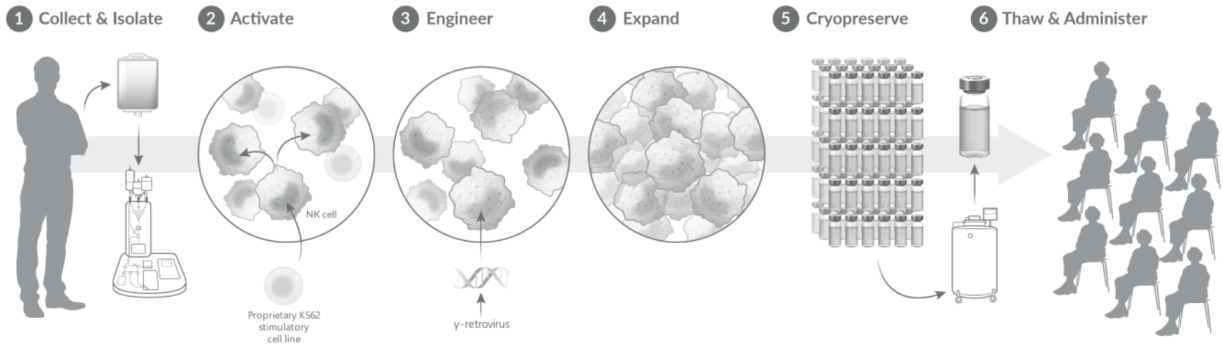
We have prioritized the development of NKX019 for B-cell mediated autoimmune diseases. We plan to continue assessing opportunities for further expansion of NKX019 into additional indications with supportive data for our mechanism. While the further development of our oncology programs has been deprioritized, we continue to monitor enrolled patients.

Manufacturing

Our process for the generation of an allogeneic, off-the-shelf NK cell therapy requires multiple steps. To achieve a commercially viable product, we believe that each of these steps must be scalable, reproducible and cost-effective and must provide consistent cell killing potency of our CAR NK cells once these cells are frozen and then thawed. Therefore, we have focused on developing a manufacturing process that incorporates the following elements:

- starting material consisting of differentiated, mature NK cells with inherent cytotoxic and tumor-recognizing capabilities, as compared to other cell sources such as stem cells, where these fundamental features must be engineered into the cells which must be artificially manipulated in an in vitro setting to reproduce these fundamental features;
- a cell source which provides high numbers of easily characterized NK cells;
- expansion technology which increases the number of NK cells by orders of magnitude, without inducing exhaustion;
- techniques for genetic engineering of NK cells which are cost-effective and which introduce a controlled and specified range of the number of copies of the gene into each cell;
- techniques for genome editing of NK cells to selectively knock-out or knock-in genetic targets in each cell;
- cryopreservation techniques that permit bulk CAR NK cells to be frozen in individual doses; and
- techniques for thawing the frozen NK cell product that are easy to adopt in different clinical settings, and that provide consistent CAR NK cell recovery, viability and potency.

Our overall manufacturing scheme is shown in the diagram below.



The source material for production of our off-the-shelf NK cell therapy product candidates is NK cells collected from healthy donors by leukapheresis, the selective collection of white blood cells from plasma. We then isolate the NK cells from the other cells in the leukapheresis product. Next, we selectively activate the NK cells by co-culture with NKSTIM cells. After initial expansion, we engineer the expanded NK cells using a gamma-retrovirus to express mbIL-15 and the CAR. We further expand the NK cells, followed by harvesting and cryopreservation to form the final cell product. For off-the-shelf administration, clinical sites will thaw the CAR NK product candidate for administration to patients at the clinical site.

We believe that establishing our own internal cGMP manufacturing capabilities will facilitate clinical product supply, lower the risk of manufacturing disruptions, and enable more cost-effective manufacturing for clinical and commercial supply of our product candidates. We have a 2,700-square foot clinical cGMP facility at our original corporate location in South San Francisco, California, which we have used to produce clinical supply. We have a second facility in South San Francisco to support research and development and future manufacturing of Nkarta's cell therapy products and product candidates, including potential needs for pivotal clinical trials and commercial launch. In addition to housing a 12,500-square foot cGMP facility, the second site also serves as our headquarters with office space and research facilities. We currently manufacture clinical supply of NKSTIM cells and the gamma-retrovirus at third-party contract manufacturing sites. We may manufacture NKSTIM cells in house in the future.

Compliance with government regulations related to the manufacture of our product candidates may require significant effort and financial resources. The design, construction, qualification and regulatory approvals for our cGMP manufacturing facilities require substantial capital and technical expertise. The facilities will be subject to inspection by the FDA and other regulatory agencies to ensure compliance with cGMP. Any delays in receiving regulatory approvals for our manufacturing facilities or any failure by us to comply with applicable regulations at our manufacturing facilities could delay our development and commercialization activities. In addition, if our product candidates fail to meet the required specifications after manufacture or if we change the manufacturing process, we may need to obtain additional regulatory approvals. If we are not able to obtain the necessary additional regulatory approvals, we may need to perform additional clinical trials or manufacturing runs or further refine our manufacturing processes, which could delay development and commercialization of our product candidates and cost substantial additional capital. Any delays in our development and commercialization activities could have a material effect on our business, financial position, results of operations and competitive position.

Patents, Trademarks and Proprietary Technology

We protect our intellectual property rights and proprietary technology with a combination of patent rights that we own or license in certain fields of use, trademark rights, confidentiality procedures and contractual provisions. We seek not only to protect our intellectual property rights and proprietary technology in select key global markets, but also to supplement our intellectual property portfolio with new filings and applications to enhance such protection and support commercialization of current and future product candidates. To that end, we continue to seek protection for our technological innovations and branding efforts by filing new patent and trademark applications when and where appropriate. Our patent portfolio consists of a combination of issued patents and pending patent applications licensed from third parties, jointly owned by us with third parties, and owned solely by us. For example, some of our issued patents and patent applications are exclusively licensed to us in therapeutic fields of use from the National University of Singapore ("NUS"), St. Jude Children's Research Hospital, Inc., or both (collectively, "Licensors"). As of December 31, 2025, our patent portfolio includes at least 55 issued utility patents and at least 200 pending utility patent applications, which are solely owned by us, jointly owned with others, or licensed to us. Our portfolio includes patents and patent applications that relate to NKX019, our NK cell engineering platform (e.g., NK cell expansion and/or persistence), potential future pipeline product candidates, and alternative technologies.

At least 30 of the issued utility patents and at least 50 of the pending utility patent applications in our portfolio are related to our NKX019 product candidate, and include composition-of-matter, manufacturing process, and method-of-use claims (e.g., targeting CD19-expressing cells, including monotherapies and combination therapies). These issued utility patents include patents in the United States, Europe, Japan, and other jurisdictions outside the United States and are solely owned by us or licensed from Licensors. These pending utility patent applications include applications in the United States, Europe, Japan, the Patent Cooperation Treaty, and other jurisdictions outside the United States. Of these pending patent applications, at least 45 are solely owned by us, with the remaining licensed from Licensors. The estimated expiration dates of the issued utility patents are between approximately 2024 and 2040, and the estimated expiration dates of the pending utility patent applications, to the extent they issue as patents or are used to establish nonprovisional patent applications that issue as patents, are between approximately 2024 and 2046, with estimated expiration dates subject to any patent term adjustments or extensions. Among these issued utility patents and pending utility patent applications, we have three issued US patents and one pending U.S. patent application with composition-of-matter claims directed to our NKX019 product candidate, all of which are solely owned by us and are estimated to expire in 2040, subject to any patent term adjustments or extensions.

At least 20 of the issued utility patents and at least 15 of the pending utility patent applications in our portfolio are related to our NK cell engineering platform, and include manufacturing process, method-of-use and composition-of-matter claims relating to NK cell expansion and/or NK cell persistence. These issued utility patents include patents in the United States, Europe, Japan, and other jurisdictions outside the United States and are solely owned by us or licensed from Licensors. These pending utility patent applications include applications in the United States, Europe, Japan, and other jurisdictions outside the United States. Of these pending patent applications, at least 10 are solely owned by us, with the remaining licensed from Licensors. The estimated expiration dates of the issued utility patents are between approximately 2024 and 2040, and the estimated expiration dates of the pending utility patent applications, to the extent they issue as patents or are used to establish nonprovisional patent applications that issue as patents, are between approximately 2024 and 2045, with estimated expiration dates subject to any patent term adjustments or extensions. Composition-of-matter claims relating to our NKSTIM cells are estimated to have expired in Q4 2024, subject to any patent term adjustments or extensions.

In August 2016, we entered into a license agreement with the Licensors. Pursuant to this license, the Licensors granted to us an exclusive, worldwide, royalty-bearing, sublicensable license under specified patents and patent applications related to NK cell technology in the field of therapeutics. Payments to the Licensors pursuant to the license agreement include single-digit royalty payments on commercial sales, a portion of any sublicensing revenue, patent expenses, license maintenance fees and milestone payments upon completion of certain regulatory and commercial milestones related to the clinical development and commercialization of our product candidates, in an aggregate amount of up to 5 million Singapore Dollars. The License Agreement also includes certain performance objectives which obligate us to meet various milestones related to the clinical development and commercialization of our product candidates over time for up to 120 months after the effective date of the License Agreement. The term of the license agreement extends until expiration of the last of the patent rights licensed to us by the Licensors, which is currently expected to occur in approximately 2039, subject to any patent term adjustments or extensions. We may terminate the license agreement at will upon 90 days' prior written notice to the Licensors. The Licensors may terminate the license agreement for certain conditions such as uncured material breach by us, the cession of our business, or our insolvency, liquidation, or receivership.

The U.S. government has certain rights in some of our licensed patents (including U.S. Patent Nos. 7,435,596, 8,026,097, and 11,673,937 and certain related U.S. patent applications, which relate to our NK cell engineering platform) in accordance with the Bayh-Dole Act of 1980. These rights in certain technology developed under government-funded research include, for example, a license to use those inventions for governmental purposes and the right to require us to grant exclusive licenses to such inventions to a third party under certain circumstances. In addition, the U.S. government requires that any products embodying any of these inventions or produced through the use of any of these inventions be manufactured substantially in the United States unless domestic manufacture is not feasible or the requirement is waived. For further details about risks related to the government's rights in such inventions, see "*—The U.S. government could choose to exercise certain rights in technology developed under government-funded research, which could eliminate our exclusive use of such technology or require us to commercialize our product candidates in a way we consider sub-optimal*" in the section titled "Risk Factors" in Part I, Item 1A in this Annual Report on Form 10-K.

Our continuing research and development activities, technical expertise and contractual arrangements supplement our existing intellectual property protection and help us maintain our competitive position, and we rely on trade secrets to protect our proprietary information and technologies, especially where we do not believe patent protection is appropriate or obtainable, or where such patents would be difficult to enforce. In order to maintain such trade secrets and other proprietary information, we rely in part on confidentiality agreements with our employees, consultants, contractors, outside scientific collaborators and other advisors.

We also protect our brand through trademark rights. As of December 31, 2025, we are the listed owner of the U.S. registered trademark, NKARTA, and 15 related foreign registered trademarks. In addition, we have pending U.S. trademark applications for NKSTIM and NTRUST. In order to supplement the protection of our brand, we also have registered internet domain names.

Government Regulation

Government authorities in the United States, at the federal, state and local level, and in other countries and jurisdictions, extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, post-approval monitoring and reporting, and import and export of pharmaceutical products.

FDA Approval Process

In the United States, the FDA regulates investigational drugs, including biological products, under the Federal Food, Drug, and Cosmetic Act ("FDCA") and its implementing regulations. Marketing authorization of a biological product via a biologics license application ("BLA") occurs under section 351 of the Public Health Service Act ("PHSA"). The steps required before a product candidate may be approved for marketing in the United States generally include:

- preclinical laboratory tests and animal tests conducted under Good Laboratory Practices;
- the submission to the FDA of an IND for human clinical testing, which must become effective before human clinical trials commence;
- approval by an independent institutional review board ("IRB") representing each clinical site before each clinical trial may be initiated;
- adequate and well-controlled human clinical trials to establish the safety and efficacy of the product for each indication and conducted in accordance with Good Clinical Practices ("GCP");
- the preparation and submission to the FDA of a BLA;
- FDA acceptance, review and approval of the BLA, which might include an advisory committee review; and
- satisfactory completion of an FDA inspection of the manufacturing facilities at which the product, or components thereof, are made to assess compliance with cGMPs and in the case of cell-based advanced therapy, additionally, current Good Tissue Practices.

The testing and approval process typically requires many years and substantial effort and financial resources, and the receipt and timing of any approval is uncertain. The actual time required may vary substantially based upon the type, complexity, and novelty of the product or disease, along with events outside our control, such as reductions in the FDA's budget, employees and operations. For example, the FDA has, at times, taken longer than its usual 30-day window to complete its review of certain first-of kind INDs. In addition, the FDA may suspend clinical trials at any time on various grounds, including a finding that the subjects or patients are being exposed to an unreasonable and significant health risk.

Preclinical and Human Clinical Trials in Support of a BLA

Preclinical studies generally include laboratory evaluations of product chemistry, formulation, and toxicity, as well as animal studies to assess the potential safety and bioactivity of the product candidate. The results of the preclinical studies, together with manufacturing information and analytical data, among other things, are submitted to the FDA as part of the IND, which must become effective before clinical trials may be commenced. The IND will typically become effective automatically 30 days after receipt by the FDA, unless the FDA raises concerns or questions about the conduct of the trials as outlined in the IND prior to that time. In this case, the IND sponsor and the FDA must resolve any outstanding concerns before clinical trials can proceed. If outstanding concerns cannot be resolved, the FDA will place the clinical trial, or a portion of it, on clinical hold. The FDA may also initiate a full or partial clinical hold after the 30 days if, for example, significant public health risks arise during the trial, if FDA believes the study is not being conducted in accordance with FDA regulations, or if results from additional preclinical studies are required by the FDA to evaluate the potential risk and benefit to patients for such a trial. Clinical holds may be temporary or permanent.

Clinical trials involve the administration of the product candidate to human subjects under the supervision of qualified investigators in accordance with federal regulations, in compliance with GCP requirements, and in accordance with a protocol submitted to FDA as part of the IND detailing the objectives of the trial, the parameters used to monitor safety, and the effectiveness criteria, if any, to be evaluated. Each clinical trial and informed consent information must also be reviewed and approved by an independent IRB at each of the sites at which the trial will be conducted. The IRB will consider, among other things, ethical factors, the safety of human subjects and the possible liability of the institution. An IRB may also require the clinical trial at the site to be halted, either temporarily or permanently, for failure to comply with the IRB's requirements, or may impose other conditions if it believes that

the patients are subject to unacceptable risk. Additionally, an independent group of qualified experts organized by the clinical trial sponsor, often known as a Data Safety Monitoring Board ("DSMB") or committee, may oversee some clinical studies.

Clinical trials to support BLAs for marketing approval are typically conducted in three sequential phases prior to approval, but the phases may overlap or be combined. These phases generally include the following:

Phase 1. Phase 1 clinical trials represent the initial introduction of a product candidate into human subjects. In Phase 1 trials of cellular therapies, the product candidate is tested for safety, including adverse effects.

Phase 2. Phase 2 clinical trials usually involve studies in a limited patient population to (i) evaluate the efficacy of the product candidate for specific indications, (ii) determine dosage tolerance and optimal dosage and (iii) identify possible adverse effects and safety risks.

Phase 3. If a product candidate is found to be potentially effective and to have an acceptable safety profile in Phase 2 clinical trials, the clinical trial program will be expanded to Phase 3 clinical trials to further demonstrate clinical efficacy, optimal dosage and safety within a larger number of patients, typically at geographically dispersed clinical trial sites.

Phase 4 (post-approval). Phase 4 clinical trials may be conducted after approval to gain additional experience from the treatment of patients in the intended therapeutic indication and to document a clinical benefit in the case of drugs approved under accelerated approval regulations, or when otherwise requested by the FDA (post-approval commitments) or required by the FDA (post-approval requirements). Failure to promptly conduct any required Phase 4 clinical trials could result in enforcement action or withdrawal of approval.

A pivotal trial is a clinical trial that is designed to meet regulatory requirements to demonstrate a product candidate's safety and efficacy to support the approval of the drug or biologic. Generally, pivotal trials are Phase 3 trials, but the FDA may accept results from any phase clinical trial if the design provides a well-controlled and reliable assessment of clinical benefit, particularly in situations in which there is an unmet medical need and the results are sufficiently robust.

Submission and Review of a BLA

The results of preclinical studies and clinical trials, together with detailed information on the product's manufacture, composition, quality, controls and proposed labeling, among other things, are submitted to the FDA in the form of a BLA, requesting approval to market the product. The cost of preparing and submitting a BLA is substantial and requires payment of a significant user fee to the FDA. The FDA has 60 days from its receipt of a BLA to determine whether the application will be accepted for filing based on the FDA's determination that it is adequately organized and sufficiently complete to permit substantive review. The FDA has substantial discretion in the approval process and may refuse to accept an application or decide that the data are insufficient for approval and require additional preclinical, clinical or other studies.

Once a BLA has been accepted for filing, the FDA sets a user fee goal date that informs the applicant of the specific date by which the FDA intends to complete its review, which is typically ten months from the date that the FDA accepts the BLA for filing for standard review BLAs. Applications classified as priority review are reviewed within six months of the date the FDA accepts the BLA for filing. A BLA can be classified for priority review when the FDA determines the biologic product has the potential to treat a serious or life-threatening condition and, if approved, would be a significant improvement in safety or effectiveness compared to available therapies. The review process can be extended by FDA requests for additional information or clarification. The FDA reviews BLAs to determine, among other things, whether the proposed product is safe and effective for its intended use, whether the product is being manufactured in accordance with cGMP to assure and preserve the product's identity, strength, quality and purity, and whether the sponsor and clinical trial sites comply with GCP. The FDA may also refer applications for novel biologic products, or biologic products that present difficult questions of safety or efficacy, to be reviewed by an advisory committee—typically a panel that includes clinicians, statisticians and other

experts—for review, evaluation, and a recommendation as to whether the BLA should be approved. The FDA is not bound by the recommendation of an advisory committee, but generally follows such recommendations.

The FDA will provide a preliminary determination as to whether a REMS is necessary to assure the safe use of the product prior to the BLA, but a final decision will be made during the approval process. If the FDA concludes a REMS is needed, the sponsor of the application must submit a proposed REMS, and the FDA will not approve the application without an approved REMS, if required. A REMS can include medication guides, communication plans for healthcare professionals, and elements to assure a product's safe use, such as special training or certification for prescribing or dispensing the product, dispensing the product only under certain circumstances, special monitoring, and the use of patient-specific registries. A REMS can substantially increase the costs of obtaining approval. The FDA could also require a special warning, known as a boxed warning, to be included in the product labeling in order to highlight a particular safety risk. The FDA may require substantial post-marketing testing and surveillance to monitor safety or efficacy of a product.

On the basis of the FDA's evaluation of the BLA and accompanying information, including the results of the inspection of the manufacturing facilities, the FDA will issue either an approval of the BLA or a Complete Response Letter, detailing the deficiencies in the submission and the additional testing or information required for reconsideration of the application. The FDA typically reviews resubmissions within two or six months, depending on the type of information included. Even with submission of this additional information, the FDA may ultimately decide that the application does not satisfy the regulatory criteria for approval. If, or when, those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the BLA, the FDA will issue an approval letter. An approval letter authorizes commercial marketing and distribution of the biologic with specific prescribing information for specific indications.

Once granted, product approvals may need be withdrawn if compliance with regulatory standards is not maintained or problems are identified following initial marketing. Changes to some of the conditions established in an approved BLA, including changes in indications, product labeling, manufacturing processes or facilities, require submission and FDA approval of a new BLA or BLA supplement before the change can be implemented. A BLA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA follows the same procedures, including timelines, and actions in reviewing BLA supplements as it does in reviewing BLAs.

Expedited Approval Programs

A sponsor may seek approval of its drug candidate under programs designed to accelerate FDA's review of INDs and BLA. For example, the FDA may grant fast track designation ("FTD") to a drug intended for treatment of a serious or life-threatening disease or condition that has potential to address unmet medical needs for the disease or condition. The key benefits of FTD are the eligibility for priority review, rolling review (submission of portions of an application before the complete marketing application is submitted) and accelerated approval, if the application meets relevant criteria.

In addition, a sponsor may seek a FDA IND designation of its drug candidate as a breakthrough therapy if the drug can, alone or in combination with one or more other drugs, treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. A breakthrough therapy designation ("BTD") allows companies to work earlier, more closely, and frequently with the FDA, and they may be eligible for priority review and accelerated approval. The sponsor of a new biologic product candidate may request that the FDA designate the candidate for a specific indication as a breakthrough therapy concurrent with, or after, the submission of the IND for the biologic product candidate. The FDA must determine if the biological product qualifies for BTD within 60 days of receipt of the sponsor's request.

Cell-based advanced therapies intended to treat, modify, reverse or cure a serious medical condition can receive regenerative medicine advanced therapy ("RMAT") designation from the FDA once preliminary clinical evidence has been obtained demonstrating the therapy has the potential to address unmet medical needs for the

condition. Similar to BTD, the RMAT allows companies developing regenerative medicine therapies to work earlier, more closely, and frequently with the FDA, and RMAT designated products may be eligible for priority review and accelerated approval. Interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. The timing of a sponsor's request for designation and FDA response are the same as for the breakthrough therapy designation program.

Special Protocol Assessment

A company may reach an agreement with the FDA under the Special Protocol Assessment ("SPA") process as to the required design and size of clinical trials intended to form the primary basis of an efficacy claim. Under the FDCA and FDA guidance implementing the statutory requirement, an SPA is generally binding upon the FDA except in limited circumstances, such as if the FDA identifies a substantial scientific issue essential to determining safety or efficacy after the clinical trial begins, public health concerns emerge that were unrecognized at the time of the protocol assessment, the sponsor and the FDA agree to the change in writing, or if the clinical trial sponsor fails to follow the protocol that was agreed upon with the FDA.

Disclosure of Clinical Trial Information

Sponsors of clinical trials of FDA-regulated products, including biological products, are required to register and disclose certain clinical trial information on the website www.clintrials.gov. Information related to the product, patient population, phase of investigation, trial sites and investigators, and other aspects of a clinical trial are then made public as part of the registration. Sponsors are also obligated to disclose the results of their clinical trials after completion. Disclosure of the results of clinical trials can be delayed in certain circumstances for up to two years after the date of completion of the trial. The U.S. National Institutes of Health's ("NIH") Final Rule on ClinicalTrials.gov registration and reporting requirements became effective in 2017, and both NIH and FDA have signaled the government's willingness to begin enforcing those requirements against non-compliant clinical trial sponsors, which can give rise to civil monetary penalties and also prevent the non-compliant party from received future grant funds from the federal government.

Orphan Drugs

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug intended to treat a rare disease or condition affecting fewer than 200,000 individuals in the United States, or in other limited cases. Orphan drug designation ("ODD") must be requested before submitting a BLA. If the FDA grants ODD, the identity of the biological product and its potential orphan disease use are disclosed publicly by the FDA. ODD does not convey any advantage in or shorten the duration of the regulatory review and approval process, though companies developing orphan drugs may be eligible for certain incentives, including tax credits for qualified clinical testing. In addition, a BLA for a product that has received ODD is not subject to a prescription drug user fee unless the application includes an indication other than the rare disease or condition for which the drug was designated. In December 2021, we announced that the FDA granted ODD to our product candidate NKX101 for treatment of acute myeloid leukemia. Generally, if a product that has ODD subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications to market the same active moiety for the same indication for seven years, except in limited circumstances, such as another drug's showing of clinical superiority over the drug with orphan exclusivity. A product can be considered clinically superior if it is safer, more effective or makes a major contribution to patient care.

Additional Controls for Biologics

To help reduce the increased risk of the introduction of adventitious agents, the PHSA emphasizes the importance of manufacturing controls for products whose attributes cannot be precisely defined. The PHSA also provides authority to the FDA to immediately suspend biologics licenses in situations where there exists a danger to public health, to prepare or procure products in the event of shortages and critical public health needs, and to authorize the creation and enforcement of regulations to prevent the introduction or spread of communicable diseases within the United States.

After a BLA is approved, the product may also be subject to official lot release as a condition of approval. As part of the manufacturing process, the manufacturer is required to perform certain tests on each lot of the product before it is released for distribution. If the product is subject to official release by the FDA, the manufacturer submits samples of each lot of product to the FDA together with a release protocol showing a summary of the lot manufacturing history and the results of all of the manufacturer's tests performed on the lot. The FDA may also perform certain confirmatory tests on lots of some products, such as viral vaccines, before allowing the manufacturer to release the lots for distribution. In addition, the FDA conducts laboratory research related to the regulatory standards on the safety, purity, potency, and effectiveness of biological products. As with drugs, after approval of a BLA, biologics manufacturers must address any safety issues that arise, are subject to recalls or a halt in manufacturing, and are subject to periodic inspection after approval.

Biosimilars

The Biologics Price Competition and Innovation Act of 2009 ("BPCIA") creates an abbreviated approval pathway for biological products shown to be highly similar to or interchangeable with an FDA licensed reference biological product. Biosimilarity sufficient to reference a prior FDA-approved product requires that there be no differences in conditions of use, route of administration, dosage form, and strength, and no clinically meaningful differences between the biological product and the reference product in terms of safety, purity, and potency. Biosimilarity must be shown through analytical trials, animal trials, and a clinical trial or trials, unless the Secretary of Health and Human Services waives a required element. A biosimilar product may be deemed interchangeable with a previously approved product if it meets the higher hurdle of demonstrating that it can be expected to produce the same clinical results as the reference product and, for products administered multiple times, the biologic and the reference biologic may be switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic. To date, a small number of biosimilar products and no interchangeable products have been approved under the BPCIA. Complexities associated with the larger, and often more complex, structures of biological products, as well as the process by which such products are manufactured, pose significant hurdles to biosimilar product implementation, which is still being evaluated by the FDA.

A reference biologic is granted 12 years of exclusivity from the time of first licensure, or BLA approval, of the reference product, and no application for a biosimilar can be submitted for four years from the date of licensure of the reference product. The first biologic product submitted under the biosimilar abbreviated approval pathway that is determined to be interchangeable with the reference product has exclusivity against a finding of interchangeability for other biologics for the same condition of use for the lesser of (i) one year after first commercial marketing of the first interchangeable biosimilar, (ii) 18 months after the first interchangeable biosimilar is approved if there is no patent challenge, (iii) 18 months after resolution of a lawsuit over the patents of the reference biologic in favor of the first interchangeable biosimilar applicant, or (iv) 42 months after the first interchangeable biosimilar's application has been approved if a patent lawsuit is ongoing within the 42-month period.

Post-Approval Requirements or Commitments

Approved drugs and biologics that are manufactured or distributed in the United States pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, adverse event reporting, product sampling and distribution, advertising and promotion including standards and regulations for direct-to-consumer advertising, off label promotion, industry-sponsored scientific and educational activities and promotional activities involving the Internet. The FDA may also impose a number of post-approval requirements or commitments as a condition of approval of a BLA.

In addition, entities involved in the manufacture and distribution of approved drugs are required to register their establishments with the FDA and state agencies and are subject to periodic unannounced inspections by the FDA and these state agencies for compliance with cGMP requirements. Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP requirements and impose reporting and documentation requirements upon the sponsor and any third party manufacturers that the sponsor may decide to use.

Once an approval is granted, the FDA may issue enforcement letters or product approvals may need to be withdrawn if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market, which could delay product distribution. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things, revisions to the approved labeling to add new safety information, imposition of post-market studies or clinical trials to assess new safety risks or imposition of distribution or other restrictions under a REMS program.

The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved labeling.

Foreign Regulation

In order to market any product outside of the United States, we would need to comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding quality, safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales and distribution of our products. Whether or not we obtain FDA approval for a product, we would need to obtain the necessary approvals by the comparable foreign regulatory authorities before we can commence clinical trials or marketing of the product in foreign countries and jurisdictions. Although many of the issues discussed above with respect to the United States apply similarly in the context of the European Union and other geographies, the approval process varies between countries and jurisdictions and can involve additional product testing and additional administrative review periods. The time required to obtain approval in other countries and jurisdictions might differ from and be longer than that required to obtain FDA approval. Regulatory approval in one country or jurisdiction does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country or jurisdiction may negatively impact the regulatory process in others.

Coverage, Reimbursement and Pricing

In the United States and foreign markets, sales of any products for which we receive regulatory approval for commercial sale will depend, in part, on the availability of coverage and the adequacy of reimbursement from third-party payors. Third-party payors include government authorities and private entities, such as managed care organizations, private health insurers and other organizations. The process for determining whether a third-party payor will provide coverage for a product may be separate from the process for setting the reimbursement rate that the payor will pay for the product. Third-party payors may limit coverage to specific products on an approved list, or formulary, which might not include all of the FDA-approved products for a particular indication. Moreover, a third-party payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. For example, the payor's reimbursement payment rate may not be adequate or may require co-payments

that patients find unacceptably high. Additionally, coverage and reimbursement for products can differ significantly from payor to payor. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development. Further, some third-party payors may require pre-approval of coverage for new or innovative devices or drug therapies before they provide reimbursement for use of such therapies.

Third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of products and services, in addition to their safety and efficacy. To obtain coverage and reimbursement for any product that might be approved for sale, we may need to conduct expensive pharmaco-economic studies to demonstrate the medical necessity and cost-effectiveness of our product. These studies will be in addition to the studies required to obtain regulatory approvals. If third-party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover the product after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its products at a profit. Even if we attain favorable coverage and reimbursement status for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

U.S. and foreign governments regularly consider reform measures that affect healthcare coverage and costs. The focus on cost containment measures, particularly in the United States, has increased and we expect will continue to increase the pressure on pharmaceutical pricing. For example, the U.S. and state legislatures have shown significant interest in implementing cost containment programs to limit the growth of government-paid health care costs, including price controls, restrictions on reimbursement and requirements for substitution of generic products for branded prescription products. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, the "ACA") contains provisions that may reduce the profitability of products, including, for example, increased rebates for products sold to Medicaid programs, extension of Medicaid rebates to Medicaid managed care plans, mandatory discounts for certain Medicare Part D beneficiaries and annual fees based on pharmaceutical companies' share of sales to federal health care programs. The Centers for Medicare and Medicaid Services ("CMS") may develop new payment and delivery models, such as bundled payment models. Adoption of government controls and measures, and tightening of restrictive policies in jurisdictions with existing controls and measures, could limit payments for our products. Due to general uncertainty in the current regulatory and healthcare policy environment, and specifically regarding positions that the new Presidential administration may take with respect to these issues, we are unable to predict the impact of any legislative, regulatory, third-party payer or policy actions, including potential cost containment and healthcare reform measures.

European Union Coverage Reimbursement and Pricing

In the European Union, pricing and reimbursement schemes vary widely from country to country. Some countries provide that drug products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost effectiveness of a particular drug candidate to currently available therapies in order to obtain reimbursement or pricing approval.

For example, the European Union provides options for its member states to restrict the range of drug products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. European Union member states may approve a specific price for a drug product or may instead adopt a system of direct or indirect controls on the profitability of the company.

Healthcare Laws and Regulations

Physicians, other healthcare providers, and third-party payors will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our arrangements with healthcare professionals, principal investigators, consultants, customers and third-party payors are and will be subject to various federal, state and foreign fraud and abuse laws and other healthcare laws and regulations. The U.S. federal and state healthcare laws and regulations that may affect our ability to operate include, without limitation, the following:

- The federal Anti-Kickback Statute, which prohibits persons from, among other things, knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federally funded healthcare programs, such as Medicare and Medicaid. The term "remuneration" has been broadly interpreted to include anything of value;
- The federal civil and criminal false claims laws, including, without limitation, the federal civil monetary penalties law and the civil False Claims Act (which can be enforced by private citizens through qui tam actions), prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, false or fraudulent claims for payment of federal funds, and knowingly making, or causing to be made, a false record or statement material to a false or fraudulent claim to avoid, decrease or conceal an obligation to pay money to the federal government;
- The federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA") which creates federal criminal laws that prohibit, among other things, executing or attempting to execute a scheme to defraud any healthcare benefit program knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 and its implementing regulations, which imposes certain obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information without the appropriate authorization by entities subject to the law, such as certain healthcare providers, health plans and healthcare clearinghouses and their respective business associates who use, disclose, store or otherwise process HIPAA-protected health information on their behalf;
- The federal transparency requirements under the Physician Payments Sunshine Act, created under the ACA, which requires certain manufacturers of drugs, devices, biologics and medical supplies reimbursed under Medicare, Medicaid or the Children's Health Insurance Program ("CHIP") to report to the Department of Health and Human Services ("HHS") information related to payments and other transfers of value provided to physicians and teaching hospitals and physician ownership and investment interests;
- Analogous state laws and regulations, such as state anti-kickback and false claims laws, that impose similar restrictions and may apply to items or services reimbursed by non-governmental third-party payors, including private insurers;
- State laws that require pharmaceutical companies to implement compliance programs, comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, or to track and report gifts, compensation and other remuneration provided to physicians and other health care providers;
- State and local laws requiring the registration of pharmaceutical sales representatives;
- State health information privacy and data breach notification laws, such as the California Consumer Privacy Act and the California Privacy Rights Act, which govern the collection, use, disclosure and protection of health-related and other personal information, many of which differ from each other in significant ways and often are not pre-empted by HIPAA, thus complicating compliance efforts; and
- State unfair and deceptive trade practices statutes, pursuant to which significant statutory fines and penalties can be imposed against pharmaceutical companies alleged to have engaged in consumer fraud.

Recent healthcare reform legislation has strengthened these federal and state healthcare laws. For example, the ACA amends the intent requirement of the federal Anti-Kickback Statute and criminal healthcare fraud statutes to clarify that liability under these statutes does not require a person or entity to have actual knowledge of the statutes or a specific intent to violate them. Moreover, the ACA provides that the government may assert that a claim that includes items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or

fraudulent claim for purposes of the civil False Claims Act. Government regulators have been very active in the last several years in revising existing regulations and promulgating new regulations, as well as bringing enforcement actions based on these regulations, however it is unclear how and to what extent any challenges and/or reform measures by the new Presidential administration will impact the ACA and our business. Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws.

If we are found to be in violation of these laws, we may be subject to criminal, civil and administrative sanctions including monetary penalties, damages, fines, disgorgement, individual imprisonment, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of noncompliance with these laws, and reputational harm, in which case we may be required to curtail or restructure our operations. Moreover, we expect that there will continue to be federal and state laws and regulations, proposed and implemented, that could impact our future operations and business.

Healthcare Reform

In the United States, the European Union and other jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes and proposed changes to the healthcare system that could affect our results of operations. In particular, there have been and continue to be a number of initiatives at the United States federal and state levels that seek to reduce healthcare costs. For example, in March 2010, the ACA was enacted, which includes measures that have significantly changed the way healthcare is financed by both governmental and private payors. The provisions of the ACA of importance to the pharmaceutical and biotechnology industry are, among others, the following:

- an annual, nondeductible fee on any entity that manufactures or imports certain branded prescription drug agents or biologic agents, which is apportioned among these entities according to their market share in certain government healthcare programs;
- an increase in the rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13% of the average manufacturer price for branded and generic drugs, respectively;
- a Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 70% point-of-sale discounts to negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D;
- extension of manufacturers' Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations, unless the drug is subject to discounts under the 340B drug discount program;
- a methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals and by adding new mandatory eligibility categories for certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing manufacturers' Medicaid rebate liability;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- requirements under the federal Physician Payments Sunshine Act for drug manufacturers to report information related to payments and other transfers of value made to physicians and teaching hospitals as well as ownership or investment interests held by physicians and their immediate family members;
- a Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct, comparative clinical effectiveness research, along with funding for such research;

- creation of the Independent Payment Advisory Board, which, if and when impaneled, will have authority to recommend certain changes to the Medicare program that could result in reduced payments for prescription drugs; and
- establishment of a Center for Medicare and Medicaid Innovation at CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending.

Since its enactment, there have been legislative, judicial, and executive challenges to certain aspects of the ACA, including efforts to repeal or replace all or part of the ACA. Although such attempts to reform the U.S. healthcare system have not significantly impacted our business to date, challenges to the ACA are ongoing and it is unclear how other efforts, if any, to challenge, repeal or replace the ACA, and other healthcare reform measures, will impact our business.

Other federal health reform measures have been proposed and adopted in the United States since the ACA was enacted. These have, among other things, reduced Medicare payments to several types of providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers. These new laws or any other similar laws introduced in the future may result in additional reductions in Medicare and other health care funding, which could negatively affect our customers and accordingly, our financial operations.

There have also been a number of proposals in the United States, at both the federal and state level, to control the escalating cost of healthcare, including the cost of drug treatments, patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and we expect that coverage and reimbursement for new therapies will be increasingly restricted. For example, certain states, including California, have implemented state-level cost containment strategies, which could adversely impact adoption of higher-cost medicines that are new to the market. Further, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which have resulted in several recent Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for products. Most significantly, in August 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law which introduced substantial changes to drug pricing, reimbursement and access support in the United States, including enabling the CMS to assert control over the prices of certain single-source drugs and biotherapeutics reimbursed under Medicare Part B and Part D. The IRA also imposes additional rebates for certain Medicare Part B and Part D drugs where relevant pricing metrics associated with the products increase faster than inflation. The effect of the IRA on our business and the healthcare industry in general is not yet known, but we continue to evaluate its potential impact. At the state level, individual states in the United States have also become increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In December 2020, the U.S. Supreme Court held unanimously that federal law does not preempt the states' ability to regulate pharmaceutical benefit managers and other members of the health care and pharmaceutical supply chain, an important decision that may lead to further and more aggressive efforts by states in this area. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. These measures could reduce the ultimate demand for our products, once approved, or put pressure on our product pricing.

We cannot predict what initiatives may be adopted in the future. Due to general uncertainty in the current regulatory and healthcare policy environment, and specifically regarding positions that the new Presidential administration may take with respect to these issues, we are unable to predict the impact of any legislative, regulatory, third-party payer or policy actions, including potential cost containment and healthcare reform measures. Further federal, state, and regional developments are likely, and we expect ongoing initiatives to increase pressure on drug pricing. These changes may adversely impact the prices we or our future collaborators may charge for our products candidates, if commercialized.

Additional Regulation

In addition to the foregoing, state and federal laws regarding environmental protection and hazardous substances, including the Occupational Safety and Health Act, the Resource Conservation and Recovery Act and the Toxic Substances Control Act, affect our business. These and other laws govern the use, handling and disposal of various biologic, chemical and radioactive substances used in, and wastes generated by, operations. If our operations result in contamination of the environment or expose individuals to hazardous substances, we could be liable for damages and governmental fines. Equivalent laws have been adopted in foreign countries that impose similar obligations. We may also be subject to climate-related disclosure obligations, either at the federal or state level, including, for example, bills enacted in California in October 2023 which require corporations doing business in California to annually report their greenhouse gas emissions and disclose climate-related financial risks and risk mitigation strategies.

We are also subject to the Foreign Corrupt Practices Act (the "FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. §201, the U.S. Travel Act, the USA PATRIOT Act, and possibly other state and national anti-bribery and anti-money laundering laws in countries in which we conduct activities. These anti-corruption laws prohibit any U.S. individual or business from paying, offering or authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. This could become relevant in the conduct of international clinical trials where the sites for such trials may be a government-owned hospital. Activities that violate the FCPA, even if they occur wholly outside the United States, can result in criminal and civil fines, imprisonment, disgorgement, oversight and debarment from government contracts.

Competition

The biopharmaceutical industry in general, and the cell therapy field in particular, is characterized by rapidly advancing and changing technologies, intense competition and a strong emphasis on intellectual property. Our product candidate, NKX019, if approved, may address multiple B-cell driven autoimmune diseases, including lupus nephritis, idiopathic inflammatory myositis, systemic sclerosis, ANCA-vasculitis and others. We face substantial and increasing competition from many different sources, including large and specialty biopharmaceutical companies, academic research institutions, governmental agencies and public and private research institutions. Competitors may compete with us in hiring scientific and management personnel, establishing clinical study sites, recruiting patients to participate in clinical trials, and acquiring technologies complementary to, or necessary for, our programs.

A large number of biopharmaceutical companies are applying their technology and development capabilities to the field of B-cell mediated autoimmune diseases. These companies are pursuing an array of distinct therapeutic approaches that vary by modality and target. Companies developing autologous cell therapies for autoimmune diseases which compete directly with NKX019 include but are not limited to AstraZeneca, Autolus, Bristol-Myers Squibb, Cabaletta, Cartesian, Gilead, iCell, Juventas, JW Therapeutics, Kyverna, Miltenyi, Novartis, Roche, Rui Therapeutics, and Synthekine. Companies developing allogeneic cell therapies intended to treat autoimmune diseases which compete directly with NKX019 include but are not limited to Adicet, Allogene, Artiva, Atara, CRISPR Therapeutics, Fate Therapeutics, TG Therapeutics, and Sana Biotechnology. A number of companies are seeking to harness the biology of immune cells through engagers designed to direct a patient’s own NK or T cells to eliminate B cells. Companies developing cell engagers which compete directly with NKX019 include Amgen, Candid, Cullinan, Dragonfly Therapeutics, GlaxoSmithKline, GT Biopharma, Innate Pharma, Merck, Ouro, Roche, Servier, Xencor, and Zenas. Lastly, a number of companies are developing therapeutic monoclonal antibodies that directly target surface proteins on B cells. Companies developing therapeutic monoclonal antibodies which compete directly with NKX019 include Amgen, Climb Bio, GlaxoSmithKline, Roche, and Zenas. Companies developing in vivo chimeric antigen receptor approaches targeting autoimmune diseases which compete directly with NKX019 include Abbvie, BMS, and Lilly.

Many of our current or potential competitors have significantly greater financial, technical and human resources, as well as more expertise in research and development, manufacturing, preclinical testing, conducting

clinical studies and trials and commercializing and marketing approved products, than us. Mergers and acquisitions in the biopharmaceutical industry may result in even greater resource concentration among a smaller number of competitors. Smaller or early-stage companies may also prove to be significant competitors, either alone or through collaborative arrangements with large and established companies.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. The key competitive factors affecting the success of all of our programs are likely to be their efficacy, safety, convenience, price and degree of reimbursement.

Human Capital

We believe that our values – patient first, data driven, intellectually honest, transparent, diverse, inclusive, work/life balance, respectful, humble, creative, and ethical – are the foundations for our team and our behaviors for promoting creativity, innovation and productivity. As of December 31, 2025, we had 108 full-time employees, 28 of whom have advanced degrees including but not limited to Ph.D., M.D. and J.D. degrees. Of these full-time employees, 87 employees are engaged in research and development activities and 21 employees are engaged in finance, business development, human resources, operations and other general and administrative functions. We have no collective bargaining agreements with our employees and we have not experienced any work stoppages. We consider our relations with our employees to be good. However, in March 2025, we executed a reduction in workforce, which may negatively impact our relationship with our employees going forward.

We believe that a performance-based, inclusive work environment is critical for driving innovation and the development of new cell therapies. As part of our comprehensive approach to inclusion at Nkarta, we rely on data to identify gaps, set priorities and enable ongoing assessment of our progress against these principles. We foster an open and collaborative culture based on merit, where talented candidates are considered for opportunities based on their skills, abilities and performance.

Compensation, Benefits and Well-being

We strive to offer fair, market-competitive compensation and benefits that support our employees' overall well-being. To ensure alignment with our short- and long-term objectives, our compensation programs for all employees include base pay, short-term incentives, and opportunities for long-term incentives. Our well-being and benefit programs focus on four key pillars: physical, emotional, financial and community. We offer a wide array of benefits including comprehensive health insurance, generous time-off and leave, and retirement and financial support.

Item 1A. Risk Factors.

An investment in shares of our common stock involves a high degree of risk. You should carefully consider the following risk factors, as well as all of the other information contained in this Annual Report on Form 10-K, before making an investment decision. The risks described below are not the only ones facing us. The occurrence of any of the following risks, or of additional risks and uncertainties not presently known to us or that we currently believe to be immaterial, could significantly harm our business, financial condition, results of operations and growth prospects. In such case, the trading price of shares of our common stock could decline, and you may lose part or all of your investment. This Annual Report on Form 10-K also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below.

Risks Related to our Financial Position

We have a limited operating history and do not have any products approved for sale.

We are a clinical-stage biopharmaceutical company without any products approved for commercial sale and have not generated any revenue from product sales. We are focused on developing genetically-engineered human cells as therapeutics and our technologies are new and largely unproven. Since our inception in 2015, we have invested most of our resources in developing various product candidates, building our intellectual property portfolio, developing our supply chain and in-house manufacturing capability, conducting business planning, raising capital and providing general and administrative support for these operations. Consequently, we have limited operations upon which to evaluate our business, and predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history or a history of successfully developing and commercializing drug products. We have not yet demonstrated an ability to overcome many of the risks and uncertainties frequently encountered by companies in the rapidly evolving biotechnology industry. If we do not address these risks, our business, financial condition, results of operations and growth prospects will be materially adversely affected.

We have incurred significant losses since our inception, and we expect to continue to incur significant losses for the foreseeable future.

Since our inception in 2015, we have incurred significant operating losses. Our net losses were $104.1 million and $108.8 million for the years ended December 31, 2025 and 2024, respectively. Our accumulated deficit was $648.3 million as of December 31, 2025. We expect to continue to incur increasing operating losses for the foreseeable future as we continue to develop NKX019 and any future product candidates. In addition, we anticipate that our expenses will increase substantially if, and as, we:

- continue the clinical development of NKX019, including in new indications, or restart the clinical development of any other product candidates;
- continue scale up and optimization of manufacturing process and prepare for commercial manufacturing;
- advance additional product candidates to clinical trials, including any product candidates that may be advanced under the collaboration with CRISPR Therapeutics AG ("CRISPR");
- develop our current product candidates for additional disease indications;
- seek to discover and develop additional product candidates;
- establish and qualify our own clinical- and commercial-scale current good manufacturing practice ("cGMP") facilities;
- submit a biologics license application ("BLA") or marketing authorization application ("MAA") for NKX019 and/or seek marketing approvals for any of our other product candidates that successfully complete clinical trials;
- seek regulatory approval of our product candidates in various jurisdictions for commercial sale;

- maintain, expand and protect our intellectual property portfolio;
- acquire or in-license other product candidates and technologies;
- incur additional costs associated with operating as a public company;
- develop or secure marketing, sales and distribution capabilities, either internally or with third parties, to support commercialization; and
- adjust our employee headcount to support the foregoing activities.

We may never succeed in any or all of these activities and, even if we do, we may never generate revenues that are significant or large enough to achieve profitability.

We have never generated revenue from product sales and may never achieve or maintain profitability.

We continue to incur significant research and development and other expenses related to ongoing operations and the development of NKX019. All of our product candidates, including NKX019, require substantial additional development time and resources before we would be able to apply for or receive regulatory approvals and begin generating revenue from product sales. Neither the United States Food and Drug Administration ("FDA") nor any other regulatory authority has approved NKX019 or any other product candidates of ours, and we do not anticipate generating revenues from product sales unless and until such time as NKX019 or another of our product candidates has been approved by the FDA or another regulatory authority, if ever, and we are able to successfully market and sell a product candidate. Our ability to generate revenues from product sales depends on our, or potential future collaborators', success in:

- completing clinical development of our product candidates;
- seeking and obtaining regulatory approvals for product candidates for which we successfully complete positive clinical trials, if any;
- launching and commercializing product candidates, by establishing a commercial infrastructure or, alternatively, collaborating with a commercialization partner;
- qualifying for adequate coverage and reimbursement by government and third-party payors for our product candidates;
- establishing, maintaining and enhancing a sustainable, scalable, reproducible and transferable manufacturing process for each of our cell therapy product candidates;
- establishing and maintaining supply and manufacturing relationships with third parties that can provide adequate products and services, in both amount and quality, to support clinical development and the market demand for our product candidates, if approved;
- obtaining market acceptance of our product candidates as a viable clinical option;
- addressing any competing technological and market developments;
- implementing additional internal systems and infrastructure, as needed;
- negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter and performing our obligations in such collaborations;
- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets, know-how, and trademarks;
- avoiding and defending against third-party interference or infringement claims; and
- attracting, hiring and retaining qualified personnel.

We anticipate incurring significant costs associated with commercializing any approved product candidate. Our expenses could increase beyond our current expectations if we are required by the FDA or other global regulatory authorities to perform clinical trials and/or other preclinical studies in addition to, or beyond the scope of, those that we currently anticipate being required to perform.

Even if we are able to generate revenues from the sale of any approved products, we may not become profitable or be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable could decrease the value of our company and impair our ability to raise capital, thereby limiting our research and development programs and efforts to expand our business or continue our operations.

We will require additional capital, which, if available, may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our product candidates.

We have financed our operations primarily through private placements of our preferred stock, proceeds from our previous collaboration with GlaxoSmithKline, proceeds from our initial public offering ("IPO") completed in July 2020, proceeds from our "at the market" equity offering program (the "ATM Offering Program"), and proceeds from both our underwritten public offering of our common stock completed in April 2022 and our underwritten public offering of our common stock and pre-funded warrants completed in March 2024 (collectively, the "Secondary Offerings"). We estimate that we used the proceeds of our IPO primarily to advance our product candidates through preclinical studies and clinical trial programs, the construction of our manufacturing facility, and for working capital and general corporate purposes, and that we have and will continue to use the proceeds from our Secondary Offerings and ATM Offering Program to, among other uses, advance NKX019 further in clinical development. However, developing pharmaceutical products and conducting preclinical studies and clinical trials is expensive. Advancing NKX019 or any other product candidate into pivotal trials will require us to raise additional capital. As of December 31, 2025, we had cash, cash equivalents, restricted cash, and investments of $295.1 million. Our research and development expenses were $96.7 million for the year ended December 31, 2024 and $90.4 million for the year ended December 31, 2025.

Until and unless we can generate substantial product revenue, we expect to finance our cash needs through the proceeds from our Secondary Offerings, a combination of equity offerings and debt financings, and potentially through additional license and development agreements or strategic partnerships with third parties. Financing may not be available in sufficient amounts or on reasonable terms. In addition, market volatility resulting from international conflict, global economic developments, political unrest, high inflation or other factors could adversely impact our ability to access capital as and when needed. We have no commitments for any additional financing and will likely be required to raise such financing through the sale of additional securities. If we sell equity or equity-linked securities, our current stockholders may be diluted, and the terms may include liquidation or other preferences that are senior to or otherwise adversely affect the rights of our stockholders. Moreover, if we issue debt, we may need to dedicate a substantial portion of our operating cash flow to paying principal and interest on such debt and we may need to comply with operating restrictions, such as limitations on incurring additional debt, which could impair our ability to acquire, sell or license intellectual property rights which could impede our ability to conduct our business. Furthermore, the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our common stock to decline.

If we raise additional funds through licensing or collaboration arrangements with third parties, we may have to relinquish valuable rights to our product candidates or grant licenses on terms that are not favorable to us. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

Attempting to secure additional financing may also divert our management from our day-to-day activities, which may impair or delay our ability to develop our product candidates. In addition, demands on our cash resources may change as a result of many factors, including those currently unknown to us including, but not limited to, delays or undesired outcomes from our cost-containment efforts, such as those related to our cap on future headcount growth, centralizing our operations to a single location, or subleasing portions of our leased corporate office space in South San Francisco, and any unforeseen costs we may incur as a result of preclinical study or clinical trial delays, and we may need to seek additional funds sooner than planned as a result. Furthermore, if, in the future, one or more banks or financial institutions enter receivership or become insolvent in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and investments may be threatened and could have a material impact on our business and financial condition. If we are unable to obtain funding on a timely basis or at all, we may be required to undertake additional cost-containment measures and/or significantly curtail or stop one or more of our research or development programs.

Impairment of our long-lived assets could have a material adverse effect on our financial condition and results of operations.

Under U.S. generally accepted accounting principles ("U.S. GAAP"), we assess our long-lived assets, including property and equipment and lease right-of-use assets, for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. For example, during the quarter ended September 30, 2025, we identified indicators of impairment of our long-lived assets due to a sustained decline in the trading price of our common stock, resulting in our market capitalization being below its net asset value. As a result, we recorded an impairment charge during the year ended December 31, 2025.

It is possible that changes in circumstances, many of which are outside of our control, or in the numerous variables associated with the assumptions and estimates used in assessing the appropriate valuation of our long-lived assets, could in the future result in additional impairment charges to our long-lived assets, which could materially adversely affect our financial condition and results of operations.

Risks Related to Our Business and Industry

Our business depends upon the success of our CAR NK-cell technology platform.

Our success depends on our ability to utilize our chimeric antigen receptor natural killer ("CAR NK") cell technology platform to generate product candidates, to obtain regulatory approval for product candidates derived from it, and to then commercialize our product candidates addressing one or more indications. We are enrolling patients in our Ntrust-1 clinical trial ("Ntrust-1"), a multi-center, open-label, dose-escalation Phase 1 clinical trial to evaluate NKX019, our lead CAR NK-cell product candidate, in patients with lupus nephritis ("LN") and primary membranous nephropathy ("pMN"). We are also enrolling patients in our Ntrust-2 clinical trial ("Ntrust-2"), a multi-center, open-label, dose-escalation Phase 1 clinical trial that will evaluate the safety and clinical activity of NKX019 in patients with systemic sclerosis ("scleroderma"), idiopathic inflammatory myopathy ("myositis"), and antineutrophil cytoplasmic antibody (ANCA)-associated vasculitis ("AAV"). Although both NKX019 and another product candidate have been in Phase 1 clinical trials for certain hematologic malignancies, we have stopped enrolling new patients in those clinical trials. Although we may explore our options for implementing certain changes in those programs, we cannot guarantee that we will pursue any further development of our product candidates for the treatment of hematologic malignancies in the near future or at all. All of our product candidates developed from our technology platform will require significant additional clinical and non-clinical development, review and approval by the FDA or other regulatory authorities in one or more jurisdictions, substantial investment, access to sufficient manufacturing capacity and significant marketing efforts before they can be successfully commercialized. If any of our product candidates encounter safety or efficacy problems, developmental delays or regulatory issues or other problems, such problems could impact the development plans for our other product candidates because all of our product candidates are based on the same core CAR NK-cell engineering technology.

Utilizing CAR NK cells represents a novel therapeutic approach, and we must overcome significant challenges in order to develop, commercialize and manufacture our product candidates.

We have concentrated our research and development efforts on utilizing CAR NK cells as an immunotherapy for the treatment of certain diseases, initially cancers and, most recently, autoimmune diseases. To date, the FDA has not approved any cell-based therapies for commercial use for the treatment of an autoimmune diseases, and no natural killer ("NK")-based cell therapy has been approved for commercial use by any regulatory authority. The processes and requirements imposed by the FDA or other applicable regulatory authorities may cause delays and additional costs in obtaining approvals for marketing authorization for our product candidates. Because our CAR NK-cell platform product candidates are novel, and cell-based therapies are relatively new, especially as potential treatments for autoimmune diseases, regulatory agencies may lack precedents for evaluating product candidates like our CAR NK-cell product candidates. As the cell therapy field develops further, the processes and requirements imposed by the regulatory agencies may evolve in a manner that adversely impacts us. The novelty of our product candidates may lengthen the regulatory review process, including the time it takes for the FDA to review our IND applications if and when submitted, increase our development costs and delay or prevent approval and commercialization of our CAR NK-cell platform product candidates.

Use of CAR NK-cell therapies may not gain the acceptance of the public or the medical community, especially for the treatment of autoimmune diseases. The patients with autoimmune diseases that we are targeting with NKX019 are typically not at risk of near-term death, even if they may suffer life-threatening symptoms, so the patients will need to deem the benefits of cell therapy to be worth the risk of unknown potential adverse side effects.

Additionally, advancing novel immunotherapies creates significant challenges for us, including:

- enrolling sufficient numbers of patients in clinical trials;
- training a sufficient number of medical personnel on how to administer lymphodepletion regimens and how to properly thaw and administer our cells;
- training a sufficient number of medical and clinical laboratory personnel in the proper collection and handling of clinical samples in our clinical trials to enable a sufficient understanding of CAR NK-cell pharmacokinetics and pharmacodynamics for the design of an optimal dosing regimen;
- educating medical personnel regarding the potential side-effect profile of our cells and, as the clinical program progresses, on observed side effects with the therapy;
- developing a reliable and safe and an effective means of genetically modifying our cells;
- manufacturing and cryopreservation of our cells on a large scale and in a cost-effective manner;
- sourcing starting material suitable for clinical and commercial manufacturing; and
- establishing sales and marketing capabilities, as well as developing a manufacturing process and distribution network to support the commercialization of any approved products.

We must be able to overcome these challenges in order for us to develop, commercialize and manufacture our product candidates utilizing CAR NK cells.

Clinical development involves a lengthy and expensive process with an uncertain outcome, and we may encounter substantial delays due to a variety of reasons outside our control.

Clinical trials are expensive, time consuming and subject to substantial uncertainty. Failure can occur at any time during the clinical trial process, due to scientific feasibility, safety, efficacy, changing standards of medical care and other variables. The results from preclinical testing or early clinical trials of a product candidate may not predict the results that will be obtained in later phase clinical trials of the product candidate. We, the FDA, or other applicable regulatory authorities may suspend or terminate clinical trials of a product candidate at any time for various reasons, including, but not limited to, a belief that patients participating in such trials are being exposed to unacceptable health risks or adverse side effects, or other adverse initial experiences or findings. The FDA, or other applicable regulatory authorities may also require us to conduct additional preclinical studies or clinical trials due to negative or inconclusive results or other reasons, fail to approve the raw materials, manufacturing processes or facilities of third-party manufacturers upon which we rely, find deficiencies in the manufacturing processes or facilities upon which we rely, and change their approval policies or regulations or their prior guidance to us during clinical development in a manner rendering our clinical data insufficient for approval. In addition, data collected from clinical trials may not be sufficient to support the submission of a BLA, MAA or other applicable regulatory filings. We cannot guarantee that any clinical trials that we may plan or initiate will be conducted as planned or completed on schedule, if at all.

A failure of one or more of our clinical trials could occur at any stage, and any failure could prevent us from obtaining the FDA and other regulatory approvals necessary to commercialize our product candidates. Events that may prevent successful initiation, timely completion, or positive outcomes of our clinical development include, but are not limited to:

- delays in obtaining regulatory approval to commence a clinical trial;
- delays in reaching agreement on acceptable terms with prospective clinical trial sites or contract research organizations ("CROs"), the terms of which can be subject to extensive negotiation and may vary significantly among different trial sites and CROs, including delays due to administrative hurdles, lack of significant prior experience with cell therapy for autoimmune diseases, or competition between cell therapy companies for prospective clinical trial sites and investigators;
- our inability to recruit sufficient patients for our clinical trials in a timely manner or at all;
- delays in achieving a sufficient number of clinical trial sites or obtaining the required institutional review board ("IRB"), approval at each clinical trial site;
- imposition of a temporary or permanent clinical hold by us or by the FDA or other regulatory agencies based on emerging data;
- clinical sites deviating from trial protocol or dropping out of a trial;
- our inability to obtain long-term follow-up data due to patient drop out or in cases where patients elect to receive post-protocol treatment for their disease before it progresses;
- suspension or termination of a clinical trial by the IRB of the institutions in which such trials are being conducted or by the Data Safety Monitoring Board ("DSMB") (where applicable);
- delays in sufficiently developing, characterizing, scaling up, optimizing or controlling a manufacturing process suitable for clinical trials, or production delays, shutdowns or setbacks at any of our contract manufacturers;
- delays due to additional regulatory, site and clinical trial participant approvals required if a product candidate does not meet the required specifications;
- delays in reaching a consensus with regulatory agencies on the design or implementation of our clinical trials;
- changes in regulatory requirements or guidance that may require us to amend or submit new clinical protocols, or such requirements may not be as we anticipate;

- changes in the standard of care or treatment landscape on which a clinical development plan was based, which may require new or additional trials;
- insufficient quantities or inadequate quality of our product candidates or other materials necessary to conduct preclinical studies or clinical trials of our product candidates, including potential limitations to the availability of agents such as fludarabine ("Flu"), cyclophosphamide ("Cy"), or other agents administered to patients prior to treatment or in combination with our product candidates or delays in the manufacturing of product candidates due to scale up or improvements to our manufacturing process;
- clinical trials of our product candidates producing negative or inconclusive results, which may result in our deciding, or regulators requiring us, to conduct additional clinical trials or abandon product development programs;
- failure of enrolled patients in foreign countries to adhere to clinical protocol as a result of differences in healthcare services or cultural customs, or additional administrative burdens associated with foreign regulatory schemes; or
- failure of ourselves or any third-party manufacturers, contractors or suppliers to comply with regulatory requirements, maintain adequate quality controls, or be able to provide sufficient product supply to conduct and complete preclinical studies or clinical trials of our product candidates.
- disruptions in the operations of the FDA or other regulatory authorities, including government shutdowns, funding lapses, staffing shortages, changes in agency leadership or policy priorities, or increased regulatory workload, which could delay meetings, inspections, review of submissions, responses to inquiries or other regulatory actions necessary to advance our clinical programs.

For example, after initially studying NKX019 and a second product candidate, NKX101, in Phase 1 clinical trials for hematologic malignancies, we deprioritized development of the product candidates for the treatment of hematologic malignancies to focus our research and development activities on NKX019 for the treatment of autoimmune diseases. Following an interim evaluation of response data in our NKX101 clinical trial for the treatment of relapsed or refractory acute myeloid leukemia or higher risk myelodysplastic syndromes, we decided to deprioritize our NKX101 program. In November 2024, we announced clinical data from our NKX019 clinical trial in B-cell malignancies. The data came from a cohort of heavily pretreated patients with large B-cell lymphoma ("LBCL") whose disease had already progressed following treatment with a CD19 CAR T cell therapy. Based on these data and the highly competitive landscape for the treatment of B-cell malignancies, we have deprioritized the clinical development of NKX019 for the treatment of B-cell malignancies. We do not plan to enroll further patients in our clinical trials for hematologic malignancies, and we cannot guarantee that we will pursue any further development of NKX019 for the treatment of hematologic malignancies in the near future or at all.

Disruptions caused by or related to pandemics, epidemics, or outbreaks of infectious disease may increase the likelihood that we encounter such difficulties or delays in initiating, enrolling, conducting or completing our planned and ongoing preclinical studies and clinical trials, as applicable. For example, we periodically interact with health authorities such as the FDA to obtain advice, or reach consensus, on our ongoing clinical trials, product development, and manufacturing activities. If these health authorities need to prioritize efforts related to a pandemic, epidemic, or outbreak of infectious disease then we may experience delays in obtaining periodic advice which may affect our ability to move our clinical programs forward into the next phase of development.

Moreover, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA or comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authority may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected the interpretation of the trial. The FDA or comparable foreign regulatory authority may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, refusal to accept or rejection, of our marketing applications by the FDA or comparable foreign regulatory authority, as the case may be, and may ultimately lead to the denial of marketing approval of our product candidates.

We may, from time to time, such as for our Ntrust-1 clinical trial, establish partnerships in relation to our clinical trials, receiving advisory services and other support from third parties. For example, we continue to partner with Lupus Therapeutics, the clinical research affiliate of the Lupus Research Alliance, to accelerate development of NKX019 through select sites of the Lupus Clinical Investigators Network. We cannot guarantee that such collaborations will be successful and, in the event they are not, we may lose our competitive advantage and/or incur additional costs.

In addition, the FDA's and other regulatory authorities' policies with respect to clinical trials may change and additional government regulations may be enacted. For example, passed in December 2022, the Food and Drug Omnibus Reform Act ("FDORA") requires sponsors to develop and submit a diversity action plan for each Phase 3 clinical trial or any other "pivotal study" of a new drug or biological product. These plans are meant to encourage the enrollment of more diverse patient populations in late-stage clinical trials of FDA-regulated products. Specifically, actions plans must include the sponsor's goals for enrollment, the underlying rationale for those goals and an explanation of how the sponsor intends to meet them. In addition to these requirements, the legislation directs the FDA to issue new guidance on diversity action plans. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies governing clinical trials, our development plans may be impacted. In addition, actions by the new Presidential administration to limit federal agency budgets or personnel may result in reductions to the FDA's budget, employees and operations, which may lead to slower responses times and longer review periods, potentially affecting our ability to progress development of our product candidates or obtain regulatory approval for our product candidates. Government shutdowns, funding lapses or significant staffing disruptions at the FDA or other regulatory authorities could similarly delay review of our submissions, scheduling of meetings or inspections, or other regulatory interactions necessary to advance our development programs.

If we experience delays in the initiation, enrollment, or completion of any preclinical study or clinical trial of our product candidates, or if any preclinical studies or clinical trials of our product candidates are canceled, the commercial prospects of our product candidates may be materially adversely affected, and our ability to generate product revenues from any of these product candidates will be delayed or not realized at all. In addition, any delays in completing our clinical trials may increase our costs, which would negatively impact our financial results, and slow down our product candidate development and approval process.

Our business is highly dependent on the clinical success of our product candidates, and on the clinical success of NKX019, in particular, and we may fail to develop NKX019 and/or our other product candidates successfully or be unable to obtain regulatory approval for them.

We cannot guarantee that NKX019 or any other product candidates, that we might develop, will be safe and effective, or will be approved for commercialization, on a timely basis or at all. Although certain of our employees have prior experience with clinical trials, regulatory approvals, and cGMP manufacturing, we have not previously completed any clinical trials or submitted a BLA to the FDA, or similar regulatory approval filings to comparable foreign authorities, for any product candidate, and we cannot be certain that NKX019 or any of our other product candidates will be successful in clinical trials or receive regulatory approval. In particular, while we have continued to build autoimmune development capabilities through operational experience and the recruitment of personnel with relevant expertise, our historical focus has been on NK-cell therapies for oncology, and the development of treatments for autoimmune diseases presents different scientific, clinical, regulatory and operational considerations. The FDA, and other comparable global regulatory authorities can delay, limit or deny approval of a product candidate for many reasons. For further details about such reasons, see "—*Clinical development involves a lengthy and expensive process with an uncertain outcome, and we may encounter substantial delays due to a variety of reasons outside our control.*" Any delay in obtaining, or inability to obtain, applicable regulatory approval will delay or harm our ability to successfully commercialize NKX019 or any of our other product candidates and could materially adversely affect our business, financial condition, results of operations and growth prospects.

NKX019 is in Phase 1 clinical development and subject to the risks inherent in drug development. In October 2023, we announced that we had received clearance of an Investigational New Drug ("IND") application by the FDA to evaluate NKX019 for the treatment of LN in our Ntrust-1 clinical trial, and in May 2025, we announced the addition of pMN as an indication to our Ntrust-1 clinical trial, which is a multi-center, open-label, dose-escalation Phase 1 clinical trial that evaluates the safety and clinical activity of NKX019 in patients with refractory LN. In June 2024, we announced we had received clearance of an IND by the FDA to evaluate NKX019 for the treatment of

scleroderma, myositis, and AAV in our Ntrust-2 clinical trial, which is a multi-center, open-label, dose-escalation Phase 1 clinical trial that evaluates the safety and clinical activity of NKX019 in patients with scleroderma, myositis, and AAV. In May 2025, we announced the modification of the lymphodepleting conditioning ("LD") prior to the administration of NKX019 in our Ntrust-1 and Ntrust-2 clinical trials to use a combination of Flu and Cy, with the option for patients with cytopenias to continue to receive Cy alone as modified LD. In November 2025, we announced that deep B-cell depletion was observed in all participants treated to date who received NKX019 with LD using Flu and Cy versus partial B-cell depletion in patients receiving only Cy. At the same time, we reported the implementation of a streamlined enrollment process that allows participant data from both the Ntrust-1 and Ntrust-2 clinical trials to be reviewed by a combined independent Data Safety Monitoring Board ("iDSMB") to inform dose-escalation decisions. This update followed engagement with the FDA and authorization by the iDSMB to initiate enrollment in the second dose-escalation cohort.

There are no cell therapies licensed to date in the United States or elsewhere to treat autoimmune diseases and we have no prior experience in developing treatments for autoimmune diseases. We cannot guarantee that our development of NKX019 for the treatment of LN, pMN, scleroderma, myositis, or AAV will be successful. We may also choose to develop NKX019 for additional autoimmune or other indications, but we may not be able to advance NKX019 through the development process for any of these additional indications. Even if we receive regulatory approval to market NKX019 for the treatment of LN, pMN, scleroderma, myositis, AAV, or any additional indications, NKX019 for any of these indications may not be successfully commercialized, widely accepted in the marketplace or more effective than other commercially available alternatives. If we are unable to successfully develop and commercialize NKX019 for LN, pMN, scleroderma, myositis, AAV, or these additional autoimmune indications, our commercial opportunity will be limited, and our business, financial condition and growth prospects will be materially adversely affected.

If our ongoing Phase 1 or later clinical trials of NKX019 encounter safety, efficacy, manufacturing problems, enrollment issues, development delays, regulatory issues, or other problems, our development plans for NKX019 could be significantly impaired, which could materially adversely affect our business, financial condition, results of operations and growth prospects. Multiple commercially available therapeutic agents that target CD19, as well as others that are in various stages of development, are now being evaluated in clinical trials for the treatment of various autoimmune diseases including in the indications in which we are developing NKX019, thereby providing significant competition for clinical trial sites, investigators, and patients. The newness of cell therapy as a potential treatment for autoimmune patients at sites has also contributed to, and may continue to contribute to, delays in the initiation of clinical trial sites and in the enrollment of patients in our NKX019 autoimmune trials. We have had significant enrollment challenges and may continue to have significant enrollment challenges in our Ntrust-1 and Ntrust-2 clinical trials. We may also have enrollment challenges in our other autoimmune trials in the future.

NKX019 has also been studied in a Phase 1 clinical trial for the treatment of a variety of B-cell malignancies, which evaluates the safety, pharmacology, and preliminary anti-tumor activity of NKX019. In November 2024, we announced new clinical data from a cohort of heavily pretreated patients with LBCL whose disease had already progressed following treatment with a CD19 CAR T cell therapy. Based on these data and the highly competitive landscape for treatments of B-cell malignancies, we decided to focus our research and development activities on autoimmune disease and plan for no further investment in the clinical development of NKX019 for the treatment of B-cell malignancies.

A second product candidate, NKX101, was also formerly studied in a Phase 1 clinical trial for the treatment of certain hematological malignancies. Following an interim evaluation of the clinical response data, we deprioritized the clinical development of NKX101 and plan for no further development of NKX101 at this time.

Furthermore, because NKX019 is our most advanced product candidate, and because our other product candidates in clinical development in the future will be based on similar technology, if our current clinical trials of NKX019 or any future clinical trials of NKX019 experience any of the foregoing issues, our development plans for other product candidates in our pipeline could also be significantly impaired, which could materially adversely affect our business, financial condition, results of operations and growth prospects.

We may develop our product candidates as monotherapy or potentially as combination therapy with one or more currently approved therapies. Even if any product candidate we develop were to receive marketing approval or be commercialized for use in combination with other existing therapies, we would continue to be subject to the risks that the FDA or similar regulatory authorities outside of the United States could revoke approval of the combination therapy used with our product candidate or that safety, efficacy, manufacturing or supply issues could arise with these existing therapies. This could result in our own products being removed from the market or being less successful commercially.

We may also evaluate our product candidates in combination with one or more other therapies that have not yet been approved for marketing by the FDA or similar regulatory authorities outside of the United States. If the FDA or similar regulatory authorities outside of the United States do not approve these other drugs or revoke their approval of, or if safety, efficacy, manufacturing, or supply issues arise with, the drugs we choose to evaluate in combination with any product candidate we develop, we may be unable to obtain approval of or market our product candidates.

Clinical data supporting the effectiveness of CD19-targeted cell therapies against autoimmune diseases are limited, and CD19-targeted CAR NK-cell therapies, such as NKX019, may not provide the same, or any, therapeutic benefit against B-cell mediated autoimmune diseases, or be competitive with respect to other CD19-targeted therapies for the treatment of autoimmune diseases.

Although we believe that our allogeneic CD19-targeting CAR NK-cell product candidate NKX019 may have disease-modifying potential in autoimmune diseases, such as LN, the use of CD19-targeted CAR cell therapies, and, in particular, allogeneic CD19 CAR NK-cell therapies, represents a novel approach for the treatment of autoimmune diseases, and is supported by limited clinical data. To date, no cell therapies have been approved by the FDA for the treatment of autoimmune diseases. We cannot guarantee that Ntrust-1, our clinical trial for NKX019 in LN and pMN, Ntrust-2, our clinical trial for NKX019 in scleroderma, myositis, and AAV, or any other future clinical development of NKX019 for the treatment of autoimmune diseases will be successful. Our belief that NKX019 may be effective as a treatment for autoimmune diseases is based largely on our understanding of the mechanism behind the positive clinical data reported by certain academic groups and other companies studying CAR NK-cell therapies for the use of a CD19 CAR T-cell therapy in a limited number of patients with autoimmune diseases, as well as on our own in vitro studies showing that NKX019 can kill B-cells in peripheral blood mononuclear cells obtained from patients with autoimmune diseases and observations regarding the effect of NKX019 on B cells from our ongoing NKX019 Phase 1 clinical trial in patients with non-Hodgkin lymphoma ("NHL"). We have made certain assumptions regarding the mechanism of action responsible for the preliminary efficacy shown in the reported studies and how that mechanism of action and our own in vitro data and data from our NKX019 trial in NHL will translate to the response of patients with autoimmune diseases, such as LN, to NKX019, which may or may not be correct. We cannot know with any certainty whether NKX019 will be effective against B-cell mediated autoimmune diseases, or whether NKX019 will be competitive as a treatment for such indications against CD19 CAR T-cell therapies.

We also face competition from a large number of cell therapy companies who are also advancing development programs in autoimmune diseases, which may impact our ability to successfully develop and commercialize NKX019. For instance, competition among cell therapy companies for clinical trial sites, investigators, and/or patients for autoimmune clinical trials, may cause delays in the initiation of clinical trials sites and enrollment of patients in our clinical trials. For further details about such reasons, see "*—Enrollment and retention of patients in clinical trials is an expensive and time-consuming process and could be delayed, made more difficult or rendered impossible by multiple factors outside our control*" and "*—If we fail to compete effectively with academic institutions and other biopharmaceutical companies that develop similar or alternatives to cellular immunotherapy product candidates, our business will be materially adversely affected*." The competition for clinical trial sites, investigators or patients may also lead to increased development costs. If NKX019 is shown to not be sufficiently effective against LN, pMN, scleroderma, myositis, AAV, or other B-cell mediated autoimmune diseases in clinical trials, we experience delays in our ability to advance NKX019 through clinical development for LN, pMN, scleroderma, myositis, AAV, or other B-cell mediated autoimmune diseases, or we are unable to successfully compete against other companies in the development and commercialization of NKX019, the commercial prospects of NKX019, as well as our business, financial condition and growth prospects, would be materially adversely affected.

Enrollment and retention of patients in clinical trials is an expensive and time-consuming process and could be delayed, made more difficult or rendered impossible by multiple factors outside our control.

Identifying and qualifying patients to participate in our clinical trials is critical to our success. Clinical trials of a new product candidate require the enrollment of a sufficient number of patients, including patients who are suffering from the disease that the product candidate is intended to treat and who meet other eligibility criteria. The rates of patient enrollment, a significant component in the timing of clinical trials, are affected by many factors, including:

- our ability to open clinical trial sites;
- the size and nature of the patient population;
- the design and eligibility criteria of the clinical trial;
- the proximity of patients to clinical sites;
- availability of resources at clinical sites;
- the patient referral practices of physicians, including as a result of their assessment of the clinical trial parameters;
- changing medical practice patterns or guidelines related to the indications we are investigating;
- competing clinical trials or approved therapies which present an attractive alternative to patients and their physicians;
- perceived risks and benefits of the product candidate under study, including as a result of adverse effects observed in similar or competing therapies;
- our ability to obtain and maintain patient consents due to various reasons;
- the risk that enrolled patients will drop out or die before completion of the trial;
- patients failing to complete a clinical trial or returning for post-treatment follow-up;
- our ability to manufacture the requisite supply of our product candidates for our clinical trials; and
- any failure or any delay by us or by our clinical sites to obtain sufficient quantities of components and supplies necessary for the conduct of our clinical trials, including any inability to obtain agents such as Cy, Flu, or other agents administered to patients prior to treatment or in combination with our product candidates.

We need to compete with many ongoing clinical trials and approved therapies to recruit patients into our clinical trials. Our clinical trials may also compete with other clinical trials of product candidates that are in a similar cellular immunotherapy area as our product candidates, and this competition could reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors. For example, due to the commercial availability of multiple therapeutic agents that target CD19 for the treatment of cancer, as well as others that are in various stages of development, we had significant difficulty in our now deprioritized Phase 1 NKX019 program for the treatment of B-cell malignancies enrolling patients who have not previously been exposed to a CD19-directed cellular therapy. We have also had, and may continue to have in the future, significant difficulty in enrolling patients in our Ntrust-1 clinical trial, and we may also have significant difficulty in enrolling patients in our Ntrust-2 clinical trial. A number of cell therapy companies and companies with other CD19-targeted therapeutics have initiated or announced initiation of plans for clinical trials for the treatment of B-cell mediated autoimmune diseases including in indications in which we are developing NKX019, which has resulted in increased competition, and may continue to increase competition in the future, for clinical trial sites and/or patients for our Ntrust-1 and Ntrust-2 clinical trials and any other NKX019 clinical trials that we may initiate in the future for the treatment of other B-cell mediated autoimmune diseases. With respect to our Ntrust-1 and Ntrust-2 clinical trials and any future NKX019 clinical trials of ours for the treatment of other B-cell mediated autoimmune diseases, the number of qualified clinical investigators is limited, so we are conducting, and may continue to conduct, some of our clinical trials at the same clinical trial sites that some of our competitors use, which reduces the number of patients who are available for our clinical trials at such clinical trial site.

Other challenges at clinical trial sites have also contributed to delays in site initiation and/or enrollment in our NKX019 autoimmune clinical trials, and may continue to contribute to delays in site initiation and/or enrollment in our NKX019 clinical trials for the treatment of autoimmune diseases in the future. For example, the administration of cell therapies to patients with autoimmune disease is new, and in some instances, sites may not yet be efficient in facilitating such clinical trials. Although we have taken steps to mitigate the enrollment challenges, if we are unable to enroll a sufficient number of patients in our clinical trials in a timely manner and any future clinical trials for the treatment of autoimmune diseases, our completion of clinical trials may be delayed or may not be achieved, which would prevent us from further developing or commercializing our product candidates in certain patient subpopulations or at all.

As we evaluate our product candidate, we may decide to modify certain aspects of the clinical trial protocols. For example, in May 2025, we announced the modification of the LD prior to administration with NKX019 in our Ntrust-1 and Ntrust-2 clinical trials to use a combination of Flu and Cy, with the option for patients with cytopenias to continue to receive Cy alone as modified LD, and in November 2025, we announced the implementation of a streamlined enrollment process that enables participant data from both the Ntrust-1 and Ntrust-2 clinical trials to be reviewed by a combined iDSMB to inform dose-escalation decisions. The incorporation of these changes into both study protocols and implementation at clinical trial sites may take additional time and resources to implement, resulting in initial delays in enrollment. Specifically, in relation to the modification of the LD, physicians may exercise more caution when enrolling patients in our clinical trials.

In addition, as the current administration continues to pursue cost-cutting measures, including reducing funding to academic research centers, the impact on industry-sponsored clinical research, as a result, and our business is currently unclear. A reduction of resources at these clinical sites also is likely to have an impact on patient enrollment as academic research centers decide how to allocate limited resources. If we are unable to enroll a sufficient number of patients in our clinical trials in a timely manner, our completion of clinical trials may be delayed or may not be achieved, which would prevent us from further developing or commercializing our product candidates in certain patient subpopulations or at all.

The clinical development of our product candidates also depends on our ability to manufacture and provide the requisite supply of our product candidates for our clinical trials. Any failure or delays by us to manufacture and provide our product candidates in sufficient quantity and quality for the conduct of our clinical trials, may delay our ability to enroll and treat patients in, or complete, our current or future clinical trials of our product candidates on time, if at all. For further details regarding risks related to the manufacture of our product candidates, see "Risks Related to Manufacturing" below, including "*—Our manufacturing process is novel and complex, and we may encounter difficulties in production, or difficulties with internal manufacturing, which would delay or prevent our ability to provide a sufficient supply of our product candidates for clinical trials or our products for patients, if approved."* The clinical development of our product candidates also depends on the availability of a sufficient supply of certain other materials and agents used in our clinical trials. For example, our clinical trial protocols require the use of Flu and/or Cy, agents which are routinely used in oncology studies, and which we use in certain of our clinical trial protocols to condition patients for treatment with our product candidates. Further, we may develop certain of our product candidates as a combination therapy with other therapies, which would require the availability and use of those therapeutic agents in certain of our clinical trial protocols. Any failure or delays by us or by our clinical sites to obtain sufficient quantities of our product candidates and other agents necessary for the conduct of our clinical trials, may delay our ability to enroll and treat patients in, or complete, our current or future clinical trials of our product candidates on time, if at all.

If we are unable to enroll a sufficient number of patients in our clinical trials in a timely manner, our completion of clinical trials may be delayed or may not be achieved, which would prevent us from further developing or commercializing our product candidates. In addition, any such delays could require us to incur additional costs as we work to identify potential patients to enroll and to continue the development of our product candidates generally, which would have a negative impact on our financial results.

Certain aspects of the function and production of CAR NK cells are currently unknown or poorly understood, and may only become known through further preclinical testing and clinical trials. Any potential re-engineering required may result in delays and additional expenses.

CAR NK-cell therapy is a relatively new field. To date, no cell therapies of any type have been licensed for the treatment of autoimmune diseases. The history of manufacturing CAR NK cells for clinical use is limited. Our understanding of NK-cell biology is expanding, and this is particularly true in relation to autoimmune diseases where there is limited clinical data available and where we have no prior experience. If we find that our current manufacturing processes are inadequate, or should we identify opportunities for material improvement, adaptation of process improvements may require significant additional time and resources to complete. As studies utilizing NK-cell biology develop, new information may become available requiring us to change our product candidate. Process improvements or new clinical data might also necessitate new pre-clinical studies and clinical protocols to establish product comparability. If we are unable to show comparability after a process change, further changes to our manufacturing process and/or clinical trials will be required. For example, if sufficient comparability is not shown, we may be required to repeat one or more clinical trials. A requirement to run a new clinical trial or repeat a clinical trial would delay clinical development and commercialization of the relevant product candidate.

Killer immunoglobulin-like receptor ("KIR") molecules are found on the surface of NK cells and recognizes certain Human Leukocyte Antigen ("HLA") types. If there is a match between certain KIR molecules and the HLA type, KIR acts as a natural inhibitor of NK cell activity, thereby serving to prevent immune reactions against an individual's own cells. In our Phase 1 clinical trials, the product candidate is manufactured from unrelated donors and administered to recipients regardless of specific KIR phenotype (i.e. used "off-the-shelf"). As we continue our clinical trials, we may discover that retaining a KIR mismatch is required to achieve clinically meaningful activity, and we may need to factor KIR mismatch into the donor and product selection process for patients enrolled in our clinical trials.

Scaled manufacturing can broaden patient access to off-the-shelf product candidates without requiring additional donors. However, as our product candidates are not genetically modified to reduce naturally occurring cell surface antigens, potential patients may have antibodies against such antigens. We may choose to continue to diversify donor selection with the goal of ensuring we have suitable drug product for broad access. We also continue to analyze donor characteristics that correlate with clinical activity and we may decide to select for donors to

enhance activity of our product candidates in the clinic. If it becomes apparent through future preclinical testing or clinical trials that donor selection is required for some or all patients, the production of NKX019 or our other product candidates as standardized, off-the-shelf products for all patients will not be achievable. Instead, we would need to establish an alternative approach for each of our product candidates to achieve coverage of the addressable patient population.

Any reengineering of our product candidates or change to the processes we use to manufacture or select our product candidates could require the redesign of our clinical protocols and clinical trials for our product candidates, compliance with additional regulatory requirements, significant additional time and resources to complete, and the participation of a significant number of additional clinical trial participants and donors, any of which would delay the clinical development of our product candidates and their eventual commercialization.

The results of preclinical studies and early-stage clinical trials may not be predictive of future results. Interim, "topline" and preliminary data from our clinical trials may differ materially from the final data. Initial success in any clinical trials may not be indicative of results obtained when these trials are completed or in later stage trials.

The results of preclinical studies may not be predictive of the results of clinical trials, and the results of any early-stage clinical trials we commence may not be predictive of the results of the later-stage clinical trials. For example, preclinical models as applied to cell therapy in oncology do not adequately represent the clinical setting, and thus cannot predict clinical activity nor all potential risks, and may not provide adequate guidance as to appropriate dose or administration regimen of a given therapy.

From time to time, we may publicly disclose preliminary or "topline" data from our clinical trials, which is based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular trial, including as patient enrollment continues and more data on existing patients becomes available. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the topline results that we report may differ from, and may not be indicative of, future results of the same clinical trials, or different conclusions or considerations may qualify such topline results once additional data have been received and fully evaluated. For example, the preliminary results from our most recent cohort in our Phase 1 NKX019 clinical trial for the treatment of B-cell malignancies did not meet expectations. Based on these data and the highly competitive landscape for treatments of B-cell malignancies, in 2024 we decided to refocus our research and development activities on autoimmune diseases and deprioritized further development of NKX019 for the treatment of B-cell malignancies. Also, we deprioritized further development of another product candidate, NKX101, following an interim evaluation of the data from the most recent dose-expansion cohort of our NKX101 Phase 1 clinical trial.

Topline data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, topline data should be viewed with caution until the final data are available and negative differences between preliminary or interim data and final data could materially adversely affect the prospects of any product candidate that is impacted by such data updates.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate or product and the value of our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is typically a summary of extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product, product candidate or our business. If the topline data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our product candidates may be harmed.

If any of our product candidates, or any competing product candidates, demonstrate relevant, serious adverse events, we may be required to halt or delay further clinical development.

Undesirable side effects that may be caused by our product candidates could negatively affect patient recruitment and retention in our clinical trials, cause us or regulatory authorities to interrupt, delay or halt clinical trials, and result in a more restrictive label than anticipated or the delay or denial of regulatory approval by the FDA or comparable foreign regulatory authorities. Results of our clinical trials could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics. We may also pause our clinical trials if patients exhibit adverse side effects, until such time as we can determine the cause of such side effects, which would delay our clinical trial timeline and the potential development of our product candidates.

Updated data from the dose-escalation portion of our NKX019 Phase 1 clinical trial in B-cell malignancies were reported in December 2022. The most common higher-grade (Grade ≥3) adverse events in the interim data reported for patients in the NKX019 Phase 1 clinical trial for B-cell malignancies were myelosuppression, which is common in the treated patient population after LD. In the dose-escalation phase of the NKX019 Phase 1 clinical trial, certain patients experienced adverse events including transient fevers and infusion-related reactions. Three patients in the NKX019 dose-escalation study were assessed to have cytokine release syndrome ("CRS"), despite the rapid onset and rapid resolution, not consistent with previously described presentations of CRS with CAR T-cell therapies. While the interim data reported to date from our NKX019 Phase 1 clinical trials indicate that NK cell-based therapies may be better-tolerated as compared to T-cell-based therapies due to biologic differences between these cell types, there can be no assurance that patients will not experience CRS, neurotoxicity, Graft-versus-host disease, or other serious adverse events associated with NKX019, any other product candidates we may advance in clinical studies in the future, or the LD administered to patients prior to administration of NKX019 or other product candidates.

Furthermore, in some instances, the diseases we may be seeking to treat may be less serious than the later stage cancers traditionally being treated with cell therapies or other immunotherapy products. Therefore, we believe the FDA and other regulatory authorities likely will apply a different benefit-risk threshold such that any potential harmful side effects may outweigh the benefits of our product candidates and require us to cease clinical trials or deny approval of our product candidates. We believe tolerance for adverse events in the autoimmune patient populations being pursued with cell-based therapies, such as in the LN patients in our NKX019 clinical trial, will be lower than it is in oncology, and the risks of negative impact from these toxicities may therefore be higher for our autoimmune programs than for our deprioritized oncology programs or the oncology programs of others. Multiple companies are investigating the potential use of various other CD19-targeted therapeutic candidates, including other cell therapies, in clinical trials for the treatment of patients with autoimmune diseases, including in indications in which we are developing NKX019. If serious adverse events are reported from those clinical trials for these competing product candidates, patient recruitment and retention in our own clinical trials may be impacted, we may face additional scrutiny or restrictions from the FDA or other relevant regulatory entities, which could delay our clinical trial timeline and the potential development of our product candidates.

If unacceptable side effects arise in the development of our product candidates such that there is no longer a positive benefit-risk profile, we, the FDA, the IRBs at the institutions in which our trials are conducted, or the DSMB could suspend or terminate our clinical trials or the FDA or comparable foreign regulatory authorities could order us to cease clinical trials or deny approval of our product candidates for any or all targeted indications. Treatment-related side effects could also negatively affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff, and inadequate training in recognizing or managing the potential side effects of our product candidates could result in patient injury or death.

If we fail to compete effectively with academic institutions and other biopharmaceutical companies that develop similar or alternatives to cellular immunotherapy product candidates, our business will be materially adversely affected.

The development and commercialization of new cellular immunotherapy products is highly competitive. We face competition from existing and future competitors with respect to our product candidate, NKX019, and will face competition with respect to product candidates that we may seek to develop or commercialize in the future. A large number of biopharmaceutical companies and academic institutions are advancing development programs in B-cell mediated autoimmune diseases. The approaches of these development programs are numerous and diverse, and include cell therapies, T-cell engagers, NK-cell engagers and monoclonal antibodies. It is also possible that new competitors, including those developing similar product candidates or alternatives to cellular immunotherapy product candidates, may emerge and acquire significant market share. Such competitors may have an advantage over us due to their greater size, resources or institutional experience, or may develop product candidates that are safer, more effective, more widely accepted, more cost-effective or enable higher patient quality of life than ours. More established biopharmaceutical companies may also develop and commercialize their product candidates at a faster rate, which could render our product candidates obsolete or non-competitive before they are fully developed or commercialized. If we are not able to compete effectively against our existing and potential competitors, our business, financial condition, results of operations and growth prospects may be materially adversely affected.

Our preclinical pipeline programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory approvals or commercialize these programs on a timely basis or at all.

In order to obtain FDA or other regulatory authority approval to market a new biological product we must demonstrate safety, manufacturing comparability, purity, potency and efficacy in humans. To meet these requirements, we will have to conduct adequate and well-controlled clinical trials. Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies that support our planned INDs in the United States. NKX019 is our only product candidate currently in clinical development. Since NKX101 and NKX070 have been deprioritized, all of our other active programs are currently in preclinical development. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the FDA will accept our proposed clinical programs or if the outcome of our preclinical testing and studies will ultimately support the further development of our programs. As a result, we cannot be sure that we will be able to submit INDs or similar applications for our preclinical programs on the timelines we expect, if at all, and we cannot be sure that submission of INDs or similar applications will result in the FDA or other regulatory authorities allowing clinical trials to begin.

Conducting preclinical testing is a lengthy, time-consuming and expensive process. The length of time may vary substantially according to the type, complexity and novelty of the program, and often can be several years or more per program. Any delays in preclinical testing and studies conducted by us or potential future partners may cause us to incur additional operating expenses. The commencement and rate of completion of preclinical studies and clinical trials for a product candidate may be delayed by many factors, including, for example:

- inability to generate sufficient preclinical or other in vivo or in vitro data to support the initiation of clinical trials;
- delays in reaching a consensus with regulatory agencies on acceptable clinical trial design or manufacturing process; and
- the FDA not allowing us to rely on previous findings of safety and efficacy for other similar but approved products and published scientific literature.

Moreover, because standards for pre-clinical assessment are evolving and may change rapidly, even if we reach an agreement with the FDA on a pre-IND proposal, the FDA may not accept the IND submission as presented, in which case patient enrollment would be placed on partial or complete hold and treatment of enrolled patients could be discontinued while the product candidate is re-evaluated. Even if clinical trials do begin for our preclinical programs, our clinical trials or development efforts may not be successful.

We have entered into, and we may in the future enter into, research collaborations with third parties to develop or commercialize potential product candidates. Our prospects with respect to those product candidates will depend in significant part on the success of those collaborations, and we may not realize the benefits of such collaborations.

We may form strategic alliances or create joint ventures or collaborations with respect to our product candidates that we believe will complement or augment our existing business. We routinely engage, and are engaged, in partnering discussions with a range of pharmaceutical and biotechnology companies and could enter into new collaborations at any time. If we enter into a collaboration, strategic alliance or license arrangement, there is no guarantee that the collaboration will be successful, or that any future partner will commit sufficient resources to the development, regulatory approval, and commercialization effort for such products, or that such alliances will result in us achieving revenues that justify such transactions.

In 2021, we entered into a Research Collaboration Agreement with CRISPR (as amended, the "CRISPR Agreement") to establish research plans for the purpose of collaboratively designing and advancing up to two allogeneic, gene-edited NK-cell therapies and one allogeneic, gene-edited NK+T-cell therapy for use in the treatment of autoimmune diseases, oncology, or infectious disease up to the filing of an application to a regulatory authority to request the ability to start a clinical trial. The first product candidate that was being developed in partnership with CRISPR was NKX070; however, effective September 2025, CRISPR exercised its right to opt-out of NKX070 pursuant to terms of the CRISPR Agreement. We retain a license to the initial collaboration product, subject to potential future milestone and royalty payments owed to CRISPR. The second product candidate being developed in partnership with CRISPR is NK+T. Both the NKX070 and NK+T programs have been deprioritized, however, to allow us to focus our resources on developing NKX019 for the treatment of B-cell mediated autoimmune diseases.

If any of our collaboration partners do not perform in the manner that we expect or fulfill their responsibilities in a timely manner or at all, the research, clinical development, regulatory approval and commercialization efforts related to the product candidates that are the subject of the collaboration could be delayed or terminated. If we terminate the CRISPR Agreement in its entirety or with respect to a particular product candidate under the research collaboration with CRISPR, due to a material breach by CRISPR or CRISPR’s insolvency, then we have the right to negotiate a license from CRISPR to continue research, development, and commercialization of the terminated product candidate(s) on our own at our sole expense. We would need to pay CRISPR milestones and royalties for the terminated product candidate(s), and we may not be able to negotiate terms to the license that are favorable to us. Future collaboration agreements may have similar terms. Furthermore, assumption of sole responsibility for further development would greatly increase our expenditures and may mean we would need to limit the size and scope of one or more of our programs, seek additional funding and/or choose to stop work altogether on one or more of the affected product candidates. This could result in a limited potential to generate future revenue from such product candidates, and our business could be materially and adversely affected.

Whenever we enter into collaborations with third parties, we could face the following risks:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators could independently develop, or develop with third parties, products and processes that compete directly or indirectly with our products or product candidates;
- collaborators may not properly enforce, maintain or defend our intellectual property rights or may use our proprietary information in a way that gives rise to actual or threatened litigation that could

jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation, or other intellectual property proceedings;

- disputes may arise between a collaborator and us that cause the delay or termination of the research, development or commercialization of the product candidate, or that result in costly litigation or arbitration that diverts management attention and resources;
- if a present or future collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program under such collaboration could be delayed, diminished or terminated; and
- collaboration agreements may restrict our right to independently pursue new product candidates.

If conflicts arise between our collaborators and us, including CRISPR, our collaborators may act in a manner adverse to us and could limit our ability to implement our strategies. Our collaborators may develop, either alone or with others, products in related fields that are competitive with the products or potential products that are the subject of these collaborations. Competing products, either developed by the collaborators or to which the collaborators have rights, may result in the withdrawal of support for our product candidates. Our collaborators may preclude us from entering into collaborations with their competitors, fail to obtain timely regulatory approvals, terminate their agreements with us prematurely or fail to devote sufficient resources to the development and commercialization of products. Any of these developments could harm our product development efforts.

As a result, we may not be able to realize the benefit of new or existing collaboration agreements and strategic partnerships if we are unable to successfully integrate them with our existing operations, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or specific net income that justifies such transaction.

Results of any patient who receives NKX019 or any of our other product candidates in an investigator-sponsored trial ("IST") should not be viewed as representative of how the product candidate will perform in our clinical trials, may not be able to be used to establish safety or efficacy for regulatory approval, and may negatively impact our ability to develop and commercialize the product candidate depending on the results.

In some instances, our product candidates may be evaluated in ISTs conducted by certain clinical investigators who are our collaborators. In addition to supplying product candidate for such trials, we may also provide financial support. In July 2024, we announced that researchers at Columbia University Irving Medical Center initiated an IST of NKX019 in patients with systemic lupus erythematosus, and in November 2024, we announced that the first patient had been dosed in the IST. Additionally, in December 2024, we announced the IND clearance of an IST led by researchers at the University of California, Irvine and the University of Kansas Medical Center to evaluate NKX019 in patients with myasthenia gravis, and in May 2025, we announced enrollment in the IST had been initiated.

Although ISTs may provide valuable insights, they also pose regulatory and operational challenges that could impact our ability to bring our product candidates to market. We have limited or no control over the design, administration, and timing of the ISTs and will have no control over the submission or approval of any IND or foreign equivalent required to conduct these trials. We rely on the investigators and physicians to ensure their compliance with clinical and regulatory requirements when using our product candidates for these trials. Such trials may not be conducted in accordance with protocols we would design, good clinical practice standards, or other regulatory requirements in the same manner as our company-sponsored trials. Their failure to comply could expose us to liability.

The ISTs could, depending on the actions of the investigators and other third parties involved in the ISTs, jeopardize the validity of the clinical data generated, identify significant concerns with respect to our product candidates that could impact our findings or clinical trials, and adversely affect our ability to obtain marketing approval from the FDA or other applicable regulatory authorities. To the extent the results of any of these ISTs are inconsistent with, or different from, the results of our current or future company-sponsored trials or raise concerns regarding our product candidates, the FDA or a foreign regulatory authority may question the results of our company-sponsored trials or subject such results to greater scrutiny than it otherwise would. Negative results, serious adverse events, or other unfavorable findings from ISTs may also result in adverse publicity, increased regulatory scrutiny, additional data requests, or reluctance by potential collaborators, investigators or investors to engage with us. In these circumstances, the FDA or such foreign regulatory authorities may require us to obtain and submit additional clinical data, which could delay clinical development or marketing approval of our product candidates.

In addition, while ISTs could be useful to inform our own clinical development efforts or provide other valuable insights, there is no guarantee that we will be able to use the data from these trials to form the basis for regulatory approval of our product candidates. Moreover, the patient population in such trials is at risk for serious adverse events. If these events are attributed to our product candidates, it could negatively impact their safety profile, leading to delays or failure in obtaining regulatory approval or successfully commercializing our drug candidates. Additionally, our supply capabilities may limit patient enrollment in these trials. We may need to restructure or pause supply to enroll sufficient patients in our company sponsored trials, potentially leading to adverse publicity or other disruptions. If we limit or discontinue product supply for ISTs in order to prioritize our company-sponsored clinical trials, this could strain our relationships with investigators or institutions and negatively impact future collaboration opportunities.

We may seek special designations by the regulatory authorities to expedite regulatory approvals, but may not be successful in receiving such designations, and even if received, they may not benefit the development and regulatory approval process.

Where possible, we plan to pursue accelerated development strategies in areas of high unmet need. We may seek an accelerated approval pathway for one or more of our product candidates from the FDA or comparable foreign regulatory authorities. Under the accelerated approval provisions in the Federal Food, Drug, and Cosmetic Act, and the FDA's implementing regulations, the FDA may grant accelerated approval to a product candidate designed to treat a serious or life-threatening condition that provides meaningful therapeutic benefit over available therapies upon a determination that the product candidate has an effect on a surrogate endpoint or intermediate clinical endpoint that is reasonably likely to predict clinical benefit. The FDA considers a clinical benefit to be a positive therapeutic effect that is clinically meaningful in the context of a given disease, such as irreversible morbidity or mortality. For the purposes of the accelerated approval program, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. An intermediate clinical endpoint is a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit. The accelerated approval pathway may be used in cases in which the advantage of a new drug over available therapy may not be a direct therapeutic advantage, but is a clinically important improvement from a patient and public health perspective. If granted, accelerated approval is usually contingent on the sponsor's agreement to conduct, in a diligent manner, additional post-approval confirmatory clinical trials to verify and describe the drug's clinical benefit. If such post-approval clinical trials fail to confirm the drug's clinical benefit, the FDA may withdraw its approval of the drug.

We may seek approval from the FDA or comparable regulatory authorities through the use of other expedited approval program, such as regenerative medicine advanced therapy ("RMAT") designation, breakthrough therapy designation ("BTD"), fast track designation ("FTD"), or PRIority MEdicine ("PRIME"), from regulatory authorities, for certain product candidates that we develop. A product candidate may receive RMAT designation from the FDA if it is a regenerative medicine therapy that is intended to treat, modify, reverse or cure a serious or life-threatening condition, and preliminary clinical evidence on a clinically meaningful endpoint, indicates that the product candidate has the potential to address an unmet medical need for such condition. A breakthrough therapy is defined by the FDA as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. If a product is intended for the treatment of a serious or life-threatening condition and preclinical or clinical data demonstrate the potential to address an unmet medical need for this condition, the product sponsor may apply for FTD by the FDA. PRIME is a voluntary scheme launched by the European Medicines Agency ("EMA"), to strengthen support for the development of medicines that target an unmet medical need through enhanced interaction and early dialogue with developers of promising medicines in order to optimize development plans and speed up evaluation to help such medicines reach patients earlier.

Seeking and obtaining these designations is dependent upon results of our clinical program, and we cannot guarantee whether and when we may have the data from our clinical programs to support an application to obtain any such designation. Prior to submitting a BLA, we may seek feedback from the FDA or comparable foreign regulatory authorities and will otherwise evaluate our ability to receive accelerated approval. There can be no assurance that after our evaluation of the feedback and other factors we will decide to pursue a BLA for accelerated approval or any other form of expedited development, review or approval. Similarly, there can be no assurance that after subsequent feedback from the FDA, EMA or comparable foreign regulatory authorities, we will continue to pursue accelerated approval or any other form of expedited development, review or approval, even if we initially decide to do so. Furthermore, if we decide to submit an application for an expedited regulatory designation (e.g., FTD or BTD), there can be no assurance that such submission or application will be granted or that any expedited development, review or approval will be granted on a timely basis, or at all. The FDA and the EMA, as applicable, have broad discretion whether or not to grant any of these designations, so even if we believe a particular product candidate is eligible for one or more of these designations, we cannot assure you that the applicable regulatory authority would decide to grant it. The FDA, EMA or other comparable foreign regulatory authorities could also require us to conduct further clinical trials prior to considering our application or granting approval of any type. A failure to obtain accelerated approval or any other form of expedited development, review or approval for our product candidate would result in a longer time period to commercialization of such product candidate, could increase the cost of development of such product candidate and could harm our competitive position in the marketplace. Furthermore, even if we do receive the designations we may apply for, we may not experience a faster development process, review or approval compared to conventional FDA or EMA procedures, as applicable. The FDA or EMA, as applicable, may rescind any granted designations if it believes that the designation is no longer supported by data from our clinical development program.

In addition, changes in regulatory frameworks may impact our clinical development programs. For instance, the recent enactment of FDORA introduces reforms intending to expand the FDA's ability to regulate products receiving accelerated approval. Pursuant to FDORA, the FDA is authorized to require a post-approval study to be underway prior to approval in addition to being completed within a specified time period following approval. FDORA also requires the FDA to specify the conditions of any required post-approval study and requires sponsors to submit progress reports for required post-approval studies and any conditions required by the FDA. FDORA enables the FDA to initiate enforcement action for the failure to conduct with due diligence a required post-approval study, including a failure to meet any required conditions specified by the FDA or to submit timely reports. Additionally, FDORA increased the FDA's oversight of confirmatory trials and created a formal procedure to withdraw products approved through accelerated approval on an expedited basis for non-compliance with post-approval requirements. In March 2023, the FDA issued draft guidance on clinical trial considerations for supporting accelerated approval of oncology therapeutics, noting that although single-arm trials have been commonly used to support accelerated approval, a randomized controlled trial is the preferred approach for more robust efficacy and safety assessment. It is unclear how these proposals, future policy changes, and changes in FDA regulation will impact our clinical development programs. To the extent the FDA requires us to amend the design of our clinical trials or requires additional trials to meet changes in the data requirements for approval, our clinical timelines and approval will be delayed, which can have an adverse effect on our business and operations.

We may seek and obtain orphan drug designation for our product candidates, and we may be unsuccessful or may be unable to maintain the benefits associated with orphan drug designation, including the potential for market exclusivity.

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively low prevalence populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. In the United States, orphan drug designation ("ODD") entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers. On December 16, 2021, we announced that the FDA granted ODD to NKX101 for the treatment of acute myeloid leukemia ("AML").

Similarly, in Europe, the European Commission grants ODD after receiving the opinion of the EMA Committee for Orphan Medicinal Products on an ODD application. ODD is intended to promote the development of drugs that are intended for the diagnosis, prevention or treatment of life-threatening or chronically debilitating conditions affecting not more than 5 in 10,000 persons in Europe and for which no satisfactory method of diagnosis, prevention, or treatment has been authorized (or the product would be a significant benefit to those affected). Additionally, designation is granted for drugs intended for the diagnosis, prevention, or treatment of a life-threatening, seriously debilitating or serious and chronic condition and when, without incentives, it is unlikely that sales of the drug in Europe would be sufficient to justify the necessary investment in developing the drug. In Europe, ODD entitles a party to a number of incentives, such as protocol assistance and scientific advice specifically for designated orphan medicines, and potential fee reductions depending on the status of the sponsor.

Generally, if a drug with an ODD subsequently receives the first marketing approval for the indication for which it has such designation, the drug is entitled to a period of marketing exclusivity, which precludes the EMA or the FDA from approving another marketing application for the same drug and indication for that time period, except in limited circumstances ("sameness"). The applicable period is seven years in the United States and ten years in Europe. The European exclusivity period can be reduced to six years if a drug no longer meets the criteria for ODD or if the drug is sufficiently profitable such that market exclusivity is no longer justified.

Even if we obtain orphan drug exclusivity for our product candidates, that exclusivity may not effectively protect those product candidates from competition because different therapies can be approved for the same condition and the same therapies can be approved for different conditions but used off-label. Even after an orphan drug is approved, the FDA can subsequently approve another drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to

patient care. In addition, a designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. Moreover, orphan drug exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition. ODD neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process. While we may seek ODD for applicable indications for our product candidates, we may never receive such designations. Even if we do receive such designations, there is no guarantee that we will enjoy the benefits of those designations.

Public opinion and scrutiny of cell-based immunotherapies may impact public perception of our company and product candidates, or impair our ability to conduct our business.

Our platform utilizes a relatively novel technology involving the genetic modification of human NK cells derived from adult healthy donors, and utilization of those modified cells in other individuals, and no NK cell-based immunotherapy has been approved to date. Further, many other cell therapies are in development, including NK cells derived from induced pluripotent stem cells, and negative results from those therapies may affect perception of NK-cell therapy derived from adult healthy donors. Public perception may be influenced by claims, such as claims that NK cell-based immunotherapy is ineffective, unsafe, unethical, or immoral and, consequently, our approach may not gain the acceptance of the public or the medical community. Negative public reaction to cell-based immunotherapy in general could result in greater government regulation and stricter labeling requirements of cell-based immunotherapy products, including any of our product candidates, and could cause a decrease in the demand for any products we may develop. Adverse public attitudes may adversely impact our ability to enroll clinical trials. More restrictive government regulations or negative public opinion could have an adverse effect on our business or financial condition and may delay or impair the development and commercialization of our product candidates or demand for any products we may develop.

We may not identify or discover other product candidates and may fail to capitalize on programs or product candidates that may present a greater commercial opportunity or for which there is a greater likelihood of success.

Our business depends upon our ability to identify, develop and commercialize product candidates. A key element of our strategy is to discover and develop additional product candidates based upon our NK-cell engineering platform. We are seeking to do so through our internal research programs and may also explore strategic collaborations for the discovery of new product candidates. Research programs to identify product candidates require substantial technical, financial and human resources, whether or not any product candidates are ultimately identified. In addition, different therapeutic targets may require changes to our NK manufacturing platform, which may slow down development or make it impossible to manufacture our product candidates. Our research programs may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development for many reasons, including the following:

- the research methodology or technology platform used may not be successful in identifying potential product candidates;
- competitors may develop alternatives that render our product candidates obsolete or less attractive;
- we may choose to cease development if we determine that clinical results do not show promise;
- product candidates we develop may nevertheless be covered by third parties' patents or other exclusive rights;
- a product candidate may be shown to have harmful side effects or other characteristics that indicate it is unlikely to be effective or otherwise does not meet applicable regulatory criteria; and
- a product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors.

Because we have limited resources, we must choose to pursue and fund the development of specific types of treatment, or treatment for a specific type of autoimmune diseases, and we may forego or delay pursuit of opportunities with certain programs or product candidates or for indications that later prove to have greater commercial potential. Our estimates regarding the potential market for our product candidates could be inaccurate, and if we do not accurately evaluate the commercial potential for a particular product candidate, we may relinquish valuable rights to that product candidate through strategic collaboration, licensing or other arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate. Alternatively, we may allocate internal resources to a product candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement.

If any of these events occur, we may be forced to abandon or delay our development efforts with respect to a particular product candidate or fail to develop a potentially successful product candidate.

If third parties that we rely on to conduct clinical trials do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize our product candidates.

We do not have the ability to independently conduct clinical trials. We rely on medical institutions, contract laboratories, and other third parties, such as CROs to advise on or otherwise support our Ntrust-1 and Ntrust-2 clinical trials and clinical investigators to conduct ISTs. We rely heavily on these parties for execution of clinical trials for our product candidates and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our sponsored clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on CROs and other third parties will not relieve us of our regulatory responsibilities. For any violations of laws and regulations during the conduct of our clinical trials, we could be subject to untitled letters, warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

We and the third parties on which we rely for clinical trials are required to comply with regulations and requirements, including good clinical practices ("GCP") for conducting, monitoring, recording and reporting the results of clinical trials to ensure that the data and results are scientifically credible and accurate, and that the trial patients are adequately informed of the potential risks of participating in clinical trials and their rights are protected. These regulations are enforced by the FDA, the competent authorities of the European Union member states, and comparable foreign regulatory authorities for any drugs in clinical development. The FDA enforces GCP requirements through periodic inspections of clinical trial sponsors, principal investigators and trial sites. If we or these third parties fail to comply with applicable GCP, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that, upon inspection, the FDA will determine that any of our future clinical trials do not deviate from GCP. In addition, our clinical trials must be conducted with product candidates produced under cGMP regulations. Our failure or the failure of these third parties to comply with these regulations may require us to repeat clinical trials, which would delay the marketing approval process and could also subject us to enforcement action. For example, government measures taken in response to the COVID-19 pandemic had a significant impact on our CROs, and similar measures in response to future pandemics, epidemics, or outbreaks of infectious disease may result in further disruptions, which would affect our ability to initiate and complete our preclinical studies and clinical trials. We also are required to register certain ongoing clinical trials and provide certain information, including information relating to the trial's protocol, on a government-sponsored database, ClinicalTrials.gov, within specific timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Although we typically design the clinical trials for our product candidates, we rely on third parties to conduct our clinical trials. As a result, many important aspects of our clinical development, including their conduct and timing, are outside of our direct control. Our reliance on third parties to conduct our current and future clinical trials also results in less direct control over the management of data developed through clinical trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

- have staffing difficulties;

- fail to comply with contractual obligations;
- experience regulatory compliance issues;
- undergo changes in priorities or become financially distressed; or
- form relationships with other entities, some of which may be our competitors.

If third parties do not perform our clinical trials in a satisfactory manner, breach their obligations to us or fail to comply with regulatory requirements, we would be unable to rely on clinical data collected by these third parties and may be required to repeat, extend the duration of, or increase the size of any clinical trials we conduct, which could significantly delay commercialization and require significantly greater expenditures. While we must rely on the clinical investigators to ensure their compliance with clinical and regulatory requirements when using our product candidates for ISTs, their failure to comply could jeopardize the validity of the clinical data generated, identify significant concerns with respect to our product candidates that could impact our findings or clinical trials, and could adversely affect our ability to obtain marketing approval from the FDA or other applicable regulatory authorities.

If any of our relationships with these third parties terminate, we may not be able to enter into arrangements with alternative third parties on commercially reasonable terms, or at all. If third parties do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain are compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, any clinical trials such third parties are associated with may be extended, delayed or terminated, and we may not be able to obtain marketing approval for or successfully commercialize our product candidates. As a result, we believe that our financial results and the commercial prospects for our product candidates in the subject indication would be harmed, our costs could increase and our ability to generate revenue could be delayed.

Our business and the business or operations of our research partners and other third parties with whom we conduct business have been and could in the future be adversely affected by the effects of pandemics, epidemics, and outbreaks of infectious diseases in regions where we or third parties on which we rely have business operations.

The COVID-19 pandemic and measures taken to mitigate the impact of the pandemic disrupted economic activity and business operations worldwide, including the San Francisco Bay Area, where our primary operations are located. The emergence of one or more pandemics, epidemics, or outbreaks of infectious diseases could result in similar disruptions.

Our operations, as well as the operations of some of our CROs, contract development and manufacturing organizations ("CDMOs"), and clinical trial sites, may be impacted by future pandemics, epidemics, or outbreaks of infectious disease. For example, as a result of the COVID-19 pandemic, we experienced some delays in completing the construction of our cGMP manufacturing facilities, global supply shortages of certain materials that we and our CDMOs use for research and cGMP manufacturing, employee turnover/attrition, delays and/or disruptions at our CROs, and delays in setting up certain clinical sites and enrollment in our clinical trials.

The emergence of a future pandemic, epidemic, or outbreak of infectious disease may impact the regulatory authorities to which we are subject in our industry, which may, in turn, hamper or delay our clinical development efforts. For instance, the COVID-19 pandemic resulted in a significant increase in the FDA workload, as well as the need to reprioritize the projects under review, and a future pandemic, epidemic, or outbreak of infectious disease may do so again in the future.

We cannot predict the potential future impacts of the emergence of another pandemic, epidemic, or outbreak of infectious disease on us, our research or collaboration partners, and other third parties with whom we conduct business. We may experience disruptions as a result of a pandemic, epidemic, or outbreak of infectious disease that could severely impact our business, preclinical studies and clinical trials, including:

- delays or difficulties in enrolling patients in our clinical trials, including our ongoing NKX019 clinical trial for LN and pMN and NKX019 clinical trial for scleroderma, myositis, and AAV;
- delays or difficulties in clinical site initiation, including difficulties in recruiting and training clinical site investigators and clinical site staff;
- delays or difficulties in recruitment of key personnel;
- diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;
- interruption of key clinical trial activities, such as clinical trial site data monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others or interruption of clinical trial subject visits and study procedures, which may impact the integrity of subject data and clinical study endpoints;
- interruption or delays in the operations of the FDA or other regulatory authorities, which may impact review and approval timelines, including the review of IND or other regulatory submissions for our product candidates;
- interruption of, or delays in receiving, supplies of our product candidates, or materials necessary for production of our product candidates, from our vendors or contract manufacturing organizations due to staffing shortages, production slowdowns or stoppages and disruptions in delivery or supply systems;
- interruption of or delays in manufacturing of our product candidates at our in-house manufacturing facility due to staffing shortages, production slowdowns and disruptions, or inability to procure critical raw materials or other supplies in a timely fashion;
- delays or disruptions in the qualification of our cGMP facility for commercial-scale manufacture of our product candidates;
- interruptions in preclinical studies due to restricted or limited operations at our laboratory facility;
- interruptions, or delays in receiving supplies and materials necessary for our business operations, and research and development activities;
- increases in the cost of services or supplies necessary for our research and development activities; and
- interruption or delays to our discovery and clinical activities.

The extent of any delays or impacts due to pandemics, epidemics, or outbreaks of infectious disease, or government regulations in response to the foregoing, will depend on future developments that are highly uncertain and cannot be predicted with confidence, but these delays could have a material impact on our business, financial condition, and/or results of operations.

If we are not able to establish pharmaceutical or biotechnology collaborations on commercially reasonable terms, or at all, we may have to alter our development and commercialization plans.

The advancement of our product candidates and development programs and the potential commercialization of our current and future product candidates will require substantial additional cash to fund expenses. For some of our programs, we may seek to collaborate with pharmaceutical and biotechnology companies to develop and commercialize such product candidates, such as our collaboration with CRISPR. Any of these relationships, including our relationship with CRISPR, may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute our existing stockholders, relinquish valuable rights to our product candidates, or disrupt our management and business.

We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Whether we reach a definitive agreement for new collaborations will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the progress of our clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. Further, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for future product candidates because they may be deemed to be at too early of a stage of development for collaborative effort or third parties may not view them as having the requisite potential to demonstrate safety and efficacy. Any delays in entering into new collaborations or strategic partnership agreements related to any product candidate we develop could delay the development and commercialization of our product candidates, which would harm our business prospects, financial condition, and results of operations.

We may need to increase the size of our organization, and we may experience difficulties in managing growth.

As of December 31, 2025, we had 108 full-time employees. Our operation may require us to expand our managerial, operational, clinical, quality, human resources, legal, manufacturing, supply chain, finance, commercial and/or other resources in the future in order to manage our clinical trials, continue our development activities and eventually commercialize our product candidates. Our management and personnel, systems and facilities currently in place may not be adequate to support this future growth. In addition, competition for qualified personnel needed to support this future growth is intense and it may be difficult for us to attract and retain quality personnel generally, and as a result of any impact a reduction in force may have on potential employees' perception of our company and culture.

If we are unable to attract skilled employees or manage our future growth effectively, it will impair our ability to execute our business strategy and our business, financial condition, results of operations and growth prospects will be materially adversely affected.

If we fail to attract and retain senior management, clinical, and key scientific personnel, we may be unable to successfully develop our product candidates, conduct our clinical trials and commercialize our product candidates.

Our success depends in part on our continued ability to attract, retain and motivate highly qualified management, clinical and scientific personnel. We are highly dependent upon our senior management, particularly our chief executive officer, as well as other members of our senior management team. The loss of services of any of these individuals could delay or prevent the successful development of our product pipeline, initiation or completion of our planned clinical trials or the commercialization of our future product candidates. We do not have employment agreements with our senior management team.

Competition for qualified personnel in the biotechnology and pharmaceuticals field is intense due to the limited number of individuals who possess the skills and experience required by our industry. Implementing certain cost containment measures may have a detrimental impact on company culture and employee morale, which may hurt our ability to attract and retain employees. In March 2025, management approved a reduction in workforce, which included members of our senior management team, to decrease our costs and create a more streamlined organization to support our operations and reprioritized product pipeline. This reduction makes retention of our current personnel, including our senior management team, both more important and more challenging and may require the reallocation and the combination of certain roles and responsibilities across the organization, all of which could adversely affect our operations.

We may need to hire additional personnel if we expand our clinical development and manufacturing activities, or if we initiate commercial activities. We may not be able to attract and retain quality personnel on acceptable terms, or at all. If we are unable to hire and retain the qualified personnel we need to operate our business, our business, financial condition, results of operations and growth prospects would be materially adversely affected. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or that they have divulged proprietary or other confidential information, or that their former employers own their research output.

Product liability lawsuits against us could cause us to incur substantial liabilities and could limit commercialization of any product candidate that we may develop.

We face an inherent risk of product liability exposure related to the testing of our product candidates in clinical trials and may face an even greater risk if we commercialize any product candidate that we may develop. If we cannot successfully defend ourselves against claims that any such product candidates caused injuries, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidate that we may develop;
- loss of revenue;
- substantial monetary awards to clinical trial participants or patients;
- significant time and costs to defend the related litigation;
- withdrawal of clinical trial participants;
- increased insurance costs;
- the inability to commercialize any product candidate that we may develop; and
- injury to our reputation and significant negative media attention.

Any such outcomes could materially adversely affect our business, financial condition, results of operations and growth prospects.

The increasing use of social media platforms presents new risks and challenges.

Social media is increasingly being used to communicate about our clinical development programs and the diseases our product candidates are being developed to treat. We intend to utilize appropriate social media in connection with communicating about our development programs. Social media practices in the biopharmaceutical industry continue to evolve and regulations relating to such use are not always clear. This evolution creates uncertainty and risk of noncompliance with regulations applicable to our business. For example, patients may use social media channels to report an alleged adverse event during a clinical trial. When such disclosures occur, we may fail to monitor and comply with applicable adverse event reporting obligations, or we may not be able to defend our business or the public's legitimate interests in the face of the political and market pressures generated by social media due to restrictions on what we may say about our investigational products. There is also a risk of inappropriate disclosure of sensitive information or negative or inaccurate posts or comments about us on any social networking website, or a risk that a post on a social networking website by any of our employees may be construed as inappropriate promotion. If any of these events were to occur or we otherwise fail to comply with applicable regulations, we could incur liability, face regulatory actions, or incur other harm to our business.

Our insurance policies may be inadequate, may not cover all of our potential liabilities and may potentially expose us to unrecoverable risks.

We do not carry insurance for all categories of risk that our business may encounter. Although we maintain product liability insurance coverage that also covers our clinical trials, such insurance may not be adequate to cover all liabilities that we may incur, and we may be required to increase our product liability insurance coverage. We anticipate that we will need to increase our insurance coverage each time we commence a clinical trial and if we successfully commercialize any product candidate. Insurance availability, coverage terms and pricing continue to vary with market conditions. We endeavor to obtain appropriate insurance coverage for insurable risks that we identify. However, we may fail to correctly anticipate or quantify insurable risks, we may not be able to obtain appropriate insurance coverage and insurers may not respond as we intend to cover insurable events that may occur. Any significant uninsured liability may require us to pay substantial amounts, which would materially adversely affect our business, financial condition, results of operations and growth.

In addition, although we are dependent on certain key personnel, we do not have any key man life insurance policies on any such individuals. Therefore, if any of our chief executive officer or other executive officers die or become disabled, we will not receive any compensation to assist with such individual's absence. The loss of such person could materially adversely affect our business, financial condition, results of operations and growth prospects.

Our business involves the use of hazardous materials and we and our third-party manufacturers and suppliers must comply with environmental laws and regulations, which can be expensive and restrict how we do business.

Our research and development and manufacturing activities and our third-party manufacturers' and suppliers' activities involve the controlled storage, use and disposal of hazardous materials owned by us. We and our manufacturers and suppliers are subject to laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials. In some cases, these hazardous materials and various wastes resulting from their use are stored at our manufacturers' facilities pending their use and disposal.

We cannot eliminate the risk of contamination, which could cause an interruption of our research and development efforts and business operations, including drug supply and inventory, and environmental damage resulting in costly clean-up and liabilities under applicable laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. Although we believe that the safety procedures utilized by our third-party manufacturers and suppliers for handling and disposing of these materials generally comply with the standards prescribed by these laws and regulations, we cannot guarantee that this is the case or eliminate the risk of accidental contamination or injury from these materials. In such an event, we may be held liable for any resulting damages and such liability could exceed our resources and state or federal or other applicable authorities may curtail our use of certain materials and/or interrupt our business operations. Furthermore, environmental laws and regulations are complex, change frequently and have tended to become more stringent over time. We cannot predict the impact of such changes and cannot be certain of our future compliance. We do not currently carry biological or hazardous waste insurance coverage. Any contamination by such hazardous materials could therefore materially adversely affect our business, financial condition, results of operations and growth prospects.

Our business could be negatively impacted by the failure to address evolving environmental, social, and corporate governance matters.

There has been increased focus from investors, employees, business partners, and other stakeholders concerning environmental, social, and corporate governance ("ESG") matters. The expectations related to ESG matters are rapidly evolving and, while we have internal efforts directed at ESG matters and preparations for any increased required future disclosures, we may be required to make changes to our operations in order to comply with any new regulations and to significantly increase our compliance and reporting costs. Regardless of these efforts, we may be perceived to not be adequately addressing these matters, which could negatively impact our reputation and our business. In addition, we currently do not report our environmental emissions, and our lack of reporting could result in certain investors declining to invest in our common stock.

The recent change in Presidential administration has created regulatory uncertainty with respect to the U.S.'s climate change policy. In March 2022, the SEC proposed new rules relating to the disclosure of a range of climate-related risks and final rules were adopted in March 2024. The climate-related disclosure rules have been stayed by the SEC pending litigation challenging the rules and there is uncertainty as to whether the SEC will continue to defend the implementation of these rules. In addition, in October 2023, California issued the Climate Corporate Data Accountability Act (SB 253) and the Climate Related Financial Risk Act (SB 261) (the "California Bills") which require corporations doing business in California to annually report their greenhouse gas emissions and disclose climate-related financial risks and risk mitigation strategies. Complying with the California Bills may be costly, difficult and time consuming, and our business may be negatively impacted due to potential legal liability or by potential competitive disadvantage if our competitors are not subject to the California Bills. In January 2025, an executive order was signed to withdraw the U.S. from the Paris Agreement, marking a significant shift in U.S. climate policy. It remains unclear what further actions may be taken with respect to domestic and international programs and initiatives, what support the Presidential administration would have for any potential changes to such legislative programs and initiatives and what the impact of any such changes might be.

Risks Related to Manufacturing

Our manufacturing process is novel and complex, and we may encounter difficulties in production, or difficulties with internal manufacturing, which would delay or prevent our ability to provide a sufficient supply of our product candidates for clinical trials or our products for patients, if approved.

Our product candidates are genetically engineered human cells, and the process of manufacturing such product candidates, as well as engineered K562 cells and viral vectors, is complex, highly regulated and subject to numerous risks. Manufacturing our product candidates involves harvesting white blood cells from a donor, isolating the NK cells, activating and expanding the NK cells, genome editing the NK cells (for certain product candidates with such edits), introducing a gamma-retrovirus with genes encoding the proteins we wish to express, cryopreservation, storage and eventually shipment. As a result of these complexities, the cost to manufacture our cellular product candidates, our proprietary, engineered K562 stimulatory cells ("NKSTIM cells"), and viral vector is generally higher than traditional small-molecule chemical compounds or biologics, and the manufacturing process is presently less reliable and more difficult to reproduce.

Our manufacturing process will be susceptible to product loss or failure, or product variation that may negatively impact patient outcomes, due to logistical issues associated with the collection of starting material from the donor, shipping such material to the manufacturing site, shipping the final product to the clinical trial recipient, preparing the product for administration, manufacturing issues or different product characteristics resulting from the differences in donor starting materials, variations between reagent lots, interruptions in the manufacturing process, contamination, equipment or reagent failure, improper installation or operation of equipment, vendor or operator error, inconsistency in cell growth and variability in product characteristics.

Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects and other supply disruptions. If microbial, viral or other contaminations are discovered in our product candidates or in any of the manufacturing facilities in which products or other materials are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. Any failure in the manufacturing processes could render a batch of product unusable, could impact supply and delay the progress of our clinical trials, could affect the regulatory approval of such product candidate, could cause us to incur fines or penalties or could harm our reputation and that of our product candidates.

Our manufactured product candidates may fail to meet the required specifications for any of a variety of reasons, including variability in starting material, deviations from normal manufacturing process, or insufficient optimization of specific process steps. This failure to meet specifications could result in supply shortages, or delays related to obtaining additional regulatory, site and patient approvals to continue dosing patients in the clinical trial. If the required additional approvals cannot be obtained, additional delays may occur as manufacturing would need to be restarted, enrollment may be delayed, and/or patients may be unable to remain in the study. Any delay in the clinical development or commercialization of NKX019 or our other product candidates could materially adversely affect our business, financial condition, results of operations and growth prospects.

We may make changes to our manufacturing process at various points during development, and even after commercialization, for various reasons, such as to control costs, achieve scale, decrease processing time, increase manufacturing success rate or for other reasons. Efforts to scale up and improve our manufacturing processes across our platform are ongoing. Changes to our manufacturing process carry the risk that they will not achieve their intended objectives, and any of these changes could cause our product candidates to perform differently and affect the results of our ongoing clinical trials, or the performance of the product once commercialized. For example, as part of ongoing scale up and optimization of manufacturing across our platform, we previously filed a manufacturing process change amendment with the FDA in our then-enrolling NKX101 Phase 1 clinical trial in AML. After we began dosing patients with NKX101 product that had been generated with the amended manufacturing process, an interim review of the clinical response data from the cohort indicated that the aggregate response rate for the 20 patients in total in the cohort was meaningfully lower than what had been observed and previously reported for the first six patients in the cohort. We subsequently closed enrollment in the clinical trial and deprioritized the NKX101 program.

Changes to our process made during the course of clinical development could also require us to show the comparability of the product candidate used in earlier clinical phases or at earlier portions of a trial to the product candidate used in later clinical phases or later portions of the trial. It is difficult to establish comparability of cell therapy products, and this may complicate efforts to verify process changes during scale up. Other changes to our manufacturing process made before or after commercialization could require us to show the comparability of the resulting product to the product candidate used in the clinical trials using earlier processes. Such showings could require us to collect additional nonclinical or clinical data from any modified process prior to obtaining marketing approval for the product candidate produced with such modified process. If such data are not ultimately comparable to that seen in the earlier trials or earlier in the same trial in terms of safety or efficacy, or if regulatory authorities do not agree that comparability has been established, we may be required to make further changes to our process and/or undertake additional clinical testing, either of which could significantly delay the clinical development or commercialization of the associated product candidate, which would materially adversely affect our business, financial condition, results of operations and growth prospects.

We are manufacturing in our own internal manufacturing facility to supply drug product for our NKX019 Phase 1 clinical trials. We have in the past, and may again in the future, encounter problems or delays with the internal production of our product candidates. We believe our current clinical cGMP manufacturing facility together with our new commercial-scale manufacturing facility, once qualified, will supply our anticipated non-pivotal clinical trial needs, but if the dose and number of cycles needed increases, our current manufacturing process may not be able to support the enrollment of trials which could lead to delays until we scale up the manufacturing. Although we have an internal cGMP manufacturing facility for the production of certain of our product candidates for our clinical trials, we do not yet operate a cGMP facility for the commercial-scale manufacture of our product candidates. Although we built a commercial-scale manufacturing facility, maintaining our commercial-scale facility and manufacturing product candidates in our own facilities will require an increase in staff and significant internal resources. Our manufacturing facilities will be subject to compliance with regulatory requirements, which we may struggle to meet. We may encounter problems with properly staffing our internal manufacturing facilities due to hiring challenges or other issues. For example, factors such as potential future pandemics, epidemics, or outbreaks of infectious disease or government-imposed restrictions in response to the foregoing could impact our ability to properly staff production of our product candidates. We may also encounter problems with training the staff we have to effectively manage and control the complex manufacturing process required to produce our product candidates and comply with all necessary regulations. We may also find it difficult to properly manage supply chain issues critical to the manufacturing process. If we are unable to build, maintain, and properly staff our manufacturing facilities, manage and control the manufacturing process, and comply with regulations, the clinical development or commercialization of our product candidates could be significantly delayed, which would materially adversely affect our business, financial condition, results of operations and growth prospects.

We rely on third parties to manufacture certain materials for use in the production of our product candidates, or may rely on third parties to manufacture certain of our product candidates in the future, which increases the risk

that we will not have sufficient quantities of such materials or product candidates, or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

Although we have built a commercial-scale manufacturing facility, we do not yet operate our own cGMP facility for the production of commercial supplies of the product candidates that we are developing or evaluating in our development programs or supplies of such product candidates for pivotal clinical trials. We have limited personnel with experience in drug manufacturing and currently lack the resources and the capabilities to manufacture any of our product candidates on a commercial scale. If we are unable to successfully maintain and staff our own commercial-scale cGMP facility, we will need to rely on third parties for commercial-scale manufacture of our product candidates.

Also, although we currently manufacture our early-stage clinical supply of NKX019 at one of our own cGMP facilities, we currently outsource manufacturing of certain critical materials necessary for production of our product candidates, including NKSTIM cells and viral vectors. Even though we are currently manufacturing NKX019 at one of our own cGMP facilities, and even if we are successful at manufacturing NKX019 or other product candidates on a commercial scale at one of our own cGMP facilities, we expect to continue to outsource manufacturing of certain materials necessary for production of our product candidates. For instance, we currently manufacture clinical supply of NKSTIM cells and the gamma-retrovirus at third-party contract manufacturing sites. Although we intend to manufacture NKSTIM cells in house in the future, we may not be able to successfully do so. If we are unable to outsource the manufacturing of these materials or our established third-party manufacturers delay delivery of or fail to provide certain materials as needed for the production of our product candidates, then the production of our clinical or commercial supply may be impacted. We compete with other companies for access to third party cGMP facilities and cannot assure continued access.

In order to conduct clinical trials of product candidates, we will need to have them manufactured in potentially large quantities. Our third-party manufacturers may be unable to increase the manufacturing capacity for any of our product candidates or other necessary materials in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities and at any other time. If these third-party manufacturers are unable to, or do not, scale up the manufacture of our product candidates or other necessary materials in sufficient quality and quantity, the development, testing and clinical trials of that product candidate may be delayed or infeasible, and regulatory approval or commercial launch of that product candidate may be delayed or not obtained, which could significantly harm our business.

We do not currently have any agreements with third-party manufacturers for long-term commercial supply. We may be unable to enter into agreements with third-party manufacturers for commercial supplies of any product candidate or any material necessary for production of a product candidate that we develop, or may be unable to do so on acceptable terms. Even if we establish and maintain arrangements with third-party manufacturers, reliance on third-party manufacturers for either clinical or commercial supply entails risks, including:

- reliance on the third-party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third-party;
- the possible misappropriation of our proprietary information, including our trade secrets and know-how; and
- the possible termination or nonrenewal of the agreement by the third-party at a time that is costly or inconvenient for us.

Third-party manufacturers may not be able to comply with cGMP requirements or similar regulatory requirements outside the United States. The failure of our third-party manufacturers to comply with applicable requirements could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or products, operating restrictions and/or criminal prosecutions, any of which could significantly and adversely affect supplies of our product candidates.

If the third parties that we engage to supply any materials or to manufacture any product candidates for our preclinical tests and clinical trials should cease to continue to do so for any reason, including due to the effects of a pandemic, epidemic, or outbreak of infectious disease, such as a future outbreak of a COVID-19 variant, and the actions undertaken by governments and private enterprises to contain such health event, we likely would experience delays in advancing these tests and trials while we identify and qualify replacement suppliers or manufacturers and we may be unable to obtain replacement supplies on terms that are favorable to us. In addition, if we are not able to obtain adequate supplies of our product candidates or the substances used to manufacture them, it will be more difficult for us to develop our product candidates and compete effectively. For example, at some of our contract manufacturing sites, we have experienced delays in the past as a result of COVID-19-related restrictions, including temporary shutdowns, and instances of COVID-19 cases impacting personnel.

Our current and anticipated dependence upon others for the manufacture of our product candidates and/or materials necessary for production of our product candidates may adversely affect our profit margins and our ability to develop product candidates and commercialize any products that receive marketing approval on a timely and competitive basis.

We are reliant on a sole supplier for certain steps of our manufacturing process.

Our manufacturing process for NKX019 depends on the use of the Miltenyi CliniMACS® Plus system, and related reagents, all of which are only available from Miltenyi as the sole supplier. In addition, some of these reagents, at the time of procurement, typically expire after approximately four to six months. This short expiration period means that stocking the reagents in large quantities for future needs would not be an effective long-term strategy to mitigate against the risk of shortage due to disruption of the supply chain, including as a result from technical or regulatory constraints or changes in international trade policies. We may experience increased costs to procure these reagents as our current supplies are utilized as a result of tariffs that are imposed.

Furthermore, while many of the reagents and consumables used in our manufacturing process are available from more than one commercial supplier, we have not confirmed the suitability of the use of all such reagents and consumables in our manufacturing process. Even if we are able to replace any raw materials or consumables with an alternative, such alternatives may cost more, including as a result of current or future tariffs, be subject to delays in shipment, result in lower yields or not be as suitable for our purposes. In addition, some of the raw materials that we use are complex materials, which may be more difficult to substitute. Therefore, supply disruptions could result in delays and additional regulatory submissions, prevent us from being able to manufacture our product candidates due to the unsuitability of the substituted reagent or consumable that we are able to procure, and impact our ability to maintain our development timelines and remain competitive. Substitution of some or all of these reagents and materials may require substantial changes to our manufacturing process, which may require us to establish product comparability. If we are unable to show comparability after a process change, further changes to our manufacturing process and/or clinical trials will be required. For example, if sufficient comparability is not shown, we may be required to repeat one or more clinical trials.

Any disruption in supply of these instruments and reagents could also result in delays in our clinical trials, which would materially adversely affect our business, financial condition, results of operations and growth prospects.

Delays in commissioning and receiving regulatory approvals for our manufacturing facilities could delay our development plans and thereby limit our ability to develop our product candidates and generate revenues.

We believe that internal cGMP manufacturing is important to facilitate clinical product supply, lower the risk of manufacturing disruptions and enable more cost-effective manufacturing. We have a cGMP facility in South San Francisco, California that allows us to supply the product candidates needed for our early-stage clinical trials. We have also built and qualified a facility for the commercial-scale manufacture of our product candidates. The qualification, regulatory approvals and maintenance of such facilities require substantial capital and technical expertise and any delay would limit our development activities and our opportunities for growth.

Furthermore, our manufacturing facilities will be subject to ongoing, periodic inspection by the FDA and other comparable regulatory agencies to ensure compliance with cGMP. In the event of reductions to the FDA's budget, employees and operations, including as a result of a prolonged government shutdown, we may experience delays in scheduling inspections by the FDA. Our failure to follow and document our adherence to these regulations or other regulatory requirements may lead to significant delays in the availability of product candidates for clinical use or may result in the termination of or a hold on a clinical study. Failure to comply with applicable regulations could also result in sanctions being imposed on us, including fines, injunctions, civil penalties, a requirement to suspend or put on hold one or more of our clinical trials, failure of regulatory authorities to grant marketing approval of our drug candidates, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of drug candidates, operating restrictions and criminal prosecutions, any of which could materially adversely affect our business, financial condition, results of operations and growth prospects.

We also may encounter problems with the following:

- complying with regulations regarding evolving donor infectious disease testing, traceability, manufacturing, release of product candidates and other requirements from regulatory authorities at the state or federal level or outside the United States;
- achieving adequate or clinical-grade materials that meet regulatory agency standards or specifications with consistent and acceptable production yield and costs;
- bacterial, fungal or viral contamination in our manufacturing facilities;
- disruptions due to natural disasters or supply chain interruptions; and
- shortages of qualified personnel, raw materials or key contractors.

Our product candidates, if approved by applicable regulatory authorities, may require significant commercial supply to meet market demand. In these cases, we may need to increase, or "scale up," the production process by a significant factor over the initial level of production. If we fail to develop sufficient manufacturing capacity and experience, whether internally or with a third party, are delayed in doing so, or fail to manufacture our product candidates economically or on reasonable scale or volumes, or in accordance with cGMP, or if the cost of this scale-up is not economically feasible, our development programs and commercialization of any approved products will be materially adversely affected and we may not be able to produce our product candidates in a sufficient quantity to meet future demand and our business, financial condition, results of operations and growth prospects may be materially adversely affected.

The optimal donor and manufacturing parameters for our product candidates have not been definitively established, which may hinder our ability to optimize our product candidates or to address any safety or efficacy issues that may arise.

If any of our clinical trials reveal issues with the safety or efficacy of any of our product candidates, modification of the donor selection criteria or the manufacturing process may be necessary to address such issues. Alternatively, we may choose to modify the manufacturing process in an effort to improve the efficiency of the process or efficacy of the product candidates. However, although research to establish the optimal donor and manufacturing parameters is ongoing, we have not, at present, fully characterized or identified how donor characteristics and manufacturing process parameters affect the optimal cell killing ability for our engineered NK-cell product candidates for in vitro and animal efficacy studies or how such potency differences may translate into efficacy to be seen in human clinical trials, including both the proportion of patients who achieve a meaningful clinical response, and the duration of any such clinical responses. As a result, our ability to improve our manufacturing process or product potency, safety, or efficacy according to such parameters is limited and may require significant trial and error, which may cause us to incur significant costs or could result in significant delays to the clinical development and eventual commercialization of our product candidates. We continue to work to better establish the optimal donor and manufacturing parameters for our product candidates. Efforts to scale up and optimize our manufacturing processes across our platform are ongoing. If we are unable to manufacture sufficient supply of our product candidates, or sufficient supply of our product candidates with the desired parameters, for our

current, planned, or future clinical trials, the clinical development and potential eventual commercialization of may be delayed, and we may be materially harmed as a result.

We are dependent on third parties to store our CAR NK cells, viral vector, master and working cell banks of NKSTIM cells, and any damage or loss would cause delays in replacement, and our business could suffer.

The CAR NK cells, the viral vector, and the master and working cell banks of NKSTIM cells are stored in freezers at third-party biorepositories and will also be stored in our freezers at our production facilities. If these materials are damaged at these facilities, including by the loss or malfunction of these freezers or our back-up power systems, as well as by damage from fire, power loss or other natural disasters, we would need to establish replacement CAR NK cells, viral vector, and master and working cell banks of NKSTIM cells, which would impact clinical supply and delay our patients' treatments. If we are unable to establish replacement materials, we could incur significant additional expenses and liability to patients whose treatment is delayed, and our business could suffer.

We have not yet developed a validated methodology for freezing and thawing commercial-scale quantities of CAR NK cells, which we believe will be required for the storage and distribution of our CAR NK-cell product candidates.

We have not yet demonstrated that CAR NK cells, which can be frozen and thawed in smaller quantities, can also be frozen and thawed in commercial scale quantities without damage, in a cost-efficient manner and without degradation over time. We may encounter difficulties not only in developing freezing and thawing methodologies for large scale use, but also in obtaining the necessary regulatory approvals for using such methodologies in treatment. If we are unable to freeze CAR NK cells for shipping purposes, our ability to promote adoption and standardization of our product candidates, as well as achieve economies of scale by centralizing our production facility, will be limited. Even if we are able to successfully freeze and thaw CAR NK cells in large quantities, we will still need to develop a cost-effective and reliable distribution and logistics network, which we may be unable to accomplish. For these and other reasons, we may not be able to commercialize CAR NK cells on a large scale or in a cost-effective manner. If such product candidate is found to be unstable, we would be required to conduct more frequent manufacturing runs, which could cause us to incur significant additional expenses.

Risks Related to Our Intellectual Property

If our license agreement with National University of Singapore and St. Jude Children's Research Hospital, Inc. is terminated, we could lose our rights to key components enabling our NK-cell engineering platform.

In August 2016, we entered into a license agreement with the National University of Singapore and St. Jude Children's Research Hospital, Inc. (the "Licensors"). Pursuant to this license, the Licensors granted to us an exclusive, worldwide, royalty-bearing, sublicensable license to specified patents and patent applications related to NK-cell technology in the field of therapeutics. We are reliant upon certain rights and proprietary technology provided to us under this license for the production and development of certain of our current and future product candidates, such as NKX019. We make single-digit royalty payments, patent expenses, license maintenance fees and milestone payments to the Licensors. The term of the license agreement extends until expiration of the last of the patent rights licensed to us by the Licensors, which is currently expected to occur in approximately 2039, subject to any patent term adjustments or extensions. The Licensors may terminate the license agreement upon the occurrence of certain events, such as an uncured material breach by us, the cessation of our business or our insolvency, liquidation or receivership. If the Licensors terminate or narrow the license agreement, we could lose the use of intellectual property rights that may be material to or necessary for the development or production of our current and future product candidates, including NKX019, which could impede or prevent our successful commercialization of such product candidates and materially adversely affect our business, financial condition, results of operations and growth prospects.

Furthermore, our license agreement with the Licensors is field-specific and has been granted to us in the field of therapeutics. This license agreement permits the Licensors to practice the licensed rights, and to allow non-profit academic third parties to practice the licensed rights for certain academic purposes. Further, one of the Licensors' patent families from which we license certain patents and patent applications contains other certain patents and patent applications that the Licensors have licensed to at least one third party. Although the patents and patent applications licensed to the at least one third party should not overlap with our licensed patents and patent applications, there is a risk that inadvertent overlap may occur, and thus, resources may have to be expended to resolve any such overlap and to prevent other licensees from practicing under our licensed patents rights. If any of the foregoing were to occur, it could delay our development and commercialization of our product candidates, which in turn could materially adversely affect our business, financial condition, results of operations and growth prospects.

If any patent protection we obtain is not sufficiently robust, our competitors could develop and commercialize products and technology similar or identical to ours.

The market for cell therapy is highly competitive and subject to rapid technological change. Our success depends, in large part, on our ability to maintain a competitive position in the development and protection of technologies and products for use in these fields and to obtain and maintain patent protection in the United States and other countries with respect to our product candidates and our technology. We have sought, and intend to seek, to protect our proprietary position by filing patent applications in the United States and abroad related to our product candidates and our technology that are important to our business. If we are unable to protect our intellectual property, our competitive position could be materially adversely affected, as third parties may be able to make, use or sell products and technologies that are substantially the same as ours without incurring the sizeable development and licensing costs that we have incurred. This, in turn, would materially adversely affect our ability to compete in the market.

The patent position of biotechnology and pharmaceutical companies generally is uncertain, involves complex legal and factual questions and has, in recent years, been the subject of much litigation. As a result, the issuance, scope, validity, enforceability, term, and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued that protect our technology or product candidates or effectively prevent others from commercializing competitive technologies and product candidates.

The patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications at a reasonable cost or in a timely manner. We also may fail to identify patentable aspects of our research and development output, or may identify patentable aspects of our research and development output once it is too late to obtain patent protection.

Claim scope in a patent application can be significantly reduced before the patent is issued, and claim scope in a patent can be reinterpreted after issuance. Even if the patent applications we license or own do issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us or otherwise provide us with any competitive advantage. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative products in a non-infringing manner.

Claims brought against us for infringing, misappropriating or otherwise violating intellectual property rights of third parties or engaging in unfair competition, would be costly and time-consuming and could prevent or delay us from successfully developing or commercializing our product candidates.

Our success depends in part on our ability to develop, manufacture and market our technology and use our technology without infringing the proprietary rights of third parties. We, our licensors, or our collaborators may be subject to third-party claims that could cause us to incur substantial expenses to defend, and these claims, if successful, could require us to pay substantial damages and/or limit our ability to commercialize our product candidates if we, our licensors, or our collaborators are found to be infringing a third party's intellectual property rights.

We are aware of third-party patents and patent applications that may relate to the areas in which we are developing product candidates. For example, under the CRISPR Agreement, we have received licenses from CRISPR for certain CRISPR-Cas9 gene editing targets that can be engineered into our own NK-cell therapies. Third parties could assert that CRISPR does not have rights to certain CRISPR-Cas9 technologies, or could assert and have asserted in the past, that the CVC Group does not have rights to certain CRISPR-Cas9 technologies, including inventorship and ownership rights to some of the CVC Group's patents, or that such rights are limited. Third parties could seek to assert their issued patents relating to CRISPR-Cas9 technologies against us or our collaborators based on our CRISPR-Cas9-based activities, or those of our collaborators, including commercialization of gene-edited NK-cell therapies.

Additionally, as our industry expands and more patents are issued, the risk increases that there may be patents issued to third parties that relate to our product candidates and technology of which we are not aware or that we may need to challenge to continue our operations as currently contemplated. As a result, our technology and any future products that we commercialize could be alleged to infringe patent rights or other proprietary rights of third parties, which may require costly litigation and, if we are not successful in defending against such litigation, could cause us to pay substantial damages and/or limit our ability to commercialize our product candidates. Issued patents are entitled to a presumption of validity in many countries, including the United States and many European countries, and issued patents held by others that claim our technology or any of our product candidates may limit our freedom to operate, including our ability to commercialize our product candidates, unless and until these patents expire or are declared invalid or unenforceable in a court of applicable jurisdiction, if we do not obtain a license or other right to practice the claimed inventions. We may decide to file reexaminations, inter partes reviews, and other post-grant proceedings before the United States Patent and Trademark Office ("USPTO") and other comparable proceedings (e.g., oppositions) in foreign jurisdictions, including to challenge the validity of third-party patents that may relate to the areas in which we are developing product candidates and technology. Such proceedings can be unpredictable and time-consuming and can divert management attention and financial resources.

We employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Accordingly, we may be subject to claims that these employees, or we, have used or disclosed trade secrets or other proprietary information of their former employers.

Further, generative artificial intelligence ("AI") resources that are publicly available present a risk that our employees, consultants, contractors or collaborators may inadvertently obtain, incorporate or use a third party's intellectual property, and may also inadvertently disclose, input or otherwise provide our confidential, proprietary or intellectual property to such AI resources in a manner that could compromise our intellectual property rights.

Third parties could threaten or initiate litigation or other legal proceedings alleging that we have infringed their patents, trade secrets, trademarks or other intellectual property rights. Litigation may make it necessary to defend ourselves by determining the scope, enforceability and validity of third-party proprietary rights, or to establish our proprietary rights. Regardless of whether any such claims that we are infringing patents or other intellectual property rights have merit, such claims can be time consuming, divert management attention and financial resources and are costly to evaluate and defend.

Results of any such litigation are difficult to predict and may require us to stop treating certain conditions, obtain licenses or modify our product candidates or technology while we develop non-infringing substitutes, or may result in significant settlement costs. Litigation can involve substantial damages for infringement (and if the court finds that the infringement was willful, we could be ordered to pay treble damages and the patent owner's attorneys' fees), and the court could prohibit us from selling our product candidates or require us to take a license from a third party, which the third party is not required to do at a commercially reasonable price or at all. If a license is available from a third party, we may have to pay substantial royalties, upfront fees, or milestone fees, or grant cross-licenses to intellectual property rights for our product candidates or technology. We may also have to redesign our product candidates or technology so they do not infringe third-party intellectual property rights, which may not be possible or may require substantial monetary expenditures and time, during which our product candidates may not be available for manufacture, use, or sale.

We may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent, which could materially adversely affect our ability to develop, manufacture and market our product candidates.

There are many patents issued and applied for in the biotechnology industry, and we may not be aware of patents or patent applications held by others that relate to our business. We cannot guarantee that any of our or our licensors' patent searches or analyses, including but not limited to the identification of relevant patents, analysis of the scope of relevant patent claims or determination of the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending application in the United States and elsewhere that is relevant to or necessary for the development and commercialization of our product candidates in any jurisdiction.

For example, patent applications in the United States and many international jurisdictions are typically not published until 18 months after the filing of certain priority documents (or, in some cases, are not published until they issue as patents) and publications in the scientific literature often lag behind actual discoveries. Thus, we cannot be certain that others have not filed patent applications or made public disclosures relating to our technology or our contemplated technology. A third party may have filed, and may in the future file, patent applications directed to our product candidates or technology similar to ours or that of our licensors. Any such patent application may have an earlier priority date than our patent applications or patents, or those of our licensors, which could further require us to obtain rights to patents directed to such technologies. Under certain circumstances, if third parties have filed such patent applications, an interference proceeding in the United States can be initiated by any such third party, or by the USPTO itself, to determine who was the first to invent any of the subject matter recited by the patent claims of our applications or issued patents.

Furthermore, after issuance, the scope of patent claims remains subject to construction as determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, and we may incorrectly determine that our product candidates or technology are not covered by a third party's patent or may incorrectly predict whether a third party's pending application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or elsewhere that we consider relevant may also be incorrect. Changes in patent laws and regulations may also affect the expiration date of any patent in the United States or elsewhere that we consider relevant. If we fail to correctly identify or interpret relevant patents or the expiration dates thereof, we may be subject to infringement claims. We cannot guarantee that we will be able to successfully settle or otherwise resolve such infringement claims. If we fail in any such dispute, in addition to being forced to pay monetary damages, we may be temporarily or permanently prohibited from commercializing our product candidates. We may also be forced to attempt to redesign our product candidates or technology in a manner that no longer infringes third-party intellectual property rights. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to the development and commercialization of our product candidates.

Our development and commercialization rights to our current and future product candidates and technology are subject, in part, to the terms and conditions of licenses granted to us by others.

We are a party to a variety of intellectual property license agreements with third parties and expect to enter into additional license agreements in the future. These license agreements provide us with access to certain rights and proprietary technology from third parties for the production and development of our current and future product candidates, including NKX019. However, these licenses may not provide exclusive rights to use such intellectual property and technology in all relevant fields of use and in all territories in which we choose to develop or commercialize our technology and product candidates in the future. As a result, we may not be able to prevent competitors from developing and commercializing competitive products in territories included in all of our licenses.

We also engage in collaborations with scientists at academic and non-profit institutions to access technologies and materials that are not otherwise available to us. Although the agreements that govern these collaborations may include an option to negotiate an exclusive license to the institution's rights in any inventions that are created in the course of these collaborations, we may not be able to come to a final agreement for an exclusive license with the institution.

We also have entered, and may in the future enter, into collaboration or license agreements with commercial entities to access technologies and materials that are not otherwise available to us. Our agreements with such entities may provide licenses to technology useful for the discovery, development, or commercialization of our product candidates. These licenses may, in some instances, be non-exclusive. For example, we have entered into an agreement with CRISPR, which grants us a non-exclusive license on up to five gene-editing targets to enable us to independently research, develop and commercialize NK-cell therapies that have been gene-edited using CRISPR's gene-editing technology.

Such licenses and other contracts may be the subject of disagreements with the grantors and/or various third parties regarding the interpretation of such licenses and contracts. The resolution of any such disagreements that may arise could affect the scope of our rights to the relevant technology, or affect financial or other obligations under the relevant agreement, either of which could inhibit our ability to utilize the underlying technology in a cost-effective manner to develop and commercialize our product candidates, which in turn could materially adversely affect our business, financial condition, results of operations and growth prospects.

Our existing license agreements impose, and we expect that our future license agreements will impose, various diligence, milestone payment, royalty, insurance, indemnification and other obligations on us. Under certain circumstances such as a material breach of terms, our licensors could terminate our license agreements. If these in-licenses are terminated, or if the underlying patents fail to provide the intended exclusivity, competitors could have the freedom to seek regulatory approval of, and to market, products substantially the same as or identical to ours. In addition, we may seek to obtain additional licenses from our licensors and, in connection with obtaining such licenses, we may agree to amend our existing licenses in a manner that may be more favorable to the licensors, including by agreeing to terms that could enable third parties (potentially including our competitors) to receive licenses to a portion of the intellectual property that is subject to our existing licenses.

In addition, we may not have the right to control the preparation, filing, prosecution, maintenance, enforcement and defense of patents and patent applications directed to the technology that we license from third parties. Therefore, we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, enforced and defended in a manner consistent with our best interests. For example, if we do not have the right to control patent prosecution and maintenance of patents and patent applications directed to the technology that we license from licensors, such licensors could file terminal disclaimers and/or take other actions that could shorten the term of the patents or patent applications. If our licensors fail to prosecute, maintain, enforce and defend such patents, or lose rights to those patents or patent applications, the rights we have licensed may be reduced or eliminated, and our right to develop and commercialize any of our product candidates that are the subject of such licensed rights could be impaired. Additionally, we may be required to reimburse our licensors for all of their expenses related to the prosecution, maintenance, enforcement and defense of patents and patent applications that we in-license from them.

Furthermore, our licensors may have relied on third-party consultants or collaborators or on funds from third parties such that our licensors are not the sole and exclusive owners of the patents we in-licensed. For example, if other third parties have ownership rights to our in-licensed patents, they may be able to license such patents to our competitors, and our competitors could market competing products and technology. This could harm our competitive position, and our business.

Duration of patent terms may be inadequate to protect our competitive position on our product candidates for an adequate amount of time, and the expiration of our patents may subject us to increased competition.

As of December 31, 2025, the patent portfolio that is assigned to us, jointly owned with others or licensed to us includes issued patents in the United States, Europe, Japan, and other jurisdictions outside the United States, and pending patent applications in the United States, Europe, Japan, and other jurisdictions outside the United States, including issued patents and patent applications related to NKX019 and our NK cell engineering platform. Our portfolio of issued patents, excluding pending patent applications, has estimated expiration dates between 2024 and 2041, subject to any patent terms adjustments or extensions. Our portfolio, including issued patents, and including pending applications, to the extent they issue as patents or are used to establish nonprovisional patent applications that issue as patents, is expected to have estimated expiration dates between 2024 and 2046, subject to any patent terms adjustments or extensions. For instance, composition-of-matter claims in our licensed patent portfolio that relate to our NKSTIM cells are estimated to have expired in Q4 2024, subject to any patent terms adjustments or extensions. We plan to file additional patent applications that could potentially allow for further increase of the exclusive market protection for certain uses of NKX019. However, we can provide no assurance that we will be able to file or receive additional patent protection for these or other product candidates.

Patent expiration dates may be shortened or lengthened by a number of factors, including terminal disclaimers, patent term adjustments, supplemental protection certificates and patent term extensions. Patent term extensions and supplemental protection certificates, and the like, may be impacted by the regulatory process and may not significantly lengthen patent term. Our patent protection could also be reduced or eliminated for noncompliance with various procedural, document submission, fee payment and other requirements imposed by government patent agencies, or by changes in regulations or laws. In addition, if we fail to apply for applicable patent term extensions or adjustments, we will have a more limited time during which we can enforce our granted patent rights.

Given the amount of time required for the development, testing and regulatory review of product candidates, patents protecting such candidates might expire before or shortly after such product candidates are commercialized. We expect to seek extensions of patent terms in the United States and, if available, in other countries where we have or will obtain patent rights. In the United States, the Drug Price Competition and Patent Term Restoration Act of 1984 permits a patent term extension of up to five years beyond the normal expiration of the patent; provided that the patent is not enforceable for more than 14 years from the date of drug approval, which is limited to the approved indication (or any additional indications approved during the period of extension). Furthermore, only one patent per approved product can be extended and only those claims directed to the approved product, a method for using it or a method for manufacturing it may be extended. However, the applicable authorities, including the FDA and the USPTO in the United States, and any equivalent regulatory authority in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. If we are responsible for patent prosecution and maintenance of patent rights in-licensed to us, we could be exposed to liability to the applicable patent owner. If we or our licensors fail to maintain the patents and patent applications covering our product candidates and technologies, we may not be able to prevent a competitor from marketing products that are the same as or similar to our product candidates. Further, others commercializing products similar or identical to ours, and our competitors may be able to take advantage of our investment in development and clinical trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case, which could increase competition for our product candidates and materially adversely affect our business, financial condition, results of operations and growth prospects.

Even after issuance, our owned and in-licensed patents may be subject to challenge, which if successful could result in a partial or complete loss of patent rights, which could materially adversely affect our ability to protect our competitive position.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents, even after issuance, may be challenged in the courts or patent offices in the United States and abroad. Third-party challenges may result in a loss of exclusivity or in our patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to prevent others from using or commercializing similar or identical technology and products, or could limit the duration of the patent protection of our technology and product candidates.

Even if our patents are determined to be valid and enforceable, they may not be interpreted sufficiently broadly to prevent others from marketing products similar to ours or designing around our patents.

Post-grant proceedings such as inter partes review, post-grant review, and ex parte reexaminations in the United States, or comparable proceedings (e.g., oppositions) in foreign jurisdictions, could be filed in the future and although we plan to vigorously protect our intellectual property rights, as with all legal proceedings, there can be no guarantee as to the outcome, and, regardless of the merits of third-party challenges, such proceedings are time-consuming and costly. As a result of such proceedings, our rights under the relevant patents could be narrowed or lost, and in the course of such proceedings, we may incur substantial costs, and the time and attention of our management may be diverted from the development and commercialization of our product candidates.

We may not be able to effectively monitor unauthorized use of our intellectual property and enforce our intellectual property rights against infringement, and may incur substantial costs as a result of bringing litigation or other proceedings relating to our intellectual property rights.

Monitoring unauthorized use of our intellectual property is difficult and costly. From time to time, we review our competitors' products for potential infringement of our rights. We may not be able to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. Any inability to meaningfully monitor unauthorized use of our intellectual property could result in competitors offering products that incorporate our product candidates or service features, which could in turn reduce demand for our products.

We may also, from time to time, seek to enforce our intellectual property rights against infringers when we determine that a successful outcome is probable and may lead to an increase in the value of the intellectual property.

If we choose to enforce our patent rights against a party, that party could counterclaim that our patent is invalid and/or unenforceable. The defendant may challenge our patents through proceedings before the Patent Trial and Appeal Board ("PTAB"), including inter partes and post-grant review. Proceedings to challenge patents are also available internationally, including, for example, opposition proceedings and nullity actions. In patent litigation in the United States, counterclaims alleging invalidity and/or unenforceability and PTAB challenges are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, lack of written description or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may also raise similar claims before the PTAB, even outside the context of litigation. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we may lose at least part, and perhaps all, of the patent protection on our product candidates.

In addition, such lawsuits and proceedings are expensive and would consume time and resources and divert the attention of managerial and scientific personnel even if we were successful in stopping the infringement of such patents. Litigation is inherently unpredictable, and there is a risk that the court will decide that such patents are not valid and that we do not have the right to stop the other party from using the inventions. Furthermore, some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. There is also the risk that, even if the validity of such patents is upheld, the court will refuse to stop the other party on the ground that such other party's activities do not infringe our intellectual property rights.

There could also be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could materially adversely affect the price of our common stock. Finally, any uncertainties resulting from the initiation and continuation of any litigation could materially adversely affect our ability to raise the funds necessary to continue our operations.

We will not seek to protect our intellectual property rights in all jurisdictions throughout the world and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

We have a number of international patents and patent applications and expect to continue to pursue patent protection in many of the significant markets in which we intend to do business. However, filing, prosecuting and defending patents relating to our product candidates and technology, including all of our in-licensed patent rights, in all countries throughout the world would be prohibitively expensive. We must ultimately seek patent protection on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries.

Furthermore, the protection offered by intellectual property rights in certain countries outside of the United States may be less extensive than that in the United States. Consequently, we may not be able to prevent third parties from utilizing proprietary technology in all countries outside of the United States, even if we pursue and obtain issued patents in particular foreign jurisdictions, or from selling or importing products made using our proprietary technology in and into the United States or other jurisdictions. Such products may compete with our products, and our patent rights or other intellectual property rights may not be effective or sufficient to prevent them from competing. If such competing products arise in jurisdictions where we are unable to exercise intellectual property rights to combat them, our business, financial condition, results of operations and growth prospects could be materially adversely affected.

Changes in U.S. patent law or the patent law of other jurisdictions could decrease the certainty of our ability to obtain patents and diminish the value of patents in general, thereby impairing our ability to protect our current and any future product candidates.

The U.S. Supreme Court and the Court of Appeals for the Federal Circuit have made, and will likely continue to make, changes in how the patent laws of the United States are interpreted. For example, in recent years the U.S. Supreme Court modified some tests used by the USPTO in granting patents, which may decrease the likelihood that we will be able to obtain patents and increase the likelihood of a challenge of any patents we obtain or license. Similarly, international courts have made, and will likely continue to make, changes in how the patent laws in their respective jurisdictions are interpreted. Those changes may materially adversely affect our patent rights and our ability to obtain issued patents.

Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. For instance, the Leahy-Smith America Invents Act (the "America Invents Act"), enacted in 2011, included a number of significant changes to patent law in the United States. Many of the substantive changes to patent law under the America Invents Act came into effect in March 2013. For example, in March 2013, the United States transitioned from a “first-to-invent” patent system to a patent system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application is entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. The America Invents Act also included a number of significant changes that affect the way patent applications are prosecuted and how issued patents may be challenged, such as allowing third-party submission of prior art to the USPTO during patent prosecution and new post-grant administrative proceedings which can be used by third parties to attack the validity of an issued patent, including post-grant review, inter partes review and derivation proceedings. The America Invents Act and its implementation could increase the uncertainties and/or costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could materially adversely affect our business, financial condition, results of operations and growth prospects.

In addition, the Federal Circuit and U.S. Supreme Court have ruled on several patent cases in recent years, narrowing the scope, and limiting the duration, of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on actions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could weaken our ability to obtain new patents or to enforce patents that we own, have licensed or might obtain in the future.

Similarly, changes in patent law and regulations in other countries or jurisdictions, changes in the governmental bodies that enforce them or changes in how the relevant governmental authority enforces patent laws or regulations may weaken our ability to obtain new patents or to enforce patents that we own or have licensed or that we may obtain in the future, which in turn could materially adversely affect our business, financial condition, results of operations and growth prospects. For example, the complexity and uncertainty of European patent laws have also increased in recent years. In Europe, a new unitary patent system took effect on June 1, 2023, which will significantly impact European patents, including those granted before the introduction of such a system. Under the unitary patent system, European patent applications will have the option, upon grant of a patent, of becoming a Unitary Patent, which will be subject to the jurisdiction of the Unitary Patent Court (the "UPC"). As the UPC is a new court system, there is no precedent for the court or any decisions that it may take, increasing the uncertainty of any litigation. During a seven-year transitional period, patent owners may remove patents, patent applications, and supplementary protection certificates from the jurisdiction of the UPC, provided that no action has been filed before the UPC, by filing a request to opt out of the jurisdiction of the UPC. Such “opted-out” patents will remain or issue as national patents in the UPC countries. Patents under the jurisdiction of the UPC will be potentially vulnerable to a single UPC-based revocation challenge that, if successful, could invalidate the patent in all countries that have ratified the UPC agreement. We cannot predict with certainty the long-term effects of any potential changes.

We may fail to obtain or enforce assignments of intellectual property rights from our employees, consultants and contractors.

While it is our policy to require our employees, consultants and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing an enforceable agreement with each party who in fact conceives or develops intellectual property that we regard as our own. Furthermore, our assignment agreements may not be self-executing or may be breached, and we may be forced to bring or defend claims to determine the ownership of what we regard as our intellectual property, and we may not be successful in such claims. If we fail in bringing or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Such an outcome could materially adversely affect our business, financial condition, results of operations and growth prospects. Even if we are successful in defending against such claims, litigation could result in substantial costs and distraction to management and other employees.

If we are not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of our technology and product candidates could be materially diminished.

Trade secrets are difficult to protect. We rely on trade secrets to protect our proprietary information and technologies, especially where we do not believe patent protection is appropriate or obtainable, or where such patents would be difficult to enforce. We rely in part on confidentiality agreements with our employees, consultants, contractors, collaboration partners, scientific collaborators, and other advisors to protect our trade secrets and other proprietary information. We cannot guarantee that we have entered into such agreements with each party that may have had access to our proprietary information or technologies, or that such agreements, even if in place, will not be circumvented. These agreements may not effectively prevent disclosure of proprietary information or technology and may not provide an adequate remedy in the event of unauthorized disclosure of such information or technology. In addition, others may independently discover our trade secrets and proprietary information, in which case we may have no right to prevent them from using such trade secrets or proprietary information to compete with us. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could materially adversely affect our business, financial condition, results of operations and growth prospects.

The U.S. government could choose to exercise certain rights in technology developed under government-funded research, which could eliminate our exclusive use of such technology or require us to commercialize our product candidates in a way we consider sub-optimal.

The U.S. government has certain rights in some of our licensed patents (including U.S. Patent Nos. 7,435,596, 8,026,097, and 11,673,937, and certain related U.S. patent applications) in accordance with the Bayh-Dole Act of 1980. These rights in certain technology developed under government-funded research include, for example, a nonexclusive, nontransferable, irrevocable, paid-up license to use those inventions for governmental purposes. In addition, the U.S. government may exercise certain "march-in rights," which require us to grant exclusive licenses to such inventions to a third party if the U.S. government determines that: (i) adequate steps have not been taken to commercialize the invention; (ii) government action is necessary to meet public health or safety needs; (iii) government action is necessary to meet requirements for public use under federal regulations; or (iv) the general requirement that patented products be manufactured substantially in the United States unless domestic manufacture is not feasible has not been satisfied or waived.

The U.S. government also has the right to take title to such technology if we fail to disclose the invention of such technology to the government and fail to file an application to register the intellectual property within specified time limits. In addition, the U.S. government may acquire title to patent rights in any country in which a patent application is not filed within specified time limits. To the extent any of our owned or in-licensed intellectual property, now or in the future, is generated through the use of U.S. government funding, these provisions of the Bayh-Dole Act may apply.

Intellectual property generated under a government-funded program is also subject to certain reporting requirements. In addition, the U.S. government requires that any products embodying any of these inventions or produced through the use of any of these inventions be manufactured substantially in the United States unless domestic manufacture is not feasible or the requirement is waived. If we are unable to obtain a waiver from the government agency that provided the underlying research funding, we may be limited in our ability to contract with non-U.S. product manufacturers for products related to such intellectual property.

While the U.S. government has not historically exercised its march-in rights, the U.S. Department of Commerce recently announced it was initiating a review of an academic research institute’s compliance with the Bayh-Dole Act, suggesting a potential shift toward stricter enforcement of Bayh–Dole Act compliance by the current administration, relative to prior administrations. The exercise of any of the foregoing rights of the U.S. government over technology that we own or use in the development and commercialization of our product candidates could prevent us from enjoying the exclusive use of such technology, or could cause us to incur additional expenses in the commercialization of our product candidates. Any of the foregoing could materially adversely affect our business, financial condition, results of operations and growth prospects.

Risks Related to Commercialization

If any of our product candidates are approved for marketing and commercialization and we have not developed or secured marketing, sales and distribution capabilities, either internally or from third parties, we will be unable to successfully commercialize such products and may not be able to generate product revenue.

We currently have limited sales, marketing or distribution expertise. We will need to develop internal sales, marketing and distribution capabilities and infrastructure to commercialize any product candidate that gains FDA or other regulatory authority approval, which would be expensive and time-consuming, or enter into partnerships with third parties to perform these services. If we decide to market any approved products directly, we will need to commit significant financial and managerial resources to develop a marketing and sales force with technical expertise and supporting distribution, administration and compliance capabilities. If we rely on third parties to market products or decide to co-promote products with partners, we will need to establish and maintain marketing and distribution arrangements with third parties, and there can be no assurance that we will be able to enter into such arrangements on acceptable terms or at all. In entering into third-party marketing or distribution arrangements, any product revenue we receive will depend upon the efforts of the third parties and we cannot assure you that such third parties will establish adequate sales and distribution capabilities or be successful in gaining market acceptance for any approved product. If we are not successful in commercializing any product approved in the future, if any, either on our own or through third parties, our business, financial condition, results of operations and growth prospects could be materially adversely affected.

Our product candidates, including NKX019, could be subject to regulatory limitations following approval, if and when such approval is granted.

Following approval of a product candidate, if any, we must comply with comprehensive government regulations regarding the manufacture, labeling, marketing, distribution and promotion of biologic products. We must comply with the FDA's labeling protocols, which prohibits promoting "off-label uses." We may not be able to obtain the labeling claims necessary or desirable to successfully commercialize our products, including NKX019 or other product candidates in development.

The FDA and foreign regulatory authorities could impose significant restrictions on use of an approved product including potentially restricting its use to limited clinical centers as well as through the product label, as well as on advertising, promotional and distribution activities associated with such approved product. The FDA or a foreign regulatory authority could also condition their approval on the performance of post-approval clinical trials, patient monitoring or testing, which could be time-consuming and expensive. If the results of such post-marketing trials are not satisfactory, the FDA or such foreign regulatory authority could withdraw marketing authorization or may condition continued marketing on commitments from us or our partners that may be expensive and/or time-consuming to fulfill.

In addition, if we or others identify side-effects after any of our products are on the market, if our products fail to maintain a continued acceptable safety profile after approval, if manufacturing problems occur subsequent to regulatory approval, or if we, our manufacturers or our partners fail to comply with regulatory requirements, including those mentioned above, we or our partners could be subject to the following:

- restrictions on our ability to conduct clinical trials, including full or partial clinical holds on ongoing or planned clinical trials;
- restrictions on such products' manufacturing processes;

- changes to the product label;
- restrictions on the marketing of a product;
- education requirements for prescribers;
- additional requirements prior to product distribution;
- restrictions on product distribution;
- requirements to conduct post-marketing clinical trials;
- Untitled or Warning Letters from the FDA;
- withdrawal of the product from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;
- fines, restitution or disgorgement of profits or revenue;
- suspension or withdrawal of regulatory approvals;
- refusal to permit the import or export of our products;
- product seizure;
- injunctions; or
- imposition of civil or criminal penalties.

Any one or a combination of these penalties could prevent us from achieving or maintaining market acceptance of the affected product, or could substantially increase the costs and expenses of commercializing such product, which in turn could delay or prevent us from generating any revenue or profit from the sale of such product and could materially adversely affect our business, financial condition, results of operations and growth prospects. In addition, third-party payors may impose limitations on centers and personnel that may administer our products, including but not limited to requiring third-party accreditation to be obtained before the use of our products is reimbursed in such a center, which could materially adversely affect our potential commercial success and lead to slower market acceptance.

The market opportunities for our product candidates, if and when approved, may be limited, and if such market opportunities are smaller than we expect, our revenues could be materially adversely affected and our business could suffer.

Our Ntrust-1 clinical trial is evaluating NKX019 in patients with refractory LN and pMN. Our Ntrust-2 clinical trial is evaluating NKX019 in patients with refractory scleroderma, patients with myositis who have failed at least one treatment, and patients with relapsed or refractory AAV. We do not know at this time whether either NKX019 or any of our product candidates will be safe for use in humans or whether they will demonstrate any efficacy against autoimmune diseases. If the efficacy is sufficient, we may initially seek approval of any product candidates we develop as a therapy for patients who have received one or more prior treatments. Depending on the activity we note in the initial clinical trials, we plan to conduct additional clinical trials in less heavily pretreated populations in order to expand use of our product candidates in a broader group of patients and increase market opportunities. However, there is no guarantee that product candidates we develop, even if approved for later lines of therapy, would be approved for earlier lines of therapy, and, prior to any such approvals, we will have to conduct additional clinical trials.

The number of patients who have the specific diseases we are targeting may turn out to be lower than expected. Additionally, the potentially addressable patient population for our current programs or future product candidates may be limited. Potentially addressable patient populations for of our product candidates are only estimates. These estimates could prove to be incorrect, and the estimated number of potential patients in the United States and elsewhere could be lower than expected. It may also be that such patients may not be otherwise amenable to treatment with our product candidates, or patients could become increasingly difficult to identify and access for a variety of reasons including other drugs being approved, any of which could materially adversely affect our business, financial condition, results of operations and growth prospects.

The commercial success of any of our product candidates will depend upon such product candidate's degree of market acceptance by physicians, patients, third-party payors and others in the medical community.

Our product candidates may not be commercially successful. Even if requisite approvals are obtained from the FDA in the United States and other regulatory authorities internationally, the commercial success of our product candidates will depend, in part, on the acceptance by physicians, patients and healthcare payors of cell therapy products in general, and our product candidates in particular, as medically necessary, cost-effective and safe. Physicians, patients, healthcare payors and others in the medical community may not accept any product that we commercialize. If these products do not achieve an adequate level of acceptance, we may not generate significant product revenue and may not become profitable. The degree of market acceptance of cell therapy products and, in particular, our product candidates, if approved for commercial sale, will depend on several factors, including:

- the efficacy and safety of such product candidates as demonstrated in clinical trials;
- the potential and perceived advantages of product candidates over alternative treatments;
- the cost of treatment relative to alternative treatments, and the availability of coverage or reimbursements by government and private payors to enable patients to afford our product candidates;
- the clinical indications for which the product candidate is approved by the FDA;
- the willingness of physicians to refer patients and prescribe new therapies;
- the willingness of the target patient population to try new therapies;
- the nature, prevalence and severity of any side effects;
- product labeling or product insert requirements imposed by the FDA or other regulatory authorities, including any limitations or warnings contained in a product's approved labeling;
- relative convenience and ease of administration;
- the timing of market introduction of competitive products;
- adverse publicity concerning our product candidates or favorable publicity about competing products and treatments;
- sufficient third-party payor coverage, any limitations in terms of center or personnel training requirement imposed by third parties and adequate reimbursement;
- limitations or warnings contained in the FDA-approved labeling for our product candidates;
- any FDA requirement to undertake a REMS;
- the effectiveness of our sales, marketing and distribution efforts; and
- potential product liability claims.

Even if a product candidate displays a favorable efficacy and safety profile in preclinical studies and clinical trials, market acceptance of the product will not be fully known until after such product is launched. Our product candidates may not achieve broad market acceptance.

Furthermore, the FDA's and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay marketing approval of a product. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability.

The insurance coverage and reimbursement status of newly approved products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for our product candidates, if approved, could limit our ability to market such products and to generate product revenue.

We expect the cost of a single administration of one of our cell therapy product candidates to be substantial, when and if they achieve regulatory approval. We expect that there is likely to be a significant copay associated with our cell therapy products given the overall cost and that coverage and reimbursement by government and private payors will be essential for most patients to be able to afford these treatments. Accordingly, sales of our products, if approved, will depend substantially, both domestically and internationally, on the extent to which the costs of our product candidates will be reimbursed by government authorities, private health coverage insurers and other third-party payors. Coverage and reimbursement by a third-party payor could depend upon several factors, including the third-party payor's determination that use of a product is (i) a covered benefit under its health plan, (ii) safe, effective and medically necessary, (iii) appropriate for the specific patient, (iv) cost-effective and (v) neither experimental nor investigational.

Obtaining coverage and reimbursement for a product from third-party payors is a time-consuming and costly process that could require us to provide to the payor supporting scientific, clinical and cost-effectiveness data. We may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement. If coverage and reimbursement are not available, or are available only at limited levels, we may not be able to successfully commercialize our product candidates. Even if coverage is provided, the approved reimbursement amount may not be adequate to realize a sufficient return on our investment.

There is significant uncertainty related to third-party coverage and reimbursement of newly approved drug products. In the United States, third-party payors, including government payors such as Medicare and Medicaid, play an important role in determining the extent to which new drugs and biologics will be covered and reimbursed. Medicare and Medicaid are increasingly used as models for the development of private payors' and government payors' coverage and reimbursement policies. Currently, few cell therapy products have been approved for coverage and reimbursement by the Centers for Medicare and Medicaid Services ("CMS"), the agency responsible for administering Medicare. It is difficult to predict what third payors, including CMS, will decide with respect to coverage and reimbursement for fundamentally novel products such as ours, since there is no body of established protocols and precedents for these types of drug products. The change in the Presidential administration, including new leadership of CMS and the enactment of Public Law No. 119–21 as H.R. 1 during the 119th Congress and formally titled "An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14" ("2025 Reconciliation Act"), may result in a change in priorities, and prior rulemaking may be materially altered or abandoned. Moreover, reimbursement agencies in other countries, such as those in Europe, may be more conservative than CMS.

Third-party patient assistance programs, including copay assistance programs, that receive financial support from companies have become the subject of enhanced government and regulatory scrutiny. Government enforcement agencies have shown increased interest in pharmaceutical companies' product and patient assistance programs, including reimbursement support services, and a number of investigations into these programs related to allegations regarding their use to promote branded pharmaceutical products over other less costly alternatives have resulted in significant civil and criminal settlements. While copay assistance programs are common within the industry, the Office of Inspector General at the U.S. Department of Health and Human Services ("HHS") has taken the position that such programs may violate the Anti-Kickback Statute. It is difficult to predict whether new legislation or regulatory action will restrict copay assistance programs and there is a risk that if these copay assistance programs are curtailed, higher cost treatments will be less accessible to patients and less likely to gain market acceptance.

Outside the United States, international operations vary significantly by country and are subject to extensive government price controls and other market regulations, and increasing emphasis on cost-containment initiatives in the European countries, Canada and other countries could place pricing pressure on us. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. It can also take a significant amount of time after approval of a product to secure pricing and reimbursement for such product in many counties outside the United States. In general, the prices of medicines under such systems are substantially lower than in the United States. Other countries allow companies to fix their own prices for medical products, but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates. Accordingly, in markets outside the United States, the reimbursement for our products may be reduced compared with the United States and may be insufficient to generate commercially reasonable product revenues.

Moreover, increasing efforts by government and third-party payors in the United States and abroad to cap or reduce healthcare costs could limit coverage and the level of reimbursement for our product candidates. Payors are increasingly considering new metrics as the basis for reimbursement rates, such as average sales price, average manufacturer price, and actual acquisition cost. The existing data for reimbursement based on some of these metrics is relatively limited, although certain states have begun to survey acquisition cost data for the purpose of setting Medicaid reimbursement rates, and CMS has begun making pharmacy National Average Drug Acquisition Cost and National Average Retail Price data publicly available on at least a monthly basis. Therefore, it may be difficult to project the impact of these evolving reimbursement metrics on the willingness of payors to cover candidate products that we or our partners are able to commercialize. Furthermore, most third-party payors currently require additional accreditation for approved cell therapy drugs, which limits the centers that can administer the drugs, and similar limitations may also be imposed on the product candidates that we are developing. We expect to experience pricing pressures in connection with the sale of our product candidates, if any, due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and additional legislative changes. The downward pressure on healthcare costs in general, and on prescription drugs and surgical procedures in particular, has become intense. As a result, increasingly high barriers to entry are developing for new drug products such as ours.

Healthcare reform initiatives and other administrative and legislative proposals may harm our business.

In the United States, the European Union and other jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes and proposed changes to the healthcare system that could affect our results of operations. In particular, there have been and continue to be a number of initiatives at the United States federal and state levels that seek to reduce healthcare costs. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (the "ACA") was enacted, which includes measures that have significantly changed the way healthcare is financed by both governmental and private payors. The provisions of the ACA of importance to the pharmaceutical and biotechnology industry are, among others, the following:

- an annual, nondeductible fee on any entity that manufactures or imports certain branded prescription drug agents or biologic agents, which is apportioned among these entities according to their market share in certain government healthcare programs;
- a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing manufacturers' Medicaid rebate liability;
- a Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct, comparative clinical effectiveness research, along with funding for such research; and
- establishment of a Center for Medicare and Medicaid Innovation at CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending.

Since its enactment, there have been legislative, judicial, and executive challenges to certain aspects of the ACA, including efforts to repeal or replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, two bills affecting the implementation of the ACA have been signed into law. The Tax Cuts and Jobs Act of 2017 includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandates," and the Bipartisan Budget Act of 2018 among other things, amends the ACA to increase from 50 percent to 70 percent the point-of-sale discount that is owed by pharmaceutical manufacturers who participate in Medicare Part D and to close the coverage gap in most Medicare drug plans, commonly referred to as the "donut hole." Further, the 2020 federal spending package eliminated, effective January 1, 2020, the ACA-mandated "Cadillac" tax on high-cost employer-sponsored health coverage and medical device tax and, effective January 1, 2021, also eliminated the health insurer. Congress could continue to consider other legislation to repeal or replace certain elements of the ACA, and it is unclear how other efforts, if any, to challenge, repeal or replace the ACA, and other healthcare reform measures, will impact our business.

On December 14, 2018, a U.S. District Court judge in the Northern District of Texas ruled that the individual mandate portion of the ACA is an essential and inseverable feature of the ACA, and therefore because the mandate was repealed as part of the Tax Cuts and Jobs Act, the remaining provisions of the ACA are invalid as well. On December 18, 2019, the Court of Appeals for the Fifth Circuit court affirmed the lower court's ruling that the individual mandate portion of the ACA is unconstitutional and it remanded the case to the district court for reconsideration of the severability question and additional analysis of the provisions of the ACA. Thereafter, on March 2, 2020, the U.S. Supreme Court agreed to hear this case. Oral argument in the case took place on November 10, 2020. On June 17, 2021, the U.S. Supreme Court dismissed the case without specifically ruling on the constitutionality of the ACA, finding that the plaintiffs lacked standing to bring the action.

Prior to the Supreme Court's decision, an executive order was issued to initiate a special enrollment period from February 15, 2021 through May 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructs certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA.

It is possible that the ACA will be subject to further legislative, judicial, and executive challenges in the future. Even if the ACA is not amended or repealed, the President and the executive branch of the federal government, as well as CMS, have a significant impact on the implementation of the provisions of the ACA. It is expected that the new Presidential administration will make changes impacting the implementation and enforcement of the ACA, however it is unclear how and to what extent any such challenges and reform measures will impact the ACA and our business.

Other federal health reform measures have been proposed and adopted in the United States since the ACA was enacted. For example, as a result of the Budget Control Act of 2011, among other things, providers are subject to Medicare payment reductions of 2% per fiscal year which went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030 pursuant to the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). Further, the American Taxpayer Relief Act of 2012, among other things, reduced Medicare payments to several types of providers, including hospitals, imaging centers and cancer treatment center, and increased the statute of limitations period for the government to recover overpayments from providers from three to five years. The Medicare Access and CHIP Reauthorization Act of 2015 also introduced a quality payment program under which certain individual Medicare providers will be subject to certain incentives or penalties based on new program quality standards. Payment adjustments for the Medicare quality payment began in 2019. These new laws or any other similar laws introduced in the future may result in additional reductions in Medicare and other health care funding, which could negatively affect our customers and accordingly, our financial operations.

There have also been a number of proposals in the United States, at both the federal and state level, to control the escalating cost of healthcare, including the cost of drug treatments, patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and we expect that coverage and reimbursement for new therapies will be increasingly restricted. For example, certain states, including

California, have implemented state-level cost containment strategies, which could adversely impact adoption of higher-cost medicines that are new to the market. Further, there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which have resulted in several recent Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for products. Most significantly, on August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law. The IRA includes provisions that will, among others: (i) direct CMS to negotiate the price of certain single-source prescription drugs reimbursed under Medicare, and subject drug manufacturers to civil monetary penalties and a potential excise tax by offering a price that is not equal to or less than the negotiated "maximum fair price" under the law; (ii) impose requirements on drug manufacturers to provide rebates to CMS under Medicare Part B and Medicare Part D as a penalty for price increases that outpace inflation; (iii) cap Medicare Part D beneficiaries' annual out-of-pocket drug expenses to $2,000 starting in 2025, effectively eliminating the "donut hole" for Medicare Part D; and (iv) delay the rebate rule that would limit the fees that pharmacy benefit managers can charge. The IRA also extends enhanced subsidies for individuals purchasing coverage in a health insurance marketplace through plan year 2025. The effect of the IRA on our business and the healthcare industry in general is not yet known, but we continue to evaluate its potential impact. In addition, the current administration is pursuing other measures to reduce the cost of drugs in the United States. For example, on July 4, 2025, the 2025 Reconciliation Act, which reduces funding to federal healthcare programs and imposes additional requirements to be eligible for healthcare, was signed into law. Additionally, in April 2025, an executive order was signed directing the Secretary of HHS to take appropriate steps to, among other things, modify certain provisions of the Medicare Drug Price Negotiation Program, develop and implement a payment model to reduce the price of high-cost prescription drugs and biological products covered by Medicare, accelerate approval of generic and biosimilar products, and facilitate the ability of states to import pharmaceuticals from other countries, and in May 2025, an executive order was signed, among other things, directing the Secretary of HHS to propose rules that impose "most-favored-nation" pricing and take other measures to reduce the cost of prescription drugs. It is currently unclear whether and to what extent these measures will be implemented and what impact any such implementation would have on our business. Further, there can be no assurance that the current administration or future administrations will not pursue different or additional measures, such as those intended to more closely align U.S. drug prices with international drug prices (often referred to as "reference" or "international price index" drug pricing).

At the state level, individual states in the United States have also become increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In December 2020, the U.S. Supreme Court held unanimously that federal law does not preempt the states' ability to regulate pharmaceutical benefit managers and other members of the health care and pharmaceutical supply chain, an important decision that may lead to further and more aggressive efforts by states in this area. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. These measures could reduce the ultimate demand for our products, once approved, or put pressure on our product pricing.

We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action in the United States, the European Union or any other jurisdiction. If we or any third parties we may engage are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or such third parties are not able to maintain regulatory compliance, our product candidates may lose any regulatory approval that may have been obtained and we may not achieve or sustain profitability. Furthermore, future price controls or other changes in pricing regulation or negative publicity related to the pricing of pharmaceutical drugs could restrict the amount that we are able to charge for our drug products, which could render our product candidates, if approved, commercially unviable and materially adversely affect our ability to raise additional capital on acceptable terms.

Obtaining and maintaining marketing approval or commercialization of our product candidates in one jurisdiction does not mean that we will be successful in obtaining marketing approval of our product candidates in other jurisdictions.

Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials as clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval.

If we market approved products outside the United States, we expect that we will be subject to additional risks in commercialization, including:

- different regulatory requirements for approval of therapies in foreign countries;
- reduced protection for intellectual property rights;
- unexpected changes in tariffs, trade barriers and regulatory requirements;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenues, and other obligations incident to doing business in another country;
- foreign reimbursement, pricing and insurance regimes;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geopolitical actions, including war and terrorism, natural disasters including earthquakes, typhoons, floods and fires, and other public health crises, illnesses, epidemics or pandemics.

We have no prior experience in these areas. In addition, there are complex regulatory, tax, labor and other legal requirements imposed by many of the individual countries in which we may operate, with which we will need to comply. Any of the foregoing difficulties, if encountered, could materially adversely affect our business, financial condition, results of operations and growth prospects.

Our business operations and relationships with investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers will be subject to applicable fraud and abuse and other healthcare laws and regulations, which could expose us to penalties.

These laws may constrain the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell and distribute our product candidates, if approved. Such laws include, the U.S. federal Anti-Kickback Statute, the U.S. federal civil and criminal false claims and civil monetary penalties laws, including the civil False Claims Act, the Health Information Technology for Economic and Clinical Health Act, the U.S. Physician Payments Sunshine Act and its implementing regulations, U.S. state laws and regulations, including, state anti-kickback and false claims laws, laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the U.S. federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources, laws and regulations that require drug manufacturers to file reports relating to pricing and marketing information, laws requiring the registration of pharmaceutical sales representatives, laws governing the privacy and security of health information in certain circumstances, and similar healthcare laws and regulations in other jurisdictions, including reporting requirements detailing interactions with and payments to healthcare providers.

It is not always possible to identify and deter misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from government investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. Ensuring that our internal operations and future business arrangements with third parties comply with applicable healthcare laws and regulations will also involve substantial costs. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, exclusion from government-funded healthcare programs, such as Medicare and Medicaid or similar programs in other countries or jurisdictions, integrity oversight and reporting obligations to resolve allegations of non-compliance, disgorgement, individual imprisonment, contractual damages, reputational harm, diminished profits and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business are found to not be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs and imprisonment, which could affect our ability to operate our business. Further, defending against any such actions can be costly, time-consuming and may require significant personnel resources. Any of the foregoing could significantly harm our business, financial condition, results of operations and growth prospects.

We may fail to comply with evolving global privacy laws.

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share sensitive information, including personal data, proprietary and confidential business data, trade secrets, intellectual property, data we collect about trial participants in connection with clinical trials, and sensitive third-party data. We also rely extensively on third-party vendors, CROs, clinical trial sites, contract manufacturers and other service providers that process personal and other sensitive information on our behalf. Our data processing activities may subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contracts, and other obligations that govern the processing of personal data by us and on our behalf.

We face risks associated with cybersecurity threats, including ransomware attacks, phishing schemes, system intrusions, data exfiltration and other unauthorized access to or misuse of our systems or the systems of our third-party providers. A security breach or other incident affecting us or our vendors could result in the unauthorized disclosure of sensitive information, including clinical trial data, personal information or proprietary business information, and could disrupt our operations, delay our clinical development programs, give rise to lawsuits along with associated costs of defense and/or potential liabilities, prompt regulatory actions, or result in loss of confidence by clinical trial participants, partners or investors.

In the United States, there are a broad variety of data protection and security laws and regulations that have been enacted by federal, state, and local governments, including personal data privacy laws, health information privacy laws, data breach notification laws, and consumer protection laws. For example, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH"), imposes specific requirements relating to the privacy, security, and transmission of individually identifiable health information. We may obtain health information from third parties, including research institutions from which we obtain clinical trial data, that are subject to privacy and security requirements under HIPAA, as amended by HITECH, and its implementing rules and regulations. Depending on the facts and circumstances, we could be subject to significant penalties if we obtain, use, or disclose individually identifiable health information maintained by a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA. There are a wide range of enforcement agencies at both the state and federal levels that can review companies for privacy and data security concerns based on general consumer protection laws. The Federal Trade Commission and state Attorneys General may all review privacy and data security protections for consumers.

New laws also are being enacted and considered at both the state and federal levels. For example, the California Consumer Privacy Act (the "CCPA"), which went into effect on January 1, 2020, imposes obligations on covered businesses. These obligations include, but are not limited to, providing specific disclosures in privacy notices and affording California residents certain rights related to their personal data. The CCPA also allows for statutory fines for noncompliance (up to $7,500 per violation) and includes a private right of action for certain data breaches. Although there are some exemptions for clinical trial data and health information, the CCPA may impact our business activities and increase our compliance costs and potential liability. In addition, the California Privacy Rights Act (the "CPRA") expanded the CCPA, including by expanding consumers' rights with respect to certain sensitive personal data. The CPRA also created the new California Privacy Protection Agency (the "CPPA") to implement and enforce the CCPA and the CPRA, which could increase compliance costs. Regulations under the CPRA became effective in February 2024. The CPPA finalized new regulations in September 2025 that will require certain companies to conduct annual cybersecurity audits; these audits are due starting April 1, 2028, April 1, 2029 and April 1, 2030 depending on the revenues and amount of personal information collected by the business. In addition, starting January 1, 2026, covered businesses must conduct risk assessments involving certain kinds of processing that pose a significant risk to consumers and set up notice and opt-out and access procedures for the use of automated decision-making technology in connection with certain kinds of significant decisions involving consumers. Similar laws have been passed in Colorado, Connecticut, Delaware, Florida, Indiana, Iowa, Kentucky, Maine, Maryland, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, Oregon, Rhode Island, Tennessee, Texas, Utah and Virginia, and have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States. Some of these laws provide for significant civil penalties, statutory damages, class action exposure and expanded regulatory enforcement authority. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. Additionally, failure to comply with federal and state laws (both those currently in effect and future legislation) regarding privacy and security of personal information could expose us to fines and penalties under such laws. There also is the threat of consumer class actions related to these laws and the overall protection of personal data.

Outside the United States, an increasing number of laws, regulations, and industry standards apply to data privacy and security. For example, if we conduct clinical trials in the European Economic Area ("EEA"), we may be subject to additional privacy laws. The General Data Protection Regulation, (EU) 2016/679 ("GDPR") imposes a broad range of strict requirements on companies subject to the GDPR, including requirements relating to having legal bases for processing personal information relating to identifiable individuals and transferring such information outside the EEA, including to the United States, providing details to those individuals regarding the processing of their personal information, keeping personal information secure, having data processing agreements with third parties who process personal information, responding to individuals' requests to exercise their rights in respect of their personal information, reporting security breaches involving personal data to the competent national data protection authority and affected individuals, appointing privacy and data protection officers, conducting data protection impact assessments, and record-keeping. The GDPR increases substantially the penalties to which we could be subject in the event of any non-compliance, including fines of up to 10,000,000 Euros or up to 2% of our total worldwide annual turnover for certain comparatively minor offenses, or up to 20,000,000 Euros or up to 4% of our total worldwide annual turnover for more serious offenses. Given the limited enforcement of the GDPR to date,

we face uncertainty as to the exact interpretation of the new requirements on our trials and we may be unsuccessful in implementing all measures required by data protection authorities or courts in interpretation of the new law. Regulatory guidance and enforcement practices under the GDPR continue to evolve, and interpretations by supervisory authorities or courts may require us to modify our data processing practices or incur additional compliance costs.

In particular, national laws of member states of the European Union are in the process of being adapted to the requirements under the GDPR, thereby implementing national laws which may partially deviate from the GDPR and impose different obligations from country to country, so we do not expect to operate in a uniform legal landscape in the EU. Also, as it relates to processing and transfer of genetic data, the GDPR specifically allows national laws to impose additional and more specific requirements or restrictions, and European laws have historically differed quite substantially in this field, leading to additional uncertainty. These differing national requirements may increase the complexity and cost of conducting clinical trials across multiple EU member states and could result in delays or additional administrative burdens.

In the event we conduct clinical trials in the EEA, we must also ensure that we implement and maintain adequate safeguards to enable the transfer of personal data outside of the EEA, in particular to the United States, in compliance with European data protection laws. We expect that we will continue to face uncertainty as to whether our efforts to comply with our obligations under European privacy laws will be sufficient. Legal developments affecting cross-border data transfer mechanisms, including challenges to the validity of transfer frameworks or contractual safeguards, could require us to implement additional technical, contractual or organizational measures or could limit our ability to transfer clinical trial data internationally. If we are investigated by a European data protection authority, we may face fines and other penalties. Any such investigation or charges by European data protection authorities could have a negative effect on our existing business and on our ability to attract and retain new clients or pharmaceutical partners. We may also experience hesitancy, reluctance, or refusal by European or multi-national clients or pharmaceutical partners to continue to use our products and solutions due to the potential risk exposure as a result of the current and, in particular, future data protection obligations imposed on them by certain data protection authorities in interpretation of current law, including the GDPR. Such clients or pharmaceutical partners may also view any alternative approaches to compliance as being too costly, too burdensome, too legally uncertain, or otherwise objectionable and therefore decide not to do business with us. In addition, any material data protection investigation, enforcement action or publicized data security incident could result in reputational harm, operational disruption or delays in our clinical development activities. Any of the foregoing could materially harm our business, prospects, financial condition and results of operations.

Risks Related to Our Common Stock

The market price for our common stock may be volatile, which could contribute to the loss of all or part of your investment.

The trading price of our common stock is likely to be highly volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control.

Factors affecting the trading price of our common stock may include, but are not limited to:

- our decision to initiate a clinical study, not to initiate a clinical study or to terminate an existing clinical study;
- changes in our strategy, including decisions to deprioritize certain product candidates or change our pipeline focus in the future, as well as cost-containment or cost-optimization initiatives we may undertake;
- delays in the announcement of initial data or clinical results from our clinical trials or expectations that such delays may occur;
- data or clinical results from our clinical trials;
- adverse regulatory decisions, including failure to receive regulatory approval for our products;

- success or failure of competitive products, immunotherapy drugs or cellular therapies more generally;
- adverse developments concerning our manufacturers or our strategic partnerships;
- adverse safety or other clinical results, such as those that have occurred in the past or that may occur in the future, related to cellular therapies being developed by other companies that are or may be perceived to be similar to our cellular therapies;
- operating and stock price performance of other companies that investors deem comparable to us;
- sales of substantial amounts of common stock by our directors, executive officers or significant stockholders or the perception that such sales could occur;
- general economic and political conditions such as military conflicts, political unrest, recessions, inflationary pressures, interest rates, fuel prices, elections, tariffs and trade policies, drug pricing policies, international currency fluctuations, acts of war or terrorism, and other public health crises, illnesses, epidemics or pandemics; and
- other factors discussed in these risk factors.

Any of the factors listed above could materially adversely affect your investment in our common stock, and our common stock may trade at prices significantly below the initial public offering price or the price at which you purchased the stock, which could contribute to a loss of all or part of your investment. In such circumstances the trading price of our common stock may not recover and may experience a further decline.

In addition, broad market and industry factors could materially adversely affect the market price of our common stock, irrespective of our operating performance. The stock market in general, and Nasdaq and the market for biotechnology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of ours, may not be predictable. For instance, technical factors in the public trading market for our common stock may produce price movements that may or may not comport with macro, industry or company-specific fundamentals, including, without limitation, the sentiment of retail investors (including as may be expressed on financial trading and other social media sites), the amount and status of short interest in our common stock, access to margin debt, and trading in options and other derivatives on our common stock. In addition, the trading prices for common stock of other biopharmaceutical and biotechnology companies may be highly volatile in the event of a pandemic, epidemic, or outbreak of infectious disease, such as an outbreak of a COVID-19 variant. A loss of investor confidence in the market for biotechnology or pharmaceutical stocks or the stocks of other companies which investors perceive to be similar to us, the opportunities in the biotechnology and pharmaceutical market or the stock market in general, could depress our stock price regardless of our business, financial condition, results of operations or growth prospects.

Concentration of ownership of our shares of common stock among our existing executive officers, directors and principal stockholders may prevent new investors from influencing significant corporate decisions.

As of March 18, 2026, our directors and executive officers, and entities affiliated with them, as well as holders of more than 5% of our outstanding shares of common stock, in the aggregate beneficially own 38% of our common stock (based on 71,290,490 shares of our common stock outstanding and 3,000,031 shares that could be issued upon the exercise of pre-funded warrants). These stockholders, acting together, are able to control or significantly influence all matters requiring stockholder approval, including the election and removal of directors and approval of any merger, consolidation or sale of all or substantially all of our assets.

Some of these persons or entities may have interests different than those of our other investors. For example, because many of these stockholders purchased their shares at prices substantially below the price at which shares were sold in the IPO and have held their shares for a longer period, they may be more interested in selling our company to an acquirer than other investors, or they may want us to pursue strategies that deviate from the interests of other stockholders.

A significant portion of our total outstanding shares are eligible to be sold into the market, which could cause the market price of our common stock to drop significantly.

Sales of a substantial number of shares of our common stock in the public market, or the perception in the market that the holders of a large number of stockholders intend to sell shares of our common stock, could reduce the market price of our common stock. As of March 18, 2026 we had 74,290,521 shares of common stock outstanding (including pre-funded warrants).

Holders of an aggregate of 9,837,634 shares of common stock, including with respect to shares of our convertible preferred stock that converted into shares of our common stock upon the completion of the IPO, have rights, subject to specified conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders, until such shares can otherwise be sold without restriction under Rule 144 under the Securities Act, or until the rights terminate pursuant to the terms of the stockholders agreement between us and such holders. We have also registered all shares of common stock subject to equity awards issued or reserved for future issuance under our equity compensation plans on registration statements on Form S-8, and these shares can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates under Rule 144 under the Securities Act. Any sales of securities by these stockholders could have a negative impact on the trading price of our common stock.

We are a "smaller reporting company" and we rely on exemptions from certain disclosure and governance requirements applicable to smaller reporting companies, as a result of which our common stock may be less attractive to investors.

We are a "smaller reporting company" as defined by applicable rules of the SEC. We will remain a smaller reporting company and non-accelerated filer until we have a public float of $700 million or more as of the last business day of our most recently completed second fiscal quarter, or a public float of $250 million or more as of the last business day of our most recently completed second fiscal quarter and annual revenues of $100 million or more. Although we no longer qualify as an emerging growth company, as long as we continue to qualify as a smaller reporting company and do not otherwise become an "accelerated filer" or "large accelerated filer," we may continue to rely on scaled disclosure requirements, including the exemption from the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation and certain other disclosures in our periodic reports and proxy statements. We cannot predict if investors will find our common stock less attractive if we rely on smaller reporting company exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Our severance and change in control agreements with our executive officers may require us to pay severance benefits to any of those persons who are terminated, which could materially adversely affect our financial condition or results of operations.

Our executive officers are parties to agreements that contain certain change in control and severance provisions. The agreements provide for cash payments for severance and other benefits in the event of a termination of employment that is not in connection with a change in control of us. They also provide for cash payments for severance and other benefits and acceleration of stock options vesting in the event of a termination of employment in connection with a change in control of us. The accelerated vesting of options could result in dilution to our existing stockholders and could materially adversely affect the market price of our common stock. The payment of these severance benefits, and in particular, pursuant to multiple agreements at the same time, could materially adversely affect our financial condition and results of operations. In addition, these potential severance payments may discourage or prevent third parties from seeking a business combination with us.

Our ability to use our net operating loss carryovers and certain other tax attributes may be limited.

At December 31, 2025, we had federal and state net operating losses ("NOLs") carryforwards of approximately $298.1 million and $65.1 million, respectively. Federal NOLs generated in periods after December 31, 2017 may be carried forward indefinitely but may only be used to offset 80% of our taxable income in years beginning after December 31, 2020. As described above under "We have incurred significant losses since our inception, and we expect to continue to incu*r significant losses for the foreseeable future*," we have incurred net losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future. Under the Internal Revenue Code of 1986 (the "Code"), a corporation is generally allowed a deduction for NOLs carried over from a prior taxable year. Under that provision, we can carry forward our NOLs to offset our future taxable income, if any, until such NOLs are used or expire, in the case of federal NOLs generated prior to 2018. The same is true of other unused tax attributes, such as tax credits. The amounts of our unused carryovers of NOLs and tax credits as of December 31, 2017, and a description of the valuation allowance we have recorded with respect to those items, are set forth below under "Management's Discussion and Analysis of Financial Condition and Results of Operations." In addition, under the Tax Act, the amount of post-2017 federal NOLs that we are permitted to deduct in any taxable year is limited to 80% of our taxable income in such year, where taxable income is determined without regard to the NOL deduction itself. The Tax Act generally eliminates the ability to carry back any NOL to prior taxable years, while allowing post-2017 unused NOLs to be carried forward indefinitely.

Furthermore, if a corporation undergoes an "ownership change," generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period, Sections 382 and 383 of the Code limit the corporation's ability to use carryovers of its pre-change NOLs, credits and certain other tax attributes to reduce its tax liability for periods after the ownership change. Our issuance of common stock pursuant to our IPO may result in a limitation under Sections 382 and 383 of the Code, either separately or in combination with certain prior or subsequent shifts in the ownership of our common stock. As a result, our ability to use carryovers of our pre-change NOLs and credits to reduce our future U.S. federal income tax liability may be subject to limitations. This could result in increased U.S. federal income tax liability for us if we generate taxable income in a future period. Limitations on the use of NOLs and other tax attributes could also increase our state tax liability. The use of our tax attributes will also be limited to the extent that we do not generate positive taxable income in future tax periods. To the extent our ability to utilize our NOLs and other tax assets going forward is limited, in part or altogether, our tax liability for future periods may be greater than expected, and our business, financial condition, results of operations and growth prospects may be materially adversely affected.

We do not expect to pay any cash dividends to the holders of our common stock for the foreseeable future.

We currently intend to invest our future earnings, if any, to fund our growth. In addition, the terms of any future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future. There is no guarantee that our common stock will appreciate in value or even maintain the price at which our stockholders have purchased our common stock. Investors seeking cash dividends should not purchase our common stock.

Provisions in our certificate of incorporation, our bylaws and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management.

Our certificate of incorporation, bylaws and Delaware law contain provisions that may have the effect of delaying or preventing a change in control of us or changes in our management. Our certificate of incorporation and bylaws include provisions that:

- authorize "blank check" preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock;

- establish a classified board of directors such that not all members of the board are elected at one time, which may delay the ability of our stockholders to change the membership of a majority of our board of directors;
- specify that only our board of directors, the Chairperson of our board of directors, our Chief Executive Officer or the President, or holders of greater than 10% of our common stock can call special meetings of our stockholders;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors;
- provide that a majority of directors then in office, even though less than a quorum, may fill vacancies on our board of directors;
- specify that no stockholder is permitted to cumulate votes at any election of directors;
- expressly authorize our board of directors to modify, alter or repeal our bylaws; and
- require supermajority votes of the holders of our common stock to amend specified provisions of our Certificate of Incorporation and bylaws.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management.

In addition, because we are incorporated in the State of Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us.

Any provision of our certificate of incorporation or bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit your opportunity to receive a premium for your shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

Our certificate of incorporation includes a forum selection clause, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Our Certificate of Incorporation provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) will be the exclusive forum for any:

- derivative action or proceeding brought on our behalf;
- action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders;
- action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws; or
- other action asserting a claim against us that is governed by the internal affairs doctrine.

This exclusive forum provision is intended to apply to claims arising under Delaware state law and is not intended to apply to claims brought pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act") or the Securities Act of 1933, as amended (the "Securities Act"), or any other claim for which the federal courts have exclusive jurisdiction. This exclusive forum provision will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

Our certificate of incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. The Delaware Supreme Court recently determined that the exclusive forum provision of federal district courts of the United States of America for resolving any complaint asserting a cause of action arising under the Securities Act is permissible and enforceable under Delaware law, reversing an earlier decision from the Court of Chancery of the State of Delaware that had ruled that such provisions were not enforceable. Nevertheless, there is uncertainty as to whether a federal district court would enforce any exclusive forum provision with respect to claims under the Securities Act.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our bylaws described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our Certificate of Incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially adversely affect our business, financial condition, results of operation and growth prospects.

General Risk Factors

Computer system interruptions or security breaches of our information systems could significantly disrupt our product development programs and our ability to operate our business.

Our internal computer systems, cloud-based computing services and those of our current and future collaborators, third party service providers, and other contractors or consultants (collectively, our "information systems") are vulnerable to damage or interruption from computer viruses, ransomware, malware, data corruption, cyber-based attacks, phishing attacks, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. These computer systems may also experience disruptions or outages due to internal or third-party mistakes or technical errors, including due to software updates. Such information system disruptions, even if inadvertent, may limit or disable our access to our systems or access by our collaborators, third party service providers, or other contractors or consultants to their systems, which could disrupt our business. While we have taken steps to protect our information systems and the data maintained in those systems, we have, from time to time, experienced cyber incidents of varying degrees, although none of these cyber incidents have had a material adverse impact on our business, financial condition or results of operations. Our business is becoming increasingly dependent upon these information systems, including as a result of remote working policies following the COVID-19 pandemic. It is possible that in the future our safety and security measures will not prevent the improper functioning or damaging of our systems, or the improper access or disclosure of personally identifiable information, in particular as cyber-based attacks become increasingly sophisticated, and any such event could materially and adversely impact our business, financial condition or results of operations. If a significant system disruption, failure, accident, security breach or other cyber incident were to occur and cause interruptions in our operations, it could result in a disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other proprietary information, the disclosure of protected personally identifiable patient information or other similar disruptions. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. In addition, our software systems include cloud-based applications that are hosted by third-party service providers with security and information technology systems subject to similar risks. To the extent that any disruption, security breach or other cyber incident were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability, our competitive position could be harmed and the further development and commercialization of our product candidates could be delayed, any of which could materially adversely affect our business, financial condition, results of operations and growth prospects.

Furthermore, federal, state and international laws and regulations, such as the GDPR, which took effect in May 2018, and the CCPA which took effect on January 1, 2020, as well as the CPRA, which took effect on January 1, 2023 and made a number of significant amendments to the CCPA, can expose us to enforcement actions and investigations by regulatory authorities, and potentially result in regulatory penalties and significant legal liability, if our information systems security efforts fail or if our privacy practices do not meet the requirements of such laws. Other states are considering similar laws that could impact our use of research data with respect to individuals in those states. There are extensive documentation obligations and transparency requirements, which may impose significant costs on us.

Any computer system interruptions or security breaches of our information systems could result in a disruption of our operations, damage to our reputation, investigations, claims or lawsuits and we may also be subject to liability under relevant contractual obligations and laws and regulations protecting personal data and may be required to expend significant resources to defend, remedy and/or address any cybersecurity incidents and claims, investigations, penalties, fines, damages or settlements arising from cybersecurity incidents. We may not have adequate insurance coverage to compensate it for any losses that may occur.

The misuse of artificial intelligence could adversely impact our business, including by posing security risks to our confidential information, proprietary information and personal data.

The increasing use and integration of AI technologies, including generative AI and machine learning-based software, present risks and challenges that could materially and adversely affect our operations and business. While we may selectively integrate AI tools following legal and IT review, our current and future collaborators, third party service providers, and other contractors or consultants often may incorporate AI technologies into their platforms or services without disclosing such use to us. These tools may fall short of regulatory or ethical standards concerning privacy and data protection, leading to compromised data integrity, diminished service quality, and potential legal or reputational fallout.

Algorithmic bias and flawed analyses further compound these risks, with security breaches—real or perceived—by us or our third-party partners possibly resulting in the loss of intellectual property and sensitive information. The inadvertent disclosure of proprietary assets through AI systems can erode intellectual property protections and reduce their value. Combined with regulatory uncertainty surrounding AI development, these challenges heighten exposure to liability and adverse business outcomes.

Further, bad actors around the world use increasingly sophisticated methods, including the use of artificial intelligence, to engage in illegal activities involving the theft and misuse of personal information, confidential information, and intellectual property. Any of these outcomes could damage our reputation, result in the loss of valuable property and information, and adversely impact our business.

Our business is affected by macroeconomic conditions, including rising inflation, interest rates and supply chain constraints.

Various macroeconomic factors could adversely affect our business, results of operations and financial condition, including changes in inflation, interest rates and overall economic conditions and uncertainties, such as those resulting from the current and future conditions in the banking system and the global financial markets, as well as from the implementation of policies by the new Presidential administration. Economic tensions and changes in international trade policies, including, for example, the recent widespread tariffs announced by the U.S. on its major trading partners, higher tariffs on imported goods and materials, and actions taken in response (such as retaliatory tariffs or other trade protectionist measures or the renegotiation of free trade agreements), have increased inflationary pressures and recessionary fears. In addition, the imposition of export controls, sanctions, import restrictions or other trade barriers, as well as non-tariff retaliatory measures by other countries, could limit the availability of, or increase the cost of, critical raw materials, reagents, consumables, equipment or services that we rely on for research, clinical development and manufacturing. Inflation has negatively impacted us and could continue to negatively impact us by increasing our cost of labor (through higher wages), commercial support, construction, manufacturing and clinical supply expenditures. Current inflationary pressures, if sustained, could have a negative impact on our operations. We may also experience volatility in foreign currency exchange rates in connection with payments to foreign vendors, which could increase our operating expenses.

In addition, interest rates, the liquidity of the credit markets and the volatility of the capital markets could also affect our ability to raise capital in order to fund our operations, if needed. Financial conditions affecting the banking system and financial markets may threaten our ability to access our cash, as well as our access to letters of credit or other funding necessary to support our business, which may require us to find additional sources of cash or funding on short notice. Similarly, these macroeconomic factors could affect the ability of our third-party manufacturers, contractors or suppliers to manufacture materials required for our product candidates on a cost effective basis, if at all. Supply chain disruptions, labor shortages or financial distress affecting our vendors or financial institutions could result in delays in our clinical trials or manufacturing activities.

Further changes in U.S. and international governmental policies on a variety of matters such as trade, tariffs and manufacturing policies may further exacerbate an uncertain macroeconomic environment, which would adversely affect the U.S. economy and financial markets. In addition, disruptions in U.S. government operations, including government shutdowns, funding lapses, staffing shortages or changes in regulatory agency priorities, could delay regulatory review of our product candidates, inspections of our facilities, or other governmental actions necessary to support our development programs or access to the capital markets.

These factors, individually or collectively, could materially and adversely affect our business, financial condition and results of operations.

Any acquisitions or strategic collaborations may increase our capital requirements, dilute our stockholders, cause us to incur debt or assume contingent liabilities or subject us to other risks.

From time to time, we may evaluate various acquisitions and strategic collaborations, including licensing or acquiring complementary drugs, intellectual property rights, technologies or businesses. Any potential acquisition or strategic partnership may entail numerous risks, including, but not limited to:

- scrutiny by the Federal Trade Commission ("FTC") and the Department of Justice ("DOJ"), including the potential challenge of a proposed merger or acquisition by the FTC or DOJ;
- increased operating expenses and cash requirements;
- the assumption of indebtedness or contingent or unknown liabilities;
- assimilation of operations, intellectual property and drugs of an acquired company, including difficulties associated with integrating new personnel;
- adequately prosecuting and maintaining protection of any acquired intellectual property rights;
- the diversion of our management’s attention from our existing drug programs and initiatives in pursuing such a strategic partnership, merger or acquisition;
- retention of key employees, the loss of key personnel, and uncertainties about our ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing drugs or product candidates and regulatory approvals; and
- our inability to generate revenue from acquired drugs, intellectual property rights, technologies, and/or businesses sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

In addition, if we engage in acquisitions or strategic partnerships, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses or acquire intangible assets that could result in significant future amortization expense. Moreover, we may not be able to locate suitable acquisition opportunities, and this inability could impair our growth or limit access to technology or drugs that may be important to the development of our business.

We could be subject to securities class action litigation.

In the past, securities class action litigation has often been brought against a company following a period of volatility or decline in the market price of its securities. This risk is especially relevant for us because biotechnology companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could materially adversely affect our business, financial condition, results of operation and growth prospects.

If securities analysts do not publish research or reports about our business or if they publish negative reports or downgrade our stock, the price of our common stock could decline.

The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us, our business, our markets and our competitors. We do not control these analysts. If securities analysts do not cover our common stock, the lack of research coverage may materially adversely affect the market price of our common stock. Furthermore, if one or more of the analysts who do cover us downgrade our stock or if those analysts issue other unfavorable commentary about us or our business, our stock price would likely decline. If one or more of these analysts cease coverage of us or fails to regularly publish reports on us, we could lose visibility in the market and interest in our stock could decrease, which in turn could cause our stock price or trading volume to decline and may also impair our ability to expand our business with existing customers and attract new customers.

We incur significant increased costs as a result of operating as a public company, and our management is required to devote substantial time to compliance initiatives.

As a public company, we incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act and rules of the SEC and those of Nasdaq have imposed various requirements on public companies including that we establish and maintain effective disclosure and financial controls. Our management and other personnel have devoted and will continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased and will continue to increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We may, as a result of regulatory changes, be subject to additional requirements, which may require us to incur significant additional costs to comply, including the implementation of significant additional internal controls processes and procedures regarding matters that have not been subject to such controls in the past, and impose increased oversight obligations on our management and board of directors.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective internal control over financial reporting and disclosure controls and procedures following an initial transition period available to public companies. In particular, we must evaluate our systems and procedures, and test our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. In addition, for as long as we are a "smaller reporting company" and are not classified as an "accelerated filer" or "large accelerated filer," our independent registered public accounting firm will not be required to attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act. .Our compliance with Section 404 of the Sarbanes-Oxley Act will require that we incur substantial accounting expense and expend significant management efforts. We currently do not have an internal audit group, and we will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge. If we do not comply with the requirements of Section 404 in a timely manner, or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock could decline and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities, which would require additional financial and management resources.

To successfully implement our business plan and comply with Section 404, we must prepare timely and accurate financial statements. We expect that we will need to continue to improve existing procedures and controls, and implement new operational and financial systems, to manage our business effectively. Any delay in the implementation of, or disruption in the transition to, new or enhanced systems, procedures or controls, may cause our operations to suffer, and we may be unable to conclude that our internal control over financial reporting is effective and to obtain an unqualified report on internal controls from our auditors as required under Section 404 of the Sarbanes-Oxley Act. This, in turn, could materially adversely affect the trading prices for our common stock and our ability to access the capital markets.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders could lose confidence in our financial and other public reporting, which would materially adversely affect our business and the trading price of our common stock.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. Pursuant to Section 404 of the Sarbanes-Oxley Act, our management is required to report upon the effectiveness of our internal control over financial reporting. When we lose our status both as an emerging growth company and a smaller reporting company, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. Any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, or any subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Inadequate internal controls could also cause investors to lose confidence in our reported financial information, which could materially adversely affect the trading price of our common stock.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. For example, our directors or executive officers could inadvertently fail to disclose a new relationship or arrangement causing us to fail to make any related party transaction disclosures. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

Changes to, or interpretations of, financial accounting standards may affect our results of operations and could cause us to change our business practices.

We prepare our financial statements in accordance with U.S. GAAP. These accounting principles are subject to interpretation by the Financial Accounting Standards Board, the SEC and various bodies formed to interpret and create accounting rules and regulations. Changes in accounting rules can have a significant effect on our reported financial results and may affect our reporting of transactions completed before a change is announced. Changes to those rules or the questioning of current practices may materially adversely affect our financial results, including those contained in this filing, or the way we conduct our business.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 1C. Cybersecurity.

Cybersecurity Risk Management and Strategy

We continuously monitor our information systems to assess, identify, and manage risks from vulnerabilities and assess cybersecurity threats. Our process for identifying and assessing material risks from cybersecurity threats operates alongside our broader overall risk assessment process. We monitor risks through routine security assessments and implementation of enhancements to security measures used to protect our systems and data. We address system alerts on an ongoing basis. We maintain an Incident Response Plan Policy ("IRP") that sets forth processes we will follow to address incidents defined therein to include actual or reasonably suspected cyber incidents. Our information technology team promptly responds to system alerts and reported incidents that indicate the suspected presence of an incident and escalates in accordance with the IRP. The IRP, among other things, provides for a cross-functional team consisting of representatives from informational technology, risk management, legal, and communications, an Incident Response Team ("IRT"), that collaborates to quickly assess the impact, mitigate risks to information systems, and resolve incidents while improving information systems. Depending on the incident, we may utilize third-parties for assistance in investigating and addressing cybersecurity incidents.

We also utilize certain third-party service providers to perform a variety of critical business functions and recognize that we are exposed to cybersecurity threats associated with our use of third-party service providers. We have certain vendor management processes designed to help manage cybersecurity risks associated with our use of certain of these providers. Additionally, we strive to minimize cybersecurity risks when we first select or renew a vendor by including cybersecurity risk as part of our overall vendor evaluation and due diligence process.

We have not had cyber incidents that have materially affected our business or financial condition. For details about our risks associated with cybersecurity threats, see "*—Computer system interruptions or security breaches of our information systems could significantly disrupt our product development programs and our ability to operate our business.*" in the section titled "Risk Factors" in Part I, Item 1A in this Annual Report on Form 10-K.

Governance Related to Cybersecurity Risks

Management is responsible for identifying and assessing material risks for the business on an ongoing basis, including in relation to cybersecurity. As part of this process, our IRT is tasked with implementing and maintaining our cybersecurity programs, including establishing processes to ensure that potential cybersecurity risk exposures are monitored and putting in place appropriate mitigation measures. Our President oversees our information technology department which monitors the prevention, detection, mitigation, and remediation of cyber incidents, if any, and reports all potential incidents and an initial assessment of such incident to the IRT and has over 5 years of experience with overseeing risk, compliance, and information technology functions.

Our Board of Directors (the "Board") oversees our risk management program as part of its general oversight function. The Board's Audit Committee is delegated the responsibility for reviewing and discussing with management our program to identify, assess, manage, and monitor significant business risks, including financial, operational, privacy, business continuity, legal and regulatory, reputation risks, and security, including cybersecurity. The Audit Committee receives quarterly updates from management regarding investigated incidents and periodic updates from management regarding cybersecurity matters (including the current threat landscape and cybersecurity risks). The Audit Committee may provide updates to the Board on the substance of these reports and any recommendations for improvements that the Audit Committee deems appropriate.

Item 2. Properties.

Our facilities are located at three leased sites. The first site, located at 6000 Shoreline Court, South San Francisco, California, consists of approximately 28,469 square feet of office and laboratory space and is primarily used for manufacturing activities. Of this office and laboratory space, approximately 14,697 square feet was subleased as of December 31, 2025. Our lease covering multiple suites at this site expires in July 2030, and our subleases expire in November 2027 and July 2030. The second site, located at 750 Gateway Boulevard, South San Francisco, California, consists of 510 square feet of vivarium and laboratory space, and is primarily used for preclinical research. Our agreement that provides for our use of these vivarium and laboratory spaces expires in December 2028. The third site, located at 1150 Veterans Boulevard, South San Francisco, California, consists of 88,000 square feet of office and laboratory space and is primarily used for research, clinical, manufacturing and corporate activities. This lease expires in 2034. As a result of moving our main offices and research activities to the Veterans location in 2023, we vacated certain suites at the 6000 Shoreline Court location. We sublease some of these suites while still maintaining sufficient office and laboratory space to allow our team to continue to develop our proprietary programs. We believe that these facilities are sufficient to meet our current needs.

Item 3. Legal Proceedings.

From time to time, we may become involved in litigation or other legal proceedings relating to claims arising from the ordinary course of business. There are currently no claims or actions pending against us that, in the opinion of our management, are likely to have a material adverse effect on our business, results of operations, financial condition or growth prospects.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock has been listed on The Nasdaq Global Select Market under the symbol "NKTX" and has been publicly traded since July 10, 2020. Prior to that date, there was no public trading market for our common stock.

Holders of Common Stock

As of March 18, 2026, there were approximately 16 holders of record of our common stock. The actual number of stockholders is greater than this number of record holders, and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Dividend Policy

We have never declared or paid cash dividends on our capital stock. We intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination related to dividend policy will be made at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant. In addition, we may enter into agreements in the future that could contain restrictions on payments of cash dividends.

Recent Sales of Unregistered Securities

There were no unregistered sales of equity securities during the period covered by this report.

Issuer Purchases of Equity Securities

None.

Securities Authorized for Issuance Under Equity Compensation Plans

The information required by this Item regarding equity compensation plans is incorporated by reference to the information set forth in Part III, Item 12 of this Annual Report on Form 10-K.

Item 6. [Reserved]

Item 7. 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 financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements that reflect our plans, estimates and beliefs, and involve risks and uncertainties. Our actual results and the timing of certain events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those discussed in the section titled "Risk Factors" included under Part I, Item 1A and elsewhere in this Annual Report on Form 10-K. See "Cautionary Note Regarding Forward-Looking Statements" in this Annual Report on Form 10-K.

Overview

We are a clinical-stage biopharmaceutical company pioneering the development of allogeneic, off-the-shelf engineered natural killer ("NK") cell therapies. Our lead pipeline program is NKX019, a chimeric antigen receptor-natural killer ("CAR NK") product candidate targeting the CD19 antigen for the treatment of patients with autoimmune diseases. Our CAR NK platform enables an on-demand, off-the-shelf approach involving scaled manufacturing to broaden patient access. We have developed proprietary technologies designed to generate an abundant supply of NK cells, increase NK cell recognition of target antigens, and enhance NK cell fitness to support scalable, off the shelf administration. NKX019 is allogeneic, which means it is produced using cells from a different person than the patient(s) being treated, and it is produced in quantity, then frozen and therefore available for treating patients without delay, unlike autologous cell therapies, which are derived from a patient's own cells and must be manufactured as needed for each patient. We believe that engineered NK cells have the potential to be effective and accessible therapies for autoimmune diseases and other diseases, be well tolerated, and avoid some of the toxicities observed with other cell therapies.

Our modular engineering platform builds on the distinctive biology of NK cells and their role in eradicating aberrant and pathologically transformed cells. Our process starts with mature NK cells derived from healthy donors. We build on the intrinsic ability of these immune cells to identify and kill transformed cells with cell engineering to further enhance their activity. This engineering involves inducing the expression of a chimeric antigen receptor ("CAR") on the surface of an NK cell to enable the cell to recognize specific proteins or antigens that are present on the surface of target cells. Our engineered CAR NK cells generally consist of an NK cell engineered with a targeting receptor, OX40 costimulatory domain, CD3ζ(zeta) signaling moiety, and a membrane-bound form of the cytokine IL(interleukin)-15 ("mbIL-15").

In March 2025, we approved a reduction in workforce as a result of a review of current strategic priorities and resource allocation with the intent to decrease our costs and create a more streamlined organization to support our operations and reprioritized product pipeline.

Our Ntrust-1 clinical trial ("Ntrust-1") is a multi-center, open-label, dose-escalation Phase 1 clinical trial of NKX019 for lupus nephritis ("LN") and primary membranous nephropathy ("pMN"). Our Ntrust-2 clinical trial ("Ntrust-2") is a multi-center, open-label, dose-escalation Phase 1 clinical trial of NKX019 for systemic sclerosis ("scleroderma"), idiopathic inflammatory myopathy ("myositis") and antineutrophil cytoplasmic antibody (ANCA)-associated vasculitis ("AAV"). In order to maximize the potential success of both our Ntrust-1 clinical trial and our Ntrust-2 clinical trial, in May 2025, we announced the modification of the lymphodepleting conditioning ("LD") prior to administration of NKX019 to use a combination of fludarabine ("Flu") and cyclophosphamide ("Cy"), with the option for patients with cytopenias to continue to receive Cy alone as modified LD. At that time, we also announced that researchers at the University of California, Irvine initiated an investigator-sponsored trial ("IST") of NKX019 in patients with myasthenia gravis ("MG"). NKX019 is also being studied in an IST at Columbia University Irving Medical Center in patients with systemic lupus erythematosus ("SLE").

In November 2025, we announced that deep B-cell depletion was observed in all patients treated to date who received NKX019 with LD using Flu and Cy versus partial B-cell depletion in patients receiving only Cy. At the same time, we reported the implementation of a streamlined enrollment process that allows participant data from both the Ntrust-1 and Ntrust-2 clinical trials to be reviewed by a combined independent Data Safety Monitoring Board ("iDSMB") to inform dose-escalation decisions. This update followed engagement with the U.S. Food and Drug Administration ("FDA") and authorization by the iDSMB to initiate enrollment in the second dose-escalation cohort.

Since the commencement of our operations in 2015, we have devoted substantially all our resources in support of our product development efforts, hiring personnel, raising capital to support and expand such activities and providing general and administrative support for these operations. We have incurred net operating losses since inception and have not generated any revenue from product sales. In the future, we expect that our operating expenses will significantly increase as we continue to develop and seek regulatory approvals for our product candidates, continue to engage in other research and development activities to expand our pipeline of product candidates, maintain and expand our intellectual property portfolio, maintain and expand our product manufacturing capabilities, and ultimately establish a commercial organization. We have funded our operations primarily through the issuance of Company stock and intend to raise additional capital to fund operations until such time that we are able to generate sufficient revenues to cover our operating expenses. We may seek additional funding through the issuance of common stock, including through equity or debt financing or collaborations or partnerships with other companies. The amount and timing of our future funding requirements will depend on many factors, including, among other things, the pace and results of our clinical development efforts for our product candidates. We may not be able to raise additional capital on terms acceptable to us, or at all. Any failure to raise capital as and when needed would compromise our ability to execute our business plan and may cause us to undertake cost containment measures and/or significantly delay, scale back or discontinue the development of some of our programs. We have also incurred increased operating expenses since becoming a public company, which we expect will further increase when we are no longer able to rely on certain "smaller reporting company" exemptions we are afforded as further described below. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year.

Financial Operations Overview

Operating Expenses

Research and Development

Research and development costs consist primarily of costs incurred for the discovery and clinical development of our drug candidates, which include:

- employee-related expenses, including salaries, related benefits, travel and share-based compensation expenses for employees engaged in research and development functions;
- expenses incurred in connection with research, laboratory consumables, sponsored research, and preclinical studies;
- expenses incurred in connection with conducting clinical trials including investigator grants and site payments for time and pass-through expenses and expenses incurred under agreements with CROs, other vendors or central laboratories and service providers engaged to conduct our trials;
- the cost of consultants engaged in research and development related services;
- the cost to manufacture drug product candidates for use in our preclinical studies and clinical trials;
- facilities, depreciation and other expenses, which include allocated expenses for rent and maintenance of facilities, insurance and supplies;
- costs related to regulatory compliance; and
- the cost of annual license fees under our third-party licensing agreements.

We typically have various early-stage research and drug discovery projects as well as various product candidates undergoing clinical trials. Our internal resources, employees and infrastructure are generally not directly tied to any one research or drug discovery project and are typically deployed across multiple projects. As such, we do not maintain information regarding the costs incurred for these early-stage research and drug discovery programs on a project-specific basis. As part of cost containment measures undertaken by us, early discovery and preclinical programs have been deprioritized with less personnel and funding allocated to advancing these programs.

We expense research and development costs as they are incurred. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. The prepaid amounts are expensed as the related goods are delivered or the services are performed.

The following table summarizes our research and development expenses for the years ended December 31, 2025 and 2024. The direct external development program expenses reflect external costs attributable to our clinical development candidates and preclinical candidates selected for further development. Such expenses include third-party contract costs relating to manufacturing, clinical trial activities, translational medicine and toxicology activities. The unallocated internal research and development costs include personnel, facility costs, laboratory consumables and discovery and research related activities associated with our pipeline.

	Year Ended December 31,	
	2025	2024
	(in thousands)	
Direct external development program expenses:		
NKX019	$ 22,146	$ 16,215
NKX101	1,156	5,239
Unallocated internal research and development costs:		
Personnel related (including share-based compensation)	30,565	39,866
Others	36,562	35,424
Total research and development costs	$ 90,429	$ 96,744

Research and development activities are central to our business model. There are numerous factors associated with the successful commercialization of any of our drug candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. In addition, future regulatory factors beyond our control may impact our clinical development programs. Drug candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. At this time, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the preclinical and clinical development of any of our drug candidates. However, we expect that our research and development expenses will increase substantially in connection with our planned preclinical and clinical development activities in the future, including as a result of Ntrust-1, our clinical trial of NKX019 for the treatment of LN and pMN, Ntrust-2, our clinical trial of NKX019 for the treatment of scleroderma, myositis, and AAV, and the ISTs for the treatment of MG and SLE.

The successful development of our drug candidates is highly uncertain. A change in the outcome of any of a number of variables with respect to the development of our drug candidates may significantly impact the costs and timing associated with the development of our drug candidates. A discussion of the risks and uncertainties that we face in the development and commercialization of our drug candidates can be found under Part I, Item 1A, "Risk Factors" in this Annual Report on Form 10-K. We may never succeed in obtaining regulatory approval for any of our drug candidates.

General and Administrative

General and administrative expenses consist primarily of salaries and employee-related costs, including share-based compensation, for personnel in executive, finance and other administrative functions. Other significant costs include legal fees relating to intellectual property and corporate matters, professional fees for accounting and consulting services and facility-related costs.

While we continue to closely manage our expenditures, including following our cost containment measures, we still expect our general and administrative expenses will increase in the future in support of increased research and development activities and to reflect increased costs associated with operating as a public company. These anticipated increased costs will include increased expenses related to audit, legal, regulatory and tax-related services associated with maintaining compliance with exchange listing and SEC requirements, insurance premiums and investor relations costs.

Other Income, net

Interest Income

Interest income consists of interest earned on our cash, cash equivalents and short-term and long-term investments and adjustments related to amortization of purchase premiums and accretion of discounts of cash equivalents, short-term and long-term investments.

Income Taxes

We are subject to corporate U.S. federal and state income taxation. We estimate our income tax provision, including deferred tax assets and liabilities, based on management's judgment. We record a valuation allowance to reduce our deferred tax assets to the amounts that are more likely than not to be realized. We consider future taxable income, ongoing tax planning strategies and our historical financial performance in assessing the need for a valuation allowance. If we expect to realize deferred tax assets for which we have previously recorded a valuation allowance, we will reduce the valuation allowance in the period in which such determination is first made.

We record liabilities related to uncertain tax positions in accordance with the guidance that clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements by prescribing a minimum recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Results of Operations

The following table summarizes our results of operations for the periods indicated (in thousands):

	Year Ended December 31,		
	2025	2024	Change
Operating expenses:			
Research and development	90,429	96,744	(6,315)
General and administrative	31,568	31,450	118
Total operating expenses	121,997	128,194	(6,197)
Loss from operations	(121,997)	(128,194)	6,197
Other income, net:			
Interest income	15,494	19,317	(3,823)
Other income, net	2,419	87	2,332
Total other income, net	17,913	19,404	(1,491)
Net loss	$ (104,084)	$ (108,790)	$ 4,706

Research and development expenses

Research and development expenses were $90.4 million and $96.7 million for the years ended December 31, 2025 and 2024, respectively. The decrease of $6.3 million was attributable primarily to the following:

- a $9.3 million decrease in personnel costs primarily from lower salaries and wages, bonus expense, and share-based compensation expense recognized due to lower headcount as a result of the reduction in force in March 2025;
- a $0.9 million decrease in other research costs, primarily consisting of research supplies and facility expenses as a result of reduction in headcount;
- a $1.8 million increase in program costs primarily from higher clinical spending related to NKX019 to support Phase I clinical trials in autoimmune diseases, which were partially offset by lower manufacturing, materials, and clinical expenses related to NKX101 as the program was deprioritized and reduced manufacturing and materials expenses related to NKX019; and
- a $2.1 million increase in consulting expenses, partially as a result of the reduction in force.

General and administrative expenses

General and administrative expenses were $31.6 million and $31.5 million for the years ended December 31, 2025 and 2024, respectively. The increase of $0.1 million was primarily due to the following:

- a $4.9 million increase in severance expenses resulting from the March 2025 reduction in force;
- a $0.8 million increase due to an impairment of right-of-use assets in 2025 and no impairment expense in 2024;
- a $4.2 million decrease in personnel-related expenses primarily from lower salaries and wages, bonus expense, and share-based compensation expense recognized due to lower headcount as a result of the reduction in force; and
- a $1.4 million decrease in rent and other facilities expense primarily due to the termination of the lease for one of our suites in July 2025.

Interest income

Interest income was $15.5 million and $19.3 million for the years ended December 31, 2025 and 2024, respectively. The decrease of $3.8 million was primarily due to lower average investment balances and lower yields in the current period. Interest income includes interest earned from investments, partially offset by amortization of purchase premiums and accretion of discounts of investments.

Other income, net

Other income, net was $2.4 million for the year ended December 31, 2025 and immaterial for the year ended December 31, 2024. The increase of $2.3 million was primarily due to $1.5 million of recognition of employee retention tax credits received under the CARES Act and $0.8 million from sublease income which commenced in December 2024.

Liquidity and Capital Resources

Sources of Liquidity

As of December 31, 2025, we had cash, cash equivalents, restricted cash and short-term and long-term investments of $295.1 million. We estimate that all $265.1 million in net proceeds from our July 2020 initial public offering have been spent. On April 28, 2022, we received $215.3 million in net proceeds, after deducting underwriting discounts, commissions and other offering expenses, in connection with our secondary offering of our common stock. On March 27, 2024, we received $225.1 million in net proceeds from an underwritten public offering, after deducting underwriting discounts, commissions and expenses, described further below.

On March 17, 2023, the Company filed a Registration Statement on Form S-3, as amended by the Form S-3/A filed on April 24, 2023 (the "Shelf Registration Statement"), covering the offer and sale from time to time, pursuant to Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), of up to $350.0 million in aggregate offering price of shares of the Company's common stock, shares of the Company's preferred stock, debt securities, warrants, rights and/or units, including up to $120.0 million in aggregate offering price of shares of the Company's common stock, shares of the Company's preferred stock, debt securities, warrants, rights and/or units registered on the Company's Registration Statement on Form S-3 declared effective by the Securities and Exchange Commission (the "SEC") on September 2, 2021 (the "Prior Registration Statement") that had not yet been sold. The Shelf Registration Statement was declared effective by the SEC on May 5, 2023.

On March 27, 2024, we completed an underwritten public offering utilizing the Shelf Registration Statement, pursuant to which we sold an aggregate of (i) 21,010,000 shares of common stock at a price of $10.00 per share, and (ii) pre-funded warrants to purchase 3,000,031 shares of common stock at a price of $9.9999 per pre-funded warrant. The pre-funded warrants can be exercised at any time after issuance for an exercise price of $0.0001 per share, subject to certain ownership limitations. As of December 31, 2025, none of the pre-funded warrants have been exercised. We raised $240.1 million in gross proceeds before underwriting discounts, commissions and other expenses of $15.0 million.

We have incurred net losses and negative cash flows from operations since our inception. As of December 31, 2025, we had an accumulated deficit of $648.3 million and anticipate that we will continue to incur net losses for the foreseeable future. We expect to incur substantial expenditures as we develop our product pipeline and advance our drug candidates through clinical development, undergo the regulatory approval process and, if approved, launch commercial activities. Specifically, in the near term we expect to incur substantial expenses relating to initiating and completing our clinical trials, the development and validation of our manufacturing processes, and other development activities.

We will need substantial additional funding to support our continuing operations and pursue our long-term development strategy, including the potential initiation of a pivotal stage clinical trial for any or all of our current development programs. Until such time as we can generate significant revenue from sales of our drug candidates, if ever, we may seek additional funding through the issuance of our common stock, including through equity or debt financing or collaborations or partnerships with other companies. The amount and timing of our future funding requirements will depend on many factors, including the pace and results of our clinical development efforts for our product candidates and other research, development and manufacturing activities, market conditions, and the success of our recent and any future cost-containment measures. We may not be able to raise additional capital on terms acceptable to us, or at all. If we fail to raise capital or enter into such agreements as, and when, needed, we may have to significantly delay, scale back, or discontinue the development and commercialization of our drug candidates or delay our efforts to expand our product pipeline. We may also be required to sell or license to other parties' rights to develop or commercialize our drug candidates that we would prefer to retain.

We believe that our current cash, cash equivalents, restricted cash and short-term and long-term investments as of December 31, 2025 will be sufficient to meet our cash needs for at least 12 months following the issuance date of this Annual Report on Form 10-K.

Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated (in thousands):

	Year Ended December 31,	
	2025	2024
Net cash used in operating activities	$ (88,699)	$ (99,696)
Net cash provided by (used in) investing activities	100,319	(129,555)
Net cash provided by financing activities	141	226,084
Net increase (decrease) in cash and cash equivalents	$ 11,761	$ (3,167)

Operating Activities

Net cash used in operating activities for the year ended December 31, 2025 of $88.7 million was primarily due to a net loss of $104.1 million, adjusted for a decrease in net change in operating assets and liabilities of $0.4 million, which was offset by an increase in net non-cash charges of $15.8 million. The change in net operating assets and liabilities was primarily due to an increase in prepaid expenses for the maintenance of laboratory equipment and interest receivable, and a decrease in accounts payable, accruals, and operating lease liability. The non-cash charges primarily consisted of stock-based compensation of $8.6 million, depreciation and amortization of $9.2 million, which was offset by investment accretion and amortization of $4.6 million.

Net cash used in operating activities for the year ended December 31, 2024 of $99.7 million was primarily due to our net loss of $108.8 million, adjusted for a decrease in net change in operating assets and liabilities of $12.2 million, which was offset by an increase in net non-cash charges of $21.3 million. The change in net operating assets and liabilities was primarily due to an increase in prepaid expenses for the maintenance of laboratory equipment and interest receivable, and a decrease in accounts payable, accruals, and operating lease liability. The non-cash charges primarily consisted of stock-based compensation of $16.7 million, depreciation and amortization of $9.2 million, which was offset by investment accretion and amortization of $6.9 million.

Investing Activities

Net cash used by investing activities was $100.3 million for the year ended December 31, 2025 comprised of the purchase of marketable securities of $238.6 million and the purchase of property and equipment of $1.2 million, partially offset by proceeds from the maturities of marketable securities of $340.1 million.

Net cash used by investing activities was $129.6 million for the year ended December 31, 2024 comprised of the purchase of marketable securities of $406.4 million and the purchase of property and equipment of $4.4 million, partially offset by proceeds from the maturities of marketable securities of $281.2 million.

Financing Activities

There was immaterial cash provided by financing activities for the year ended December 31, 2025.

Net cash provided by financing activities of $226.1 million for the year ended December 31, 2024, which primarily consisted of net proceeds from our underwritten public offering of $225.1 million that closed in March 2024.

Funding Requirements

Based upon our current operating plans, we believe that our existing cash, cash equivalents, and investments will be sufficient to fund our operations for at least the next 12 months from the date of this Annual Report on Form 10-K. However, our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and actual results could vary materially. We have based this estimate on assumptions that may prove to be wrong, and we could deplete our capital resources sooner than we expect. Additionally, the process of testing therapeutic product candidates in clinical trials is costly, and the timing of progress and expenses in these trials is uncertain.

Our future capital requirements will depend on many factors, including:

- the type, number, scope, progress, enrollment rate, expansions, results, costs and timing of our clinical trials and preclinical studies for our product candidates or other potential product candidates or indications which we are pursuing or may choose to pursue in the future;
- the outcome, timing and costs of regulatory review of our product candidates;
- the costs and timing of manufacturing for our product candidates, including commercial manufacturing;
- our efforts to enhance operational systems and hire additional personnel to satisfy our obligations as a public company, including enhanced internal controls over financial reporting;
- the costs associated with the continuation of our preclinical and clinical activities, including as a result of any delays or an increase in development activities;
- the costs and timing of establishing or securing sales and marketing capabilities if any product candidate is approved;
- our ability to achieve sufficient market acceptance, coverage and adequate reimbursement from third-party payors and adequate market share and revenue for any approved products;
- patients' willingness or ability to pay out-of-pocket for any approved products in the absence of coverage and/or adequate reimbursement from third-party payors;
- the terms and timing of establishing and maintaining collaborations, licenses and other similar arrangements, including payments required for meeting regulatory and commercial milestones or sales based royalties;
- the costs of obtaining, maintaining and enforcing our patent and other intellectual property rights;
- costs associated with any product candidates, products or technologies that we may in-license or acquire; and
- our ability to implement cost containment measures, including subleasing portions of our leased corporate office space in South San Francisco.

Until such time as we can generate significant revenue from sales of our therapeutic product candidates, if ever, we expect to finance our cash needs through public or private equity, debt financings or other capital sources, including potential collaborations, licenses and other similar arrangements. We may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. There may also be instances where our ability to access a portion of our existing cash, cash equivalents and investments may be threatened due to financial conditions affecting the banking system and financial markets. 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 or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and 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 funds through collaborations, or other similar arrangements with third parties, we may have to relinquish valuable rights to our product candidates, future revenue streams or research programs or may have to grant licenses on terms that may not be favorable to us and may reduce the value of our common stock. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to undertake additional cost-containment measures and/or delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market our product candidates even if we would otherwise prefer to develop and market such product candidates ourselves.

In March 2025, we approved a reduction in workforce as a result of a review of current strategic priorities and resource allocation and with the intent to decrease our costs and create a more streamlined organization to support our operations and reprioritized product pipeline.

Contractual Obligations and Commitments

We lease certain office, laboratory and manufacturing space under non-cancelable operating leases. In addition to rent, our leases are subject to additional variable charges for common area maintenance, property taxes, property insurance and other variable costs. See Note 6 to our financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional detail.

Total undiscounted aggregate future operating lease obligations under all of our operating leases as of December 31, 2025 are $111.8 million.

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

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and the disclosure of assets and liabilities in our financial statements and accompanying notes. On an ongoing basis, we evaluate our estimates and judgments, including those related to clinical trial accruals, share-based compensation, pre-funded warrants and impairment of long-lived assets. We base our estimates and assumptions on historical experience, known trends and events, and various other factors that are believed to be reasonable and appropriate 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. Actual results may differ from these estimates under different assumptions or conditions. See Note 2 to our financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for a summary of significant accounting policies and the effect on our financial statements.

Recently Issued Accounting Pronouncements

See Recent Accounting Pronouncements in Note 2 to our financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

Indemnification

As permitted under Delaware law and in accordance with our bylaws, we indemnify our officers and directors for certain events or occurrences while the officer or director is or was serving in such capacity. We are also party to indemnification agreements with our officers and directors. We believe the fair value of the indemnification rights and agreements is minimal. Accordingly, we have not recorded any liabilities for these indemnification rights and agreements as of December 31, 2025 and 2024.

Segment Information

We have one business activity and operate in one reportable segment.

Smaller Reporting Company Status

We are a "smaller reporting company" as defined in Rule 12b-2 of the Exchange Act, meaning that the market value of our common stock held by non-affiliates is less than $700 million and our annual revenue is less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our common stock held by non-affiliates is less than $250 million or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our common stock held by non-affiliates is less than $700 million. As a smaller reporting company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in our prospectuses and in our periodic reports and proxy statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

As a "smaller reporting company", we are not required to provide the information required by this Item.

Item 8. Financial Statements and Supplementary Data.

Nkarta, Inc.
Index to Financial Statements
For the years ended December 31, 2025 and 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Nkarta, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Nkarta, Inc. (the Company) as of December 31, 2025 and 2024, the related statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. We determined that there are no critical audit matters.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2019.

San Mateo, California
March 25, 2026

NKARTA, INC.
Balance Sheets
(In thousands, except par value and share data)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 39,634	$ 27,873
Short-term investments	236,645	239,481
Prepaid expenses and other current assets	6,233	5,984
Total current assets	282,512	273,338
Long-term investments	16,107	110,392
Restricted cash	2,743	2,743
Property and equipment, net	66,721	74,658
Operating lease right-of-use assets	34,429	36,014
Other long-term assets	1,697	4,058
Total assets	$ 404,209	$ 501,203
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 2,089	$ 638
Operating lease liabilities, current portion	6,889	6,050
Accrued and other current liabilities	13,288	12,229
Total current liabilities	22,266	18,917
Operating lease liabilities, net of current portion	69,531	74,223
Other long-term liabilities	87	87
Total liabilities	91,884	93,227
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 54,350,179 shares authorized; no shares issued and outstanding at December 31, 2025 and 2024	—	—
Common stock, $0.0001 par value; 200,000,000 shares authorized as of December 31, 2025 and 2024; 71,078,531 and 70,645,139 shares issued and outstanding at December 31, 2025 and 2024, respectively	7	7
Additional paid-in capital	960,219	951,519
Accumulated other comprehensive income	407	674
Accumulated deficit	(648,308)	(544,224)
Total stockholders' equity	312,325	407,976
Total liabilities and stockholders' equity	$ 404,209	$ 501,203

See accompanying notes to the financial statements.

NKARTA, INC.
Statements of Operations and Comprehensive Loss
(In thousands, except share and per share data)

	Year Ended December 31,	
	2025	**2024**
Operating expenses:		
Research and development	90,429	96,744
General and administrative	31,568	31,450
Total operating expenses	121,997	128,194
Loss from operations	(121,997)	(128,194)
Other income, net:		
Interest income	15,494	19,317
Other income, net	2,419	87
Total other income, net	17,913	19,404
Net loss	$ (104,084)	$ (108,790)
Comprehensive loss:		
Net loss	(104,084)	(108,790)
Other comprehensive loss:		
Net unrealized (loss) gain on investments	(267)	666
Comprehensive loss	$ (104,351)	$ (108,124)
Net loss per share, basic and diluted	$ (1.41)	$ (1.60)
Weighted-average shares outstanding used in computing basic and diluted net loss per share	73,991,197	67,865,323

See accompanying notes to the financial statements.

NKARTA, INC.
Statements of Stockholders' Equity
(In thousands, except share data)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2023	49,181,295	$ 5	$ 708,706	$ (435,434)	$ 8	$ 273,285
Issuance of common stock and pre-funded warrants, net of issuance costs of $15,027	21,010,000	2	225,071	—	—	225,073
Issuance of common stock upon exercise of stock options	144,128	—	668	—	—	668
Issuance of common stock upon vesting of restricted stock units	165,667	—	—	—	—	—
Issuance of common stock under employee stock purchase plan	144,049	—	343	—	—	343
Share-based compensation expense	—	—	16,731	—	—	16,731
Net unrealized gain on investments	—	—	—	—	666	666
Net loss	—	—	—	(108,790)	—	(108,790)
Balance at December 31, 2024	70,645,139	$ 7	$ 951,519	$ (544,224)	$ 674	$ 407,976
Issuance of common stock upon exercise of stock options	10,630	—	—	—	—	—
Issuance of common stock upon vesting of restricted stock units	327,242	—	—	—	—	—
Issuance of common stock under employee stock purchase plan	95,520	—	141	—	—	141
Share-based compensation expense	—	—	8,559	—	—	8,559
Net unrealized loss on investments	—	—	—	—	(267)	(267)
Net loss	—	—	—	(104,084)	—	(104,084)
Balance at December 31, 2025	71,078,531	$ 7	$ 960,219	$ (648,308)	$ 407	$ 312,325

See accompanying notes to the financial statements.

NKARTA, INC.
Statements of Cash Flows
(In thousands)

	Year Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	$ (104,084)	$ (108,790)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	8,559	16,731
Depreciation and amortization expense	9,193	9,152
Accretion of discount and amortization of premium on investments, net	(4,580)	(6,912)
Non-cash lease expense	1,951	2,286
Realized gain on investments	(94)	—
Impairment of right-of-use asset	791	—
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	2,113	(1,365)
Operating lease liabilities	(5,011)	(6,416)
Accounts payable and accrued and other liabilities	2,463	(4,469)
Other long-term liabilities	—	87
Net cash used in operating activities	(88,699)	(99,696)
Cash flows from investing activities:		
Purchases of investments	(238,565)	(406,376)
Proceeds from maturities of investments	340,092	281,230
Purchases of property and equipment	(1,208)	(4,409)
Net cash provided by (used in) investing activities	100,319	(129,555)
Cash flows from financing activities:		
Proceeds from issuance of common stock and pre-funded warrants, net of issuance costs	—	225,073
Proceeds from employee stock purchase plan purchases	141	343
Proceeds from stock option exercises	—	668
Net cash provided by financing activities	141	226,084
Net increase (decrease) in cash and cash equivalents	11,761	(3,167)
Cash, cash equivalents and restricted cash at beginning of year	30,616	33,783
Cash, cash equivalents and restricted cash at end of year	$ 42,377	$ 30,616
Reconciliation of cash, cash equivalents and restricted cash to the balance sheets:		
Cash and cash equivalents	$ 39,634	$ 27,873
Restricted cash	2,743	2,743
Total cash, cash equivalents and restricted cash	$ 42,377	$ 30,616
Supplemental disclosures of non-cash investing activities:		
Acquisitions of property and equipment recorded in accounts payable and accrued and other current liabilities	$ 390	$ 343
Right-of-use assets recognized in exchange for operating lease liability	$ 1,157	$ 579
Decrease in right-of-use asset and lease liability due to termination	$ —	$ 2,229

See accompanying notes to the financial statements.

1. Description of Business

Description of the Business

Nkarta, Inc. ("Nkarta" or the "Company") was incorporated in the State of Delaware in July 2015. The Company is a biopharmaceutical company developing engineered natural killer ("NK") cell therapies to treat autoimmune diseases. The Company is focused on leveraging the natural potent power of NK cells to identify and kill abnormal cells and recruit adaptive immune effectors to generate responses that are specific and durable. Nkarta is combining its NK-cell expansion platform technology with proprietary cell engineering technologies to generate an abundant supply of NK cells, engineer enhanced NK-cell recognition of therapeutic targets, and improve persistence for sustained activity in the body. Nkarta's goal is to develop off-the-shelf NK-cell therapy product candidates to improve outcomes for patients. The Company's operations are based in South San Francisco, California, and it operates in one segment.

Liquidity and Management Plans

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Since inception, the Company has devoted substantially all of its efforts to organizing and staffing, business planning, raising capital, conducting preclinical studies and initiating clinical studies, and has not realized revenues from its planned principal operations. In addition, the Company has a limited operating history, has incurred operating losses since inception and expects that it will continue to incur net losses into the foreseeable future as it continues its research and development activities. As of December 31, 2025, the Company had an accumulated deficit of $648.3 million and cash, cash equivalents, restricted cash and short-term and long-term investments of $295.1 million.

Management plans to continue to incur substantial costs to conduct research and development activities for which additional capital will be needed. The Company intends to raise such capital through debt or equity financings or other arrangements to fund operations. Management believes that the Company's current cash, cash equivalents, and investments will provide sufficient funds to enable the Company to meet its obligations for at least twelve months from the filing date of this report.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes. On an ongoing basis, management evaluates its estimates, including, but not limited to, accruals, fair value of assets and liabilities, impairment of assets, leases, share-based compensation and income taxes. Management bases its estimates on historical experience, knowledge of current events and actions it may undertake in the future that management believes to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentration of credit risk, consist primarily of cash, cash equivalents and investments. The Company maintains cash, cash equivalents and investments with various high credit quality and are invested through banks and other financial institutions in the United States. Such deposits may be in excess of federally insured limits. Management believes that the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held. The Company has not experienced any losses on deposits since inception.

Comprehensive Loss

Comprehensive loss consists of net loss and unrealized gains or losses on investments. The Company displays comprehensive loss and its components as part of the statements of operations and comprehensive loss.

Fair Value of Financial Instruments

The accounting guidance defines fair value, establishes a consistent framework for measuring fair value, and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. Fair value is defined as an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the accounting guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The carrying amounts of prepaid expenses and other current assets, accounts payable, accrued liabilities and other current liabilities approximate their fair value due to the short-term nature of these accounts.

Cash, Cash Equivalents, Investments and Restricted Cash

Cash and Cash Equivalents

The Company considers all highly liquid investments with insignificant interest rate risk and an original maturity of three months or less at the date of purchase to be cash equivalents. Cash includes demand deposits held in readily available checking accounts at a federally insured financial institution. Cash equivalents consist of money market funds, commercial paper, and U.S. Government securities.

Investments

Investments consist of corporate debt securities, commercial paper and Government securities, classified as available-for-sale securities and have maturities of greater than three months. The Company has classified its available-for-sale investment securities with maturities less than one year as current assets on the balance sheets because these are considered highly liquid securities and are available for use in current operations and its available-for-sale investment securities with maturities more than one year as non-current assets on the balance sheets. The Company carries these securities at fair value, and reports unrealized gains and losses as a separate component of accumulated other comprehensive income (loss). The cost of debt securities is adjusted for amortization of purchase premiums and accretion of discounts to maturity. Such amortization and accretion is included in interest income in the statements of operations and comprehensive loss. Realized gains and losses on sales of securities are determined using the specific identification method and recorded in other income, net in the statement of operations and comprehensive loss. We review our portfolio of available-for-sale securities, using both quantitative and qualitative factors, to determine if declines in fair value below amortized cost have resulted from a credit-related loss or other factors. If the decline in fair value is due to credit-related factors, we recognize a loss in the statement of operations, whereas if the decline in fair value is not due to credit-related factors, we recognize the loss in comprehensive loss.

Restricted Cash

The Company is required to maintain letters of credit related to its office and lab space leases in South San Francisco. This cash is the collateral for those letters of credit and per the terms of the leases, must remain in place until one to two months after the termination of the leases. As the remaining terms of the leases as of December 31, 2025 is greater than one year, the related restricted cash has been classified as non-current.

Property and Equipment, Net

Property and equipment, which consist of leasehold improvements, furniture and fixtures, research equipment, computers and software and construction-in-progress are stated at cost less accumulated depreciation. Depreciation and amortization is calculated using the straight-line method over the estimated useful lives of the assets, which ranges from three to five years. Leasehold improvements are amortized over the remaining life of the lease at the time the asset is placed into service.

Impairment of Long-Lived Assets

The carrying value of long-lived assets, including property and equipment and right-of-use assets, are reviewed for impairment whenever events or changes in circumstances indicate that the asset may not be recoverable. An impairment loss is recognized when the total of estimated future undiscounted cash flows, expected to result from the use of the asset and its eventual disposition, are less than its carrying amount. Impairment, if any, would be assessed using discounted cash flows or other appropriate measures of fair value. During the third quarter of 2025, the Company identified an indicator of impairment of its long-lived assets due to a sustained decline in the trading price of its common stock, which resulted in the Company's market capitalization falling below its net asset value. There were no changes in the continued intended use of its long-lived assets. The fair value of the right-of-use assets was determined by discounting the estimated cash flows using observed market lease rates for comparable properties and an estimated market participant borrowing rate of 8.5%. The fair value of property and equipment was estimated using trend factors applied to historical cost data, together with estimates of economic depreciation and expected useful lives. Based on the results of the fair value analyses, the Company recognized an impairment charge of $0.8 million related to the right-of-use asset, which was recorded in the statements of operations for the year ended December 31, 2025. The impairment charge is included within general and administrative expenses. No additional impairment charges were recognized subsequent to the third quarter of 2025, and no impairment charge was recorded during 2024.

Restructuring

Employee severance costs are recorded based on whether the termination benefits are provided under an on-going benefit arrangement or under a one-time benefit arrangement. The Company accounts for on-going termination benefit arrangements, such as those arising from employment agreements, applicable regulations or past practices, in accordance with Accounting Standards Codification ("ASC") Topic 712, Compensation-Nonretirement Postemployment Benefits ("ASC 712"). Under ASC 712, liabilities for post-employment benefits related to past services and that vest or are accumulated over time are recorded at the time the obligations are probable of being incurred and can be reasonably estimated. The Company accounts for one-time employment benefit arrangements in accordance with ASC Topic 420, Exit or Disposal Cost Obligations ("ASC 420"). One-time termination benefits are expensed at the date the entity notifies the employee, unless the employee must provide future service over a period extending past the minimum notification period, in which case the benefits are expensed ratably over the future service period. Other associated costs are recognized in the period in which the liability is incurred. See Note 14 for additional information on the severance expense that the Company recognized for employees terminated in connection with the reduction in force.

Collaborative Arrangements

The Company analyzes its collaboration arrangements to assess whether they are within the scope of Accounting Standards Codification ("ASC") Topic 808, Collaborative Arrangements ("ASC 808"), to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards that are dependent on the commercial success of such activities. To the extent the arrangement is within the scope of ASC 808, the Company assesses whether aspects of the arrangement between the Company and its collaboration partner are within the scope of other accounting literature, including ASC Topic 606, Revenue from Contracts with Customers ("ASC 606"). If it is concluded that some or all aspects of the arrangement represent a transaction with a customer, the Company will account for those aspects of the arrangement within the scope of ASC 606.

ASC 808 provides guidance for the presentation and disclosure of transactions in collaborative arrangements, but it does not provide recognition or measurement guidance. Therefore, if the Company concludes a counterparty to a transaction is not a customer or otherwise not within the scope of ASC 606, the Company considers the guidance in other accounting literature as applicable or by analogy to account for such transaction. The classification of transactions under the Company's arrangements is determined based on the nature and contractual terms of the arrangement along with the nature of the operations of the participants.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development costs consist primarily of salaries and other benefits of research and development personnel, including associated share-based compensation, costs related to research activities, preclinical studies, clinical trial, drug manufacturing and allocated overhead and facility-related expenses. The Company

accounts for non-refundable advance payments for goods or services that will be used in future research and development activities as expenses when the goods have been received or when the service has been performed rather than when the payment is made.

Clinical trial costs are a component of research and development expenses. The Company expenses costs for its clinical trial activities performed by third parties, including clinical research organizations and other service providers, as they are incurred, based upon estimates of the work completed over the life of the individual study in accordance with associated agreements. The Company uses information it receives from internal personnel and outside service providers to estimate the clinical trial costs incurred.

Leases

At the commencement date of a lease, the Company recognizes lease liabilities which represent its obligation to make lease payments, and right-of-use assets ("ROU assets") which represent its right to use the underlying asset during the lease term. The lease liability is measured at the present value of lease payments over the lease term. As the Company's leases typically do not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at the lease commencement date. The ROU asset is measured at cost, which includes the initial measurement of the lease liability and initial direct costs incurred by the Company and excludes lease incentives. ROU assets are recorded in operating lease ROU assets and lease liabilities are recorded in operating lease liabilities, current and noncurrent in the balance sheets. We have elected the practical expedient to account for the lease and non-lease components, such as common area maintenance charges, as a single lease component for our facilities leases, and elected the short-term lease recognition exemption for our short-term leases, under which we do not recognize lease liabilities and ROU assets for leases with an original term of twelve months or less.

Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Operating lease expense is recognized on a straight-line basis over the lease term. The Company does not recognize lease liabilities and ROU assets for short-term leases with terms of twelve months or less.

Share-Based Compensation

Share-based compensation expense represents the cost of the grant-date fair value of employee, officer, director, and non-employee stock option, employee stock purchase plan, and restricted stock unit grants, estimated in accordance with the applicable accounting guidance, recognized using the straight-line method over the vesting period for service-based options, employee stock purchase plan rights and restricted stock units. The vesting period generally approximates the expected service period of the awards. Forfeitures are recognized and accounted for as they occur.

The fair value of stock options and employee stock purchase plan rights are estimated using a Black-Scholes option pricing model on the date of grant. This method requires the use of the fair value of the underlying common stock and certain assumptions as inputs, including the expected term of the option before exercise, expected volatility of the Company's common stock, expected dividend yield, and a risk-free interest rate. Options granted during the year have a maximum contractual term of ten years. The Company has limited historical stock option activity and therefore estimates the expected term of stock options granted using the simplified method, which represents the average of the contractual term of the stock option and its weighted-average vesting period. The expected term of the employee stock purchase plan rights equals the six-month look-back period. The expected volatility is determined by using a blended approach of the Company's historical stock price volatility and the historical stock price volatility for a select group of other publicly traded companies in the same industry. The Company has historically not declared or paid any dividends and does not currently expect to do so in the foreseeable future. The risk-free interest rates used are based on the U.S. Department of Treasury ("U.S. Treasury") yield in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the expected term of the stock options. The fair value of restricted stock units is based on the closing price of the Company's common stock as reported on The Nasdaq Global Select Market on the date of grant.

Income Taxes

Income taxes have been accounted for using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates applicable to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance against deferred tax assets is recorded if, based upon the weight of all available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Segment Reporting

The Company's chief operating decision maker ("CODM"), its Chief Executive Officer, manages its operations and business as one operating segment for the purposes of allocating resources, makes operating decisions and evaluates financial performance. No product revenue has been generated since inception and all assets are held in the United States.

Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of common shares outstanding for the period, without consideration of potential dilutive securities. Pre-funded warrants are considered outstanding for the purposes of computing basic and diluted net loss per share because shares may be issued for little or no additional consideration and are fully vested and exercisable after the original issuance date of the pre-funded warrants. Diluted net loss per share is computed by dividing the net loss by the sum of the weighted average number of common shares plus the potential dilutive effects of potential dilutive securities outstanding during the period. Potential dilutive securities are excluded from diluted earnings or loss per share if the effect of such inclusion is antidilutive. The Company's potentially dilutive securities, which include unvested common stock, unvested restricted stock options, and outstanding stock options under the Company's equity incentive plans, have been excluded from the computation of diluted net loss per share as they would be anti-dilutive to the net loss per share. For all periods presented, there is no difference in the number of shares used to calculate basic and diluted shares outstanding due to the Company's net loss position.

Recent Accounting Pronouncements

Adopted Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in ASU 2023-09 address investor requests for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. The Company adopted this standard in the fiscal year beginning January 1, 2025 and implemented the applicable disclosure requirements within this annual report on a prospective basis.

Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). In January 2025, the FASB issued ASU 2025-0, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, to clarify the effective date of ASU 2024-03. These amendments require public entities to disclose specified information about certain costs and expenses on an interim and annual basis and is effective for annual reporting periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027, with early adoption permitted. The new standards are expected to be applied prospectively, but retrospective application is permitted. The Company is currently evaluating the impact on the financial statements and related disclosures.

There were no other significant updates to the recently issued accounting standards other than as disclosed herewith. Although there are several other new accounting pronouncements issued or proposed by the FASB, the Company does not believe any of those accounting pronouncements have had or will have a material impact on its financial position or operating results.

3. Net Loss Per Share

The following tables summarize the computation of the basic and diluted net loss per share (in thousands except share and per share data):

	Year Ended December 31,	
	2025	2024
Numerator:		
Net loss	$ (104,084)	$ (108,790)
Denominator:		
Weighted average common shares outstanding	70,991,166	65,570,217
Add: weighted average of common stock to be issued upon exercise of pre-funded warrants	3,000,031	2,295,106
Weighted average shares used to compute net loss per share, basic and diluted	73,991,197	67,865,323
Net loss per share, basic and diluted	$ (1.41)	$ (1.60)

The following table summarizes the outstanding potentially dilutive securities that have been excluded in the calculation of diluted net loss per share because their inclusion would be anti-dilutive:

	December 31,	
	2025	2024
Common stock options	10,737,203	9,069,194
Restricted stock units	648,959	1,167,911
	11,386,162	10,237,105

4. Fair Value of Financial Instruments

The following tables summarize the fair value of the Company's financial instruments (in thousands). Prior period amounts have been reclassified to conform to the current period presentation:

		Fair Value Measurements Using		
	December 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents:				
Money market funds	$ 33,869	$ 33,869	$ —	$ —
Commercial paper	5,264	—	5,264	—
Total cash equivalents	$ 39,133	$ 33,869	$ 5,264	$ —
Short-term investments:				
Corporate debt securities	$ 134,847	$ —	$ 134,847	$ —
Commercial paper	25,952	—	25,952	—
U.S. Treasury securities	66,849	—	66,849	—
U.S. government agency securities	8,997	—	8,997	—
Total short-term investments	$ 236,645	$ —	$ 236,645	$ —
Long-term investments:				
Corporate debt securities	$ 11,759	$ —	$ 11,759	$ —
U.S. Treasury securities	$ 4,029	$ —	$ 4,029	$ —
U.S. government agency securities	319	—	319	—
Total long-term investments	$ 16,107	$ —	$ 16,107	$ —
Total	$ 291,885	$ 33,869	$ 258,016	$ —

	December 31, 2024	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents:				
Money market funds	$ 25,617	$ 25,617	$ —	$ —
Commercial paper	1,395	—	1,395	—
U.S. government agency securities	300	—	300	—
Total cash equivalents	$ 27,312	$ 25,617	$ 1,695	$ —
Short-term investments:				
Corporate debt securities	$ 124,548	$ —	$ 124,548	$ —
Commercial paper	22,820	—	22,820	—
U.S. Treasury securities	78,691	—	78,691	—
U.S. government agency securities	13,422	—	13,422	—
Total short-term investments	$ 239,481	$ —	$ 239,481	$ —
Long-term investments:				
Corporate debt securities	$ 86,262	$ —	$ 86,262	$ —
U.S. Treasury securities	18,088	—	18,088	—
U.S. government agency securities	6,042	—	6,042	—
Total long-term investments	$ 110,392	$ —	$ 110,392	$ —
Total	$ 377,185	$ 25,617	$ 351,568	$ —

The market participant estimated borrowing rate of 8.5% that was utilized in the discounted cash flow analysis for the impairment of the right-of-use assets is an unobservable Level 3 input.

Cash Equivalents and Investments

Financial assets measured at fair value on a recurring basis consist of the Company's cash equivalents and investments. Cash equivalents consisted of money market funds, commercial paper, and Government securities and investments consisted of commercial paper, corporate debt securities and Government securities. The Company obtains pricing information from its investment manager and determines the fair value of investment securities using standard observable inputs, including reported trades, broker/dealer quotes, and bids and/or offers.

Investments are classified as Level 1 within the fair value hierarchy if their quoted prices are available in active markets for identical securities. Investments in money market funds of $33.9 million and $25.6 million included in cash equivalents as of December 31, 2025 and 2024, respectively, were classified as Level 1 instruments.

Investments in corporate debt securities, commercial paper and Government securities included in short-term and long-term investments are valued using Level 2 inputs. Level 2 securities are initially valued at the transaction price and subsequently valued and reported upon utilizing inputs other than quoted prices that are observable either directly or indirectly, such as quotes from third-party pricing vendors. Fair values determined by Level 2 inputs, which utilize data points that are observable such as quoted prices, interest rates and yield curves, require the exercise of judgment and use of estimates, that if changed, could significantly affect the Company's financial position and results of operations.

The Company has classified its investment securities as current and non-current assets on the balance sheets based on each security's maturity date, and all investment securities are accounted for as available-for-sale because these investment securities are considered available for use in operations. All of our long-term investments as of December 31, 2025 had maturities between one and two years.

The following tables summarize the Company's investments as of December 31, 2025 and 2024 (in thousands):

		December 31, 2025			
	Maturity (in years)	Amortized Cost	Unrealized Losses	Unrealized Gains	Estimated Fair Value
Corporate debt securities	1 year or less	$ 134,582	$ (4)	$ 269	$ 134,847
Commercial paper	1 year or less	25,952	—	—	25,952
U.S. Treasury securities	1 year or less	66,753	—	96	66,849
U.S. government agency securities	1 year or less	8,970	—	27	8,997
Corporate debt securities	Greater than 1 year	11,757	(3)	5	11,759
U.S. Treasury securities	Greater than 1 year	4,013	—	16	4,029
U.S. government agency securities	Greater than 1 year	318	—	1	319
Total		$ 252,345	$ (7)	$ 414	$ 252,752

		December 31, 2024			
	Maturity (in years)	Amortized Cost	Unrealized Losses	Unrealized Gains	Estimated Fair Value
Corporate debt securities	1 year or less	$ 124,283	$ (38)	$ 303	$ 124,548
Commercial paper	1 year or less	22,820	—	—	22,820
U.S. Treasury securities	1 year or less	78,593	(9)	107	78,691
U.S. government agency securities	1 year or less	13,420	(8)	10	13,422
Corporate debt securities	Greater than 1 year	85,992	(62)	332	86,262
U.S. Treasury securities	Greater than 1 year	18,074	(27)	41	18,088
U.S. government agency securities	Greater than 1 year	6,017	(2)	27	6,042
Total		$ 349,199	$ (146)	$ 820	$ 349,873

The Company considers whether unrealized losses have resulted from a credit loss or other factors. The unrealized losses on the Company's available-for-sale securities as of December 31, 2025 and 2024 were caused by fluctuations in market value and interest rates as a result of the economic environment and not credit risk. The Company concluded that an allowance for credit losses was unnecessary as of December 31, 2025 and 2024. It is neither management's intention to sell nor is it more likely than not that the Company will be required to sell these investments prior to recovery of their cost basis or recovery of fair value. During the twelve months ended December 31, 2025, the Company received $37.0 million in proceeds from available-for-sale securities called prior to maturity, resulting in an immaterial realized gain and included within maturities of investments. The available-for-sale securities were called within 90 days of the stated maturity. No investments were sold or called prior to their original maturity date during 2024. Unrealized gains and losses are included in accumulated other comprehensive income (loss).

The Company excludes accrued interest from both the fair value and the amortized cost basis of the available-for-sale debt securities for the purposes of identifying and measuring an impairment and to not measure an allowance for expected credit losses for accrued interest receivables. Accrued interest receivable is written off through net realized investment gains (losses) at the time the issuer of the bond defaults or is expected to default on payment. It is the Company's policy to present the accrued interest receivable balance as part of prepaid expenses and other current assets in the balance sheets. Accrued interest receivable related to investments was $2.0 million and $2.5 million as of December 31, 2025 and 2024, respectively.

5. Balance Sheet Components

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets are comprised of the following (in thousands):

	December 31,	
	2025	2024
Prepaid expenses	$ 3,819	$ 3,249
Other current assets	2,414	2,735
Total prepaid expenses and other current assets	$ 6,233	$ 5,984

Property and Equipment, Net

Property and equipment, net is comprised of the following (in thousands):

	December 31,	
	2025	2024
Leasehold improvements	$ 66,487	$ 66,618
Furniture and fixtures	668	746
Research equipment	17,576	16,914
Computers and software	373	404
Construction-in-progress	10,568	10,821
Total property and equipment, gross	95,672	95,503
Less accumulated depreciation and amortization	(28,951)	(20,845)
Total property and equipment, net	$ 66,721	$ 74,658

Depreciation and amortization expense was $9.2 million for each of the years ended December 31, 2025 and 2024.

Accrued and Other Current Liabilities

Accrued and other current liabilities are comprised of the following (in thousands):

	December 31,	
	2025	2024
Accrued compensation	$ 6,065	$ 7,918
Accrued research and development costs	6,443	3,633
Accrued property and equipment	—	254
Other accrued and current liabilities	780	424
Total accrued and other liabilities	$ 13,288	$ 12,229

6. Leases

The Company has operating leases for its current corporate offices, laboratory space, manufacturing facility, and dedicated space in a vivarium in South San Francisco, California.

The components of lease expense were as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Operating lease expense	$ 9,423	$ 10,578
Variable lease expense [(1)]	954	1,247
Total lease expense	$ 10,377	$ 11,825

[(1)] Variable lease expense for the periods presented primarily included common area maintenance charges.

Supplemental information related to operating leases were as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows used for operating leases	$ 12,567	$ 14,680

The weighted-average remaining lease term was 8.1 years for the corporate office and laboratory space leases as of December 31, 2025. The corporate office lease includes an option to renew for an additional seven years. However, the renewal option was not included in the lease term for calculating the lease liability, as the renewal option allows the Company to maintain operational flexibility, and the Company was not reasonably certain that it would exercise the renewal option at the time of the lease commencement. The weighted-average discount rate was 9.7% as of December 31, 2025.

Maturities of operating lease liabilities under existing operating leases as of December 31, 2025 were as follows (in thousands):

Year ending December 31,	Amount
2026	$ 13,039
2027	13,474
2028	13,924
2029	13,927
2030	12,960
2031 and thereafter	44,498
Total lease payments	111,822
Less imputed interest	(35,402)
Total operating lease liabilities	$ 76,420
Operating lease liabilities:	
Current	6,889
Non-current	69,531
Total lease liability	$ 76,420

Initial Lease Agreement

In May 2018, the Company entered into a lease agreement for corporate office and laboratory space located in South San Francisco, California with an expiration date in May 2025 (the "Initial Lease Agreement"). In April 2019, the Company executed the first amendment to the Initial Lease Agreement for additional corporate space, laboratory space and manufacturing capabilities. In May 2020, the Company executed the second amendment to the Initial Lease Agreement for additional corporate space and laboratory space in the same building. The lease for this additional space commenced in January 2021. In January 2021, the Company signed a third amendment to the Initial Lease Agreement for additional space in the same building. The lease amendment for this additional space commenced in April 2021 and expired in March 2024. In October 2021, the Company signed a fourth amendment to the Initial Lease Agreement for additional space in the same building, that commenced in April 2022. All space leased under the Initial Lease Agreement, together with the first amendment, second amendment, and fourth amendment to the Initial Lease Agreement, has a lease term through July 31, 2030, with an option to extend the lease for an additional seven-year term. This lease extension option was not considered in the right-of-use assets or the lease liability as the Company did not consider it reasonably certain the option would be exercised. In December 2024, the Company executed a sixth amendment to the Initial Lease Agreement, which updated the lease termination date for one of the spaces in the same building to July 31, 2025. In connection with the amendment, the Company agreed to pay the landlord a termination fee of $1.1 million, $0.6 million of which was paid in December 2024 and the remaining paid in July 2025. As a result of the modification, the Company decreased its right-of-use asset and lease liability each by $2.2 million.

Additional Lease Agreement

In July 2021, the Company entered into an additional lease agreement for corporate office, manufacturing and laboratory space located in South San Francisco, California with an expiration date approximately twelve years after the lease commencement date (as amended from time to time, the "Additional Lease Agreement"). The lease for this additional space and the Company's obligation to pay rent commenced in January 2022. In addition to base rent, the Company is responsible for payment of direct expenses, which include operating, insurance and tax expenses. The Additional Lease Agreement provided for certain tenant improvement allowances that were fully utilized and reimbursed to the Company, and an additional tenant improvement allowance to be utilized at the option of the Company. In June 2023, the Company entered into an amendment to utilize the additional tenant improvement allowance of $4.4 million and under this amendment the Company is required to repay the tenant improvement costs in equal monthly payments at an annual rate of 8.5% over the remainder of the lease term starting in July 2023.

Vivarium Lease Agreement

In October 2025, the Company entered into a lease modification agreement for dedicated space in a vivarium in South San Francisco, California, with an expiration date of December 31, 2028. As a result of the modification agreement in 2025, the Company increased its right-of-use asset and lease liability each by $1.1 million.

Sublease Agreements

In September 2024 and November 2024, the Company entered into agreements to sublease a portion of the Company's leased corporate office space through November 2027 and July 2030, respectively. The sublease agreements both commenced during the fourth quarter of 2024 and rent payments commenced in 2025. The Company accounts for the sublease agreements in accordance with ASC 842, Leases. Sublease income during the years ended December 31, 2025 and 2024, was not material.

7. Commitments and Contingencies

Guarantee Agreement

The Company has agreements whereby it indemnifies its officers and directors for certain events or occurrences while the officer or director is, or was, serving at the Company’s request in such capacity. The term of the indemnification period is for the officer’s or director’s lifetime. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has a director and officer insurance policy that limits its exposure and enables the Company to recover a portion of any future amounts under certain circumstances and subject to deductibles and exclusions. The Company had no liabilities recorded for these agreements as of December 31, 2025 and 2024.

Letters of Credit

The Company has $2.7 million in letter of credit agreements with a financial institution that are used as collateral for the Company’s corporate headquarters’ operating leases. The letters of credit automatically renew annually without amendment unless cancelled by the financial institutions within 30 to 60 days of the annual expiration date. The letters of credit are presented as restricted cash in the balance sheets.

Contingencies

The Company, from time to time, may be involved in litigation arising in the ordinary course of business. The Company assesses its potential liability in such situations by analyzing potential outcomes, assuming various litigation, regulatory and settlement strategies. If the Company determines a loss is probable and its amount can be reasonably estimated, the Company accrues an amount equal to the estimated loss. No losses and no provision for a loss contingency have been recorded to date.

Purchase Commitments

The Company enters into contracts in the normal course of business 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 non-cancelable obligations under these agreements are not material.

8. Collaboration and License Agreements

CRISPR Collaboration Agreement

On May 5, 2021, the Company entered into a Research Collaboration Agreement with CRISPR (as amended, the "CRISPR Agreement") to co-develop and co-commercialize an allogeneic, off-the-shelf CAR NK product candidate targeting the CD70 tumor antigen and an allogeneic, off-the-shelf product candidate that comprises both engineered NK cells and engineered T cells. The Company and CRISPR have entered into a number of amendments to the CRISPR Agreement to, among other things, revise the transfer of materials, nomination provisions, permit the Company's advancement of CRISPR-licensed product candidates targeting a specified tumor antigen (the "Specified TA"), and incorporate associated development and regulatory approval milestones and sales based royalties. In addition, the Company has received licenses from CRISPR for five CRISPR-Cas9 gene editing targets that can be engineered into an unlimited number of its own NK cell products. CRISPR also has an option to co-develop and co-commercialize a future CAR NK program. Subsequently, pursuant to terms of the CRISPR Agreement, CRISPR elected to exercise its right to opt-out

of continuing the research of the initial collaboration product, NKX070. The opt-out became effective in September 2025. The Company retains a license to the initial collaboration product, subject to the same potential future milestone and royalty payments owed to CRISPR as described below for non-collaboration products. Currently, the Company is not performing any work on this initial collaboration product and no milestones have been achieved or are probable.

Under the terms of the CRISPR Agreement now, the Company and CRISPR share equally in all research and development costs and potential profits worldwide related to the NK+T product candidate and the potential future CAR NK program. The Company has deprioritized further development of NKX070 and NK+T.

For each non-collaboration product candidate incorporating a genome editing target licensed from CRISPR (a "CRISPR-Licensed Product Candidate"), other than those targeting the Specified TA, the Company would retain worldwide rights and may be required to make potential future payments based on the achievement of development and regulatory approval milestones totaling less than mid-twenty million dollars, as well as tiered royalties up to the mid-single digits on net product sales of such product candidate. For each CRISPR-Licensed Product Candidate targeting the Specified TA, the Company would retain worldwide rights and may be required to make potential future payments based on the achievement of development and regulatory approval milestones totaling less than high-forty million dollars, as well as tiered royalties up to the mid-single digits on net product sales of such product candidate. As of December 31, 2025, the Company has not paid any amounts nor are any amounts owed by the Company under the CRISPR Agreement, and no milestones have been achieved or are probable.

MaxCyte License Agreement

On October 26, 2021, the Company entered into a license agreement (the "MaxCyte Agreement") with MaxCyte, Inc. ("MaxCyte") to obtain non-exclusive clinical and commercial rights to use MaxCyte's cell loading technology to develop and commercialize in up to ten licensed products.

In connection with the MaxCyte Agreement, the Company must pay to MaxCyte annual research license fees and commercialization license fees, ranging from $0.1 million to $0.3 million, for each instrument licensed by the Company. Further, the Company could be required to make milestone payments to MaxCyte upon completion of certain regulatory and commercial milestones related to the clinical development and commercialization of certain of the Company’s licensed products. The aggregate potential milestone payments range from $10 million to $13 million per licensed product. Additionally, the Company may be required to make net sales milestone payments totaling between $61.9 million to $116.8 million per licensed product. As of December 31, 2025, no milestones have been achieved.

University of Singapore and St. Jude Children’s License Agreement

In August 2016, the National University of Singapore ("NUS") and St. Jude Children’s Research Hospital ("St. Jude") and the Company entered into a license agreement under which NUS and St. Jude (the "Licensors") granted the Company an exclusive, royalty-bearing, worldwide license to its patent rights related to a method for expanding NK cells; a chimeric receptor with NKG2D specificity; and a method for supporting autonomous NK cell function ("NUS and St. Jude License Agreement"). The NUS and St. Jude License Agreement provides the Company with the rights to grant and authorize sublicenses to make, have made, use, sell, offer for sale and import products and otherwise exploit the patent rights.

As consideration for the license, the Company made an upfront payment of $31,800 and issued NUS 250,000 shares of the Company’s common stock. The Company determined that the upfront payment (42,750 Singapore Dollars (“SGD”)) and value of the common stock issued ($2,500 based on fair value at time of issuance) as part of the license agreement would be expensed upon execution of the contract as the license was acquired for research and development purposes which does not have alternative future uses, and the underlying technology has not reached technological feasibility, hence the Company expensed these costs during 2016.

In addition, the Company is required to pay an annual license maintenance fee of SGD 25,000, increasing to SGD 50,000 after year two of the agreement. Further, the Company could be required to make milestone payments to the Licensors upon completion of certain regulatory and commercial milestones related to the clinical development and commercialization of certain of the Company’s product candidates. The aggregate potential milestone payments are approximately SGD 5 million. The Company has also agreed to pay the Licensors royalties of 2.5% of net sales of products sold by the Company or through a sublicense. Additionally, the Company agreed to pay the Licensors a tiered percentage of sublicensing income (ranging from 7.5% to 20%) based on the timing of capital raised and stage of clinical trials. The NUS and St. Jude License Agreement also includes certain performance objectives which obligate the Company to meet various milestones related to the clinical development and commercialization of certain of the Company’s product candidates over time for up to 120 months after the effective date of the NUS and St. Jude License Agreement.

The Company recorded $37,000 of license maintenance fees included as part of research and development expenses for each of the years ended December 31, 2025 and 2024. As of December 31, 2025, no milestones have been achieved.

9. Employee Benefits

On January 1, 2018, the Company adopted a defined contribution 401(k) plan that is available to eligible employees. Under the terms of the plan, employees may make voluntary contributions as a percent of compensation, limited to the maximum amount allowable under federal tax regulations. As part of the plan, the Company elected to make non-matching contributions via mandatory 3% of compensation safe harbor nonelective contributions. The Company recognized $1.0 million and $0.9 million for expense related to the nonelective 401(k) contributions for the years ended December 31, 2025 and 2024, respectively.

10. Stockholders' Equity

Common Stock

On June 13, 2024, the stockholders approved an amendment to the Company's Restated Certificate of Incorporation to increase the number of total authorized shares of the Company's common stock, $0.0001 par value per share, from 100,000,000 to 200,000,000 shares.

Common stockholders are entitled to dividends if and when declared by the Company's Board of Directors subject to the prior rights of the preferred stockholders. As of December 31, 2025 and 2024, no dividends on common stock had been declared by the Company's Board of Directors.

Follow-on Offerings

In March 2024, the Company completed an underwritten public offering utilizing the Shelf Registration Statement, pursuant to which it sold an aggregate of (i) 21,010,000 shares of its common stock at a price of $10.00 per share, and (ii) pre-funded warrants to purchase 3,000,031 shares of its common stock at a price of $9.9999 per pre-funded warrant. The pre-funded warrants can be exercised at any time after issuance for an exercise price of $0.0001 per share, subject to certain ownership limitations. As of December 31, 2025, none of the pre-funded warrants have been exercised. The Company raised $240.1 million in gross proceeds before underwriting discounts and commissions of $14.4 million and other offering expenses of $0.6 million.

In accordance with ASC 480-10, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity and ASC 815-40, Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock, the Company determined that the pre-funded warrants should be equity classified because they are freestanding financial instruments, are immediately exercisable, do not embody an obligation for the Company to repurchase its shares, permit the holders to receive a fixed number of shares of common stock upon exercise, are indexed to the Company's common stock and meet the equity classification criteria.

11. Share-Based Compensation

Equity Incentive Plan

The Company's 2020 Performance Incentive Plan (the "2020 Plan") which was adopted by the Company's board of directors in June 2020 and approved by the Company's stockholders in July 2020, became effective upon the consummation of the IPO in July 2020. Upon the effectiveness of the 2020 Plan, no further grants may be made under the Company's prior equity incentive plan, the 2015 Equity Incentive Plan (the "2015 Plan"). The 2020 Plan allows for the grant of incentive stock options, non-qualified stock options, stock appreciation rights, stock bonuses, restricted stock, stock units and other forms of awards including cash awards to its officers, directors, employees, consultants and advisors.

As of December 31, 2025, a total of 14,380,237 shares of the Company's common stock were authorized for issuance with respect to awards granted under the 2020 Plan (this number of shares gives effect to the annual increases in the 2020 Plan share limit, as described in the next sentence). The share limit will automatically increase on the first trading day in January of each year by an amount equal to the lesser of (1) 5% of the total number of outstanding shares of the Company's common stock on the last trading day in December in the prior year, or (2) such lesser number as determined by the Company's board of directors. Any shares subject to awards granted under the 2020 Plan or the 2015 Plan that are not paid, delivered or exercised before they expire or are canceled or terminated, or otherwise fail to vest, as well as shares used to pay the purchase or exercise price of such awards or related tax withholding obligations, will become available for new award grants under the 2020 Plan. A total of 3,914,097 shares were available for new award grants under the 2020 Plan as of December 31, 2025.

The following table summarizes the stock option activity during the year ended December 31, 2025 (in thousands, except number of shares, exercise prices and contractual term):

	Number of shares	Weighted-average exercise price	Weighted-average remaining contractual term (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2024	9,069,194	$ 10.55	7.0	$ 263
Granted	4,614,869	2.12		
Exercised	(10,630)	0.02		
Forfeited	(2,936,230)	5.88		
Outstanding at December 31, 2025	10,737,203	$ 8.22	6.6	$ 134
Exercisable at December 31, 2025	6,073,982	$ 12.12	4.7	$ 2
Vested and expected to vest at December 31, 2025	10,737,203	$ 8.22	6.3	$ 134

The aggregate intrinsic value represents the difference between the exercise price of stock options and the quoted closing market price of the Company's common stock on the applicable date for all in-the-money stock options.

Additional information related to the Company's stock options is summarized below (in thousands, except per share amounts):

	Year Ended December 31,	
	2025	2024
Weighted-average grant-date fair value of stock option grants per share	$ 1.72	$ 5.02
Intrinsic value of options exercised	$ 22	$ 798

The following table summarizes the restricted stock unit activity during the year ended December 31, 2025:

	Number of shares	Weighted-average grant date fair value per share	Weighted-average remaining contractual term (in years)
Outstanding at December 31, 2024	1,167,911	$ 6.71	1.4
Granted	778,078	2.50	
Forfeited	(969,788)	4.86	
Vested	(327,242)	6.87	
Outstanding at December 31, 2025	648,959	$ 4.34	1.2

The weighted-average grant-date fair values of restricted stock units granted during the years ended December 31, 2025 and 2024 were $2.50 and $6.04, respectively. The fair value of restricted stock units that vested in the years ended December 31, 2025 and 2024 totaled $0.7 million and $1.4 million, respectively.

Employee Stock Purchase Plan

The Company's 2020 Employee Stock Purchase Plan (the "ESPP"), which was adopted by the Company's board of directors in June 2020 and approved by the Company's stockholders in July 2020, became effective upon the consummation of the IPO. The ESPP allows eligible employees to purchase shares of the Company's common stock at a discount through payroll deductions of up to 15% of their eligible compensation, subject to any plan limitations. The ESPP provides for six-month offering periods, and at the end of each offering period, employees are able to purchase shares at 85% of the lower of the fair market value of the Company's common stock on the first trading day of the offering period or on the last trading day of the offering period. During 2025 and 2024, 95,520 and 144,049 shares were issued under the ESPP resulting in aggregate cash proceeds of $0.1 million and $0.3 million, respectively. As of December 31, 2025, 2,173,680 shares remained available for issuance under the ESPP (after giving effect to share purchases made under the ESPP through and including the ESPP offering period that ended on November 30, 2025).

Common Stock Reserved for Future Issuance

As of December 31, 2025, the Company had reserved the following shares of common stock for future issuance:

	December 31, 2025
Common stock options and restricted stock units granted and outstanding	11,386,162
Reserved for future equity award grants	3,914,097
Reserved for future ESPP issuances	2,173,680
	17,473,939

Share-Based Compensation Expense

Share-based compensation expense for the years ended December 31, 2025 and 2024 were as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Research and development	$ 3,202	$ 7,955
General and administrative	5,357	8,776
Total share-based compensation expense	$ 8,559	$ 16,731

The total unrecognized compensation cost related to stock options was $10.7 million, which is expected to be recognized over a weighted-average remaining service period of 2.3 years as of December 31, 2025. The total unrecognized compensation cost related to restricted stock units was $1.7 million, which is expected to be recognized over a weighted-average remaining service period of 2.4 years as of December 31, 2025.

Fair Value Disclosures

The fair value of stock options was estimated on the date of grant using the quoted market price for the Company's common stock on the applicable grant date and the Black-Scholes option pricing model with the following range of assumptions:

	Year Ended December 31,	
	2025	2024
Options		
Risk-free interest rate	3.7% - 4.5%	3.5% - 4.5%
Expected volatility	100.3% - 103.8%	100.4% - 117.3%
Expected term (in years)	5.5 - 6.1	5.5 - 6.1
Expected dividend yield	—	—
ESPP		
Risk-free interest rate	3.8% - 4.4%	4.4% - 5.4%
Expected volatility	63.5% - 90.3%	83.2% - 152.7%
Expected term (in years)	0.5	0.5
Expected dividend yield	—	—

The Company recognizes compensation costs related to stock options granted to employees and nonemployees based on the estimated fair value of the awards on the date of grant, net of forfeitures. The Company generally recognizes grant-date fair value of stock options granted to employees and non-employee service providers on a straight-line basis over the requisite service period, which is generally the vesting term of the respective awards. The Company determines the fair value of stock options with a service condition as described above. The Company accounts for the impact of forfeitures as they occur. The determination of the fair value of share-based payment awards utilizing the Black-Scholes option-pricing model is affected by the Company's stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends.

Expected term. The Company opted to use the "simplified method" for estimating the expected term of employee options, whereby the expected term equals the average of the vesting term and the original contractual term of the option (generally 10 years). The expected term of the employee stock purchase plan rights equals the six-month look-back period.

Expected volatility. Due to the Company's limited operating history and a lack of company specific historical and implied volatility data, since inception and prior to 2023, the Company based its estimate of expected volatility on an average of the historical volatilities of the common stock of comparable publicly traded biopharmaceutical companies over a period equal to the expected term

of the stock option grants. For the grants after 2023, the expected volatility was determined by using a blended approach of the Company's historical stock price volatility and the historical stock price volatility for a select group of other publicly traded companies in the same industry. The comparable companies were chosen based on their similar size, stage in the life cycle, and financial leverage to the Company.

Risk-free interest rate. The risk-free rate assumption is based on the U.S. Treasury instruments with maturities similar to the expected term of the stock options.

Expected dividend yield. The Company has not issued any dividends and does not expect to issue dividends over the life of the options, as a result the estimated dividend yield is zero.

12. Income Taxes

Due to the Company's net losses for the years ended December 31, 2025 and 2024, and since the Company has a full valuation allowance against deferred tax assets, there was no tax provision or benefit for income taxes recorded in the years presented.

As further described in Note 2, we have elected to prospectively adopt the guidance in *ASU 2023-09*. The following table is a reconciliation of the U.S. federal statutory income tax rate to the Company's effective income tax rate for the year ended December 31, 2025 in accordance with *ASU 2023-09* (in thousands, except percent):

	Year Ended December 31, 2025	
	Amount	*Percent*
U.S. federal statutory income tax rate	$ (21,858)	21.0%
State and local income taxes, net of federal income tax effect [1]	(273)	0.3
Tax credits:		
Research and development tax credits	(3,022)	2.9
Change in valuation allowance	22,337	(21.5)
Nondeductible items:		
Share-based compensation	1,721	(1.7)
Other	369	(0.3)
Changes in unrecognized tax benefits	726	(0.7)
Income tax expense	$ —	0.0%

[1] The majority of the state and local income taxes, net of federal effect, category is California.

The following table is a reconciliation of the U.S. federal statutory income tax rate to the Company's effective income tax rate for the year ended December 31, 2024, in accordance with the guidance prior to the adoption of *ASU 2023-09* (in thousands):

	Year Ended December 31, 2024
Income tax benefit at statutory rates	$ (22,846)
State income tax, net of federal benefit	(1,701)
Permanent items	2,877
Research and development credits	(3,640)
Change in valuation allowance	25,310
Income tax expense	$ —

Significant components of the Company's deferred tax assets are shown below (in thousands):

	December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carry forwards	$ 67,146	$ 53,520
Depreciation and amortization	341	338
Research and development credits	29,238	25,123
Share-based compensation	5,016	5,122
Accrued expenses	1,770	1,535
Operating lease liability	16,048	16,857
Other, net	22	62
Capitalized research and development expenditures	44,865	39,385
Total deferred tax assets	164,446	141,942
Valuation allowance for deferred tax assets	(151,363)	(127,479)
Deferred tax assets, net of valuation allowance	13,083	14,463
Deferred tax liabilities:		
Operating lease right-of-use asset	(7,259)	(7,644)
Depreciation and amortization	(5,824)	(6,819)
Net deferred tax assets	$ —	$ —

Public Law No. 119–21 was enacted on July 4, 2025, as H.R. 1 during the 119th Congress and formally titled "An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14" ("2025 Reconciliation Act"). The 2025 Reconciliation Act includes several significant tax provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The Company evaluated the impact of the 2025 Reconciliation Act and determined that it did not have a material impact on the Company's financial statements for the year ended December 31, 2025.

The Company has a net operating loss and has provided a valuation allowance against net deferred tax assets due to uncertainties regarding the Company's ability to realize these assets. The valuation allowance increased by $23.9 million and $25.3 million as of December 31, 2025 and 2024, respectively.

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences representing net future deductible amounts become deductible. Due to the Company's history of losses, and lack of other positive evidence, the Company has determined that it is more likely than not that its net deferred tax assets will not be realized, and therefore, the net deferred tax assets are substantially offset by a valuation allowance as of December 31, 2025 and 2024. The deferred tax assets were primarily comprised of federal and state tax net operating losses, capitalized research and development expenditures, and tax credit carryforwards.

As of December 31, 2025, the Company had net operating loss ("NOL") carryforwards of approximately $298.1 million and $65.1 million, available to reduce future taxable income, if any, for federal and California state income tax purposes, respectively. Of the $298.1 million federal NOL carryforwards, $3.2 million will begin expiring in 2035, if not utilized, while $294.9 million can be carried forward indefinitely. The state NOL carryforwards will begin expiring in 2036, if not utilized.

The Company also had federal and state research and development credit carry forwards of approximately $25.1 million and $11.8 million, respectively, as of December 31, 2025. The federal credits will begin expiring in 2035 if not utilized. The California credits have no expiration date.

Utilization of the NOL and research and development credit carryforwards may be subject to a substantial annual limitation due to ownership change limitations that may have occurred or that could occur in the future, as required by Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), as well as similar state provisions. The future utilization of the Company's NOL and tax credit carryforwards to offset future taxable income may be subject to a substantial annual limitation as a result of changes in ownership by stockholders that hold 5% or more of the Company's common stock. An assessment of such ownership changes under Section 382 was not completed through December 31, 2025. To the extent that an assessment is completed in the future, the Company's ability to utilize tax attributes could be restricted on a year-by-year basis and certain attributes could expire before they are utilized. The Company will examine the impact of any potential ownership changes in the future.

The balance of gross unrecognized tax benefits as of December 31, 2025 and 2024 was approximately $5.5 million and $4.7 million, respectively, of which none would affect the Company's effective tax rate if recognized due to the Company's full valuation allowance position. The Company recognizes interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. No interest or penalties were recorded for the years ended December 31, 2025 and 2024.

The following table summarizes the changes in the Company's gross unrecognized tax benefits (in thousands):

	December 31,	
	2025	2024
Balance at the beginning of the year	$ 4,748	$ 3,738
Increases related to tax positions taken in prior years	24	—
(Decreases) related to tax positions taken in prior years	(98)	(83)
Increases related to tax positions taken in current year	872	1,093
Balance at the end of the year	$ 5,546	$ 4,748

As of December 31, 2025, the federal and state returns for the years ended 2015 through the current period remain subject to examination by taxing authorities due to the tax attribute carryforwards. The Company is currently under examination by the Internal Revenue Service ("IRS") for the Company's 2023 United States ("U.S.") income tax return. The Company is not currently under examination by any state income or franchise tax agency.

In March 2020, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law, providing numerous tax provisions and other stimulus measures. Among these was the Employee Retention Credit ("ERC"), a refundable tax credit against certain employment taxes for qualifying businesses that retained employees on their payroll during the COVID-19 pandemic.

In the third quarter of 2025, the Company received approval and payment from the IRS for ERC claims submitted. The Company received $1.7 million, including interest, in payments related to calendar years 2020 and 2021. This amount, due to the uncertainty of eventual receipt following claims made, was not recognized until receipt. For the twelve months ended December 31, 2025, $1.5 million was recognized within other income and $0.2 million was recognized in interest income in the statement of operations.

13. Segment Reporting

The Company operates as a single reporting segment, focused on the research and development of cell therapies for patients with autoimmune diseases. The Company's measure of segment profit or loss is net loss. The Chief Executive Officer, as the CODM, manages and allocates resources to the operations of the Company on a total company basis. The Company monitors its cash, cash equivalents, and investments as reported on the Company's Balance Sheets to determine funding for its research and development. The measure of segment assets is reported as total assets on the Company's balance sheet.

As the Company is not yet generating revenue, the CODM evaluates its performance based on progress in pre-clinical and clinical research objectives. Along with the Company's Statement of Operations and Comprehensive Loss, the CODM regularly reviews budgeted and forecasted expenses to assess liquidity requirements and allocate cash accordingly.

The following table is representative of the significant expense categories regularly provided to the CODM when managing the Company's single reporting segment.

A reconciliation to the net loss for the years ended December 31, 2025 and 2024 is included at the bottom of the table below.

	December 31,	
	2025	2024
Segment expenses:		
Personnel related expenses, excluding share-based compensation[1]	$ 39,762	$ 41,129
Facilities expenses	18,884	19,403
Direct external development program expenses	23,302	21,431
Other segment expenses[2]	21,506	20,348
Total segment expenses:	103,454	102,311
Segment loss	(103,454)	(102,311)
Reconciling items:		
Depreciation and amortization	(9,193)	(9,152)
Share-based compensation	(8,559)	(16,731)
Impairment of ROU asset	(791)	
Interest income	15,494	19,317
Other income, net	2,419	87
Net loss	$ (104,084)	$ (108,790)

(1) Personnel related expenses include $4.9 million of severance and other benefits expense for the year ended December 31, 2025.
(2) Other segment items include consultants and contractor, lab supplies, and general business expenses.

14. Reduction in Force

On March 26, 2025, the Company announced a reduction in force (the "Reduction") that resulted in a reduction of 53 positions, representing approximately 34% of the Company's workforce. The Company undertook the Reduction to decrease its costs and create a more streamlined organization to focus on upcoming clinical data updates.

Employees affected by the Reduction were entitled to receive severance payments and certain Company-funded benefits totaling approximately $5.4 million in costs. The Company recognized severance and benefit expense in full for employees who were notified of their termination in March 2025 and had no requirements for future service. The Company recognized expense for employees who were required to render services to receive their severance and benefits ratably over the service period from April 2025 to October 31, 2025. These charges were recorded pursuant to ASC 712 or ASC 420, depending on the agreements with the impacted employees. The expense was recognized in general and administrative operating expenses in the statements of operations and comprehensive loss.

The following table provides details of the severance and other termination benefit expense with the remaining balance of the liability recorded in accrued and other current liabilities on the condensed balance sheets for the year ended December 31, 2025 (in thousands):

	No Future Service Period Required	Future Service Period Required	Total
Total severance and other benefits, at fair value	$ 5,118	$ 250	$ 5,368
Liability balance, January 1, 2025	$ —	$ —	$ —
Expense recognized during the period	4,802	145	4,947
Payments made during the period	(4,802)	—	(4,802)
Liability balance, December 31, 2025	$ —	$ 145	$ 145

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to provide reasonable assurance 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 and is accumulated and communicated to our management, including our Chief Executive Officer and President, as appropriate to allow timely decisions regarding required disclosure. 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 the company’s management, including its 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 and President, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2025. Based on this evaluation, our Chief Executive Officer and President concluded that, as of December 31, 2025, our disclosure controls and procedures were effective at the reasonable assurance level.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and President, regarding the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework (2013). Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and our President, 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. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by the collusion of two or more people or by management override of controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate.

Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 9B. Other Information.

None of our directors or officers adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or a "non-rule 10b5-1 trading arrangement," as each item is defined in Item 408(a) of Regulation S-K, during the fourth quarter ended December 31, 2025.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item will be set forth in the Company's proxy statement to be filed with the Securities and Exchange Commission within 120 days after the Company's fiscal year end and is incorporated herein by reference.

Item 11. Executive Compensation.

The information required by this Item will be set forth in the Company's proxy statement to be filed with the Securities and Exchange Commission within 120 days after the Company's fiscal year end and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item will be set forth in the Company's proxy statement to be filed with the Securities and Exchange Commission within 120 days after the Company's fiscal year end and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item will be set forth in the Company's proxy statement to be filed with the Securities and Exchange Commission within 120 days after the Company's fiscal year end and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information required by this Item will be set forth in the Company's proxy statement to be filed with the Securities and Exchange Commission within 120 days after the Company's fiscal year end and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. *Financial Statements.* See Index to Financial Statements in Part II Item 8 of this Annual Report on Form 10-K.

2. *Financial Statement Schedules*. None. All financial statement schedules are omitted because they are not applicable, not required under the instructions or the requested information is included in the financial statements or notes thereto.

3. *Exhibits*. The following is a list of exhibits filed with this report or incorporated herein by reference:

Exhibit Index

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1(A)	Restated Certificate of Incorporation of Nkarta, Inc.	8-K	001-39370	3.1	7/14/2020	
3.1(B)	Amendment to Restated Certificate of Incorporation of Nkarta, Inc.	8-K	001-39370	3.1	6/9/2023	
3.1(C)	Second Amendment to Restated Certificate of Incorporation of Nkarta, Inc.	8-K	001-39370	3.1	6/13/2024	
3.2	Amended and Restated Bylaws of Nkarta, Inc.	8-K	001-39370	3.2	7/14/2020	
4.1(A)	Form of Common Stock Certificate.	S-1/A	333-239301	4.1	7/2/2020	
4.1(B)	Form of Pre-Funded Warrant.	8-K	001-39370	4.1	3/28/2024	
4.2	Amended and Restated Investors' Rights Agreement, dated as of August 27, 2019, by and among Nkarta, Inc. and certain of its stockholders.	S-1	333-239301	4.2	6/19/2020	
4.3	Description of Capital Stock.					X
10.1#	Form of Indemnification Agreement between Nkarta, Inc. and each of its directors and executive officers.	S-1/A	333-239301	10.1	7/2/2020	
10.2(A)#	2015 Equity Incentive Plan.	S-1	333-239301	10.2	6/19/2020	
10.2(B)#	Form of Stock Option Agreement for 2015 Equity Incentive Plan.	S-1	333-239301	10.3	6/19/2020	
10.3(A)#	2020 Performance Incentive Plan.	S-1/A	333-239301	10.4	7/2/2020	
10.3(B)#	Form of Director Option Agreement between Nkarta, Inc. and certain of its directors.	10-Q	001-39370	10.5	8/20/2020	
10.3(C)#	Form of Director Option Agreement between Nkarta, Inc. and certain of its directors.	10-K	001-39370	10.3(C)	3/16/2023	
10.3(D)#	Form of non-qualified Stock Option Agreement between Nkarta, Inc. and certain of its officers and employees.	10-Q	001-39370	10.6	8/20/2020	
10.3(E)#	Form of non-qualified Stock Option Agreement between Nkarta, Inc. and certain of its officers and employees.	10-K	001-39370	10.3(E)	3/16/2023	
10.3(F)#	Form of Restricted Stock Unit Agreement between Nkarta, Inc. and certain of its officers and employees.	10-K	001-39370	10.3(F)	3/16/2023	
10.4#	2020 Employee Stock Purchase Plan.	S-1/A	333-239301	10.5	7/2/2020	
10.5#	Nkarta, Inc. Non-Employee Director Compensation Policy, as amended on March 22, 2023.	10-Q	001-39370	10.2	5/11/2023	
10.6(A)#	Employment Offer Letter between Nkarta, Inc. and Paul Hastings.	S-1	333-239301	10.6	6/19/2020	
10.6(C)#	Employment Offer Letter between Nkarta, Inc. and Nadir Mahmood.	10-Q	001-39370	10.1	11/07/2024	
10.6(D)#	Employment Offer Letter between Nkarta, Inc. and Shawn Rose.	10-Q	001-39370	10.1	8/12/2025	

10.8#	Form of Severance Agreement.	8-K	001-39370	10.1	1/13/2021	
10.9	Exclusive License Agreement between Nkarta, Inc., National University of Singapore and St. Jude Research Hospital, Inc.	S-1	333-239301	10.9	6/19/2020	
10.10(A)	Lease Agreement, dated May 29, 2018, by and between Nkarta, Inc. and HCP Life Science REIT, Inc.	S-1	333-239301	10.10	6/19/2020	
10.10(B)	First Amendment to Lease Agreement, dated April 24, 2019, by and between Nkarta, Inc. and HCP Life Science REIT, Inc.	S-1	333-239301	10.11	6/19/2020	
10.10(C)	Second Amendment to Lease Agreement, dated May 5, 2020, by and between Nkarta, Inc. and HCP Life Science REIT, Inc.	S-1	333-239301	10.12	6/19/2020	
10.10(D)	Third Amendment to Lease Agreement, dated January 14, 2021, by and between Nkarta, Inc. and HCP Life Science REIT, Inc.	10-K	001-39370	10.10(D)	3/25/2021	
10.10(E)	Fourth Amendment to Lease Agreement, dated October 19, 2021, by and between Nkarta, Inc. and HCP Life Science REIT, Inc.	8-K	001-39370	10.1	10/22/2021	
10.10(F)	Fifth Amendment to Lease Agreement, dated August 11, 2022, by and between Nkarta, Inc. and HCP Life Science REIT, Inc.	10-Q	001-39370	10.2	8/11/2022	
10.10(G)	Sixth Amendment to Lease Agreement, dated December 20, 2024, by and between Nkarta, Inc. and HCP Life Science REIT, Inc.	10-K	001-39370	10.10(G)	3/26/2025	
10.11(A)	Lease, dated July 9, 2021, by and between Nkarta, Inc. and HCP BTC, LLC.	8-K	001-39370	10.1	7/14/2021	
10.11(B)	First Amendment to Lease, dated November 5, 2021, by and between Nkarta, Inc. and HCP BTC, LLC.	10-Q	001-39370	10.2	11/10/2021	
10.11(C)	Second Amendment to Lease, dated August 11, 2022, by and between Nkarta, Inc. and HCP BTC, LLC.	10-Q	001-39370	10.1	8/11/2022	
10.11(D)	Third Amendment to Lease, dated April 25, 2023, by and between Nkarta, Inc. and HCP BTC, LLC.	10-Q	001-39370	10.3	5/11/2023	
10.11(E)	Fourth Amendment to Lease, dated June 14, 2023, by and between Nkarta, Inc. and HCP BTC, LLC.	10-Q	001-39370	10.2(B)	8/10/2023	
19.1	Nkarta, Inc. Insider Trading Policy.					X
23.1	Consent of Independent Registered Public Accounting Firm.					X
31.1	Certification of Principal Executive 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.					X

31.2	Certification of Principal 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.					X
32+	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
97.1	Policy Regarding the Recoupment of Certain Compensation Payments.	10-K	001-39370	97	3/21/2024	
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

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# Indicates management contract or compensatory plan

+ This certification is being furnished solely to accompany this Annual Report on Form 10-K 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, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing of the registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

** Portions of this exhibit have been omitted in accordance with Item 601(b)(10)(iv) of Regulation S-K. The Company undertakes to provide to the Securities and Exchange Commission or its staff, if requested and on a supplemental basis, an unredacted copy of this exhibit.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

Nkarta, Inc.

Date: March 25, 2026

By: /s/ Paul J. Hastings
Paul J. Hastings
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Paul J. Hastings Paul J. Hastings	Chief Executive Officer and Director (Principal Executive Officer)	March 25, 2026
/s/ Nadir Mahmood Nadir Mahmood	President (Principal Financial and Accounting Officer)	March 25, 2026
/s/ Ali Behbahani Ali Behbahani, M.D., MBA	Director	March 25, 2026
/s/ Michael Dybbs Michael Dybbs, Ph.D.	Director	March 25, 2026
/s/ Simeon George Simeon George, M.D., MBA	Director	March 25, 2026
/s/ Leone Patterson Leone Patterson, MBA	Director	March 25, 2026
/s/ Zachary Scheiner Zachary Scheiner, Ph.D.	Director	March 25, 2026
/s/ Angela Thedinga Angela Thedinga, MBA, MPH	Director	March 25, 2026
/s/ George Vratsanos George Vratsanos, M.D.	Director	March 25, 2026

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Corporate Information (as of April 17, 2026)

Board of Directors

Ali Behbahani, M.D., M.B.A.
Partner at New Enterprise Associates, Inc.

Michael Dybbs, Ph.D.
Partner at Samsara BioCapital

Simeon George, M.D., M.B.A.
Chief Executive Officer and Managing Partner of SR One Capital Management, LP

Paul Hastings
Chief Executive Officer and Director of Nkarta, Inc.

Leone Patterson, M.B.A.
Independent Board Member

Zachary Scheiner, Ph.D.
Partner at RA Capital Management, LP

Angela Thedinga, M.B.A., M.P.H.
Founder of Agenvia, LLC

George Vratsanos, M.D., FACR
President and Chief Executive Officer of Jnana Therapeutics Inc.

Executive Officers

Paul J. Hastings
Chief Executive Officer and Director of Nkarta, Inc.

Nadir Mahmood, Ph.D.
President of Nkarta, Inc.

Shawn Rose, M.D., Ph.D.
Chief Medical Officer and Head of Research and Development of Nkarta, Inc.

Corporate Headquarters

1150 Veterans Boulevard
South San Francisco, CA 94080

Independent Registered Public Accounting Firm

Ernst & Young LLP
520 S. El Camino Real
Suite 700
San Mateo, CA 94402

Transfer Agent

Equiniti Trust Company, LLC
PO Box 500
Newark, NJ 07101