

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

FORM 10-Q

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

For the quarterly period ended June 30, 2025

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

For the transition period from _____ to _____

Commission File No. 001-36672



KIORA PHARMACEUTICALS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of
Incorporation or organization)

98-0443284
(I.R.S. Employer
Identification No.)

**169 Saxony Rd.
Suite 212
Encinitas, CA 92024**
(Address of Principal Executive Offices, including zip code)
(858) 224-9600
(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, \$0.01 par value	KPRX	The Nasdaq Capital Market

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

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

Large Accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input checked="" type="radio"/>	Smaller reporting company	<input checked="" type="radio"/>
		Emerging growth company	<input type="radio"/>

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. o

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

On August 6, 2025, there were 3,433,491 shares of the registrant's common stock outstanding.

KIORA PHARMACEUTICALS, INC.
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QUARTERLY REPORT ON FORM 10-Q
For the Period Ended June 30, 2025

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements that are not statements of historical fact and are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The forward-looking statements are principally, but not exclusively, contained in “Item 2: Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to, statements about management’s confidence or expectations, and our plans, objectives, expectations, and intentions that are not historical facts. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “goal,” “foreseeable,” “see,” “estimate,” “project,” “intends,” “think,” “potential,” “objective,” “optimistic,” “strategy,” and similar expressions intended to identify forward-looking statements. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- the timing and success of preclinical studies and clinical trials conducted by us and our development partners;
- the ability to obtain and maintain regulatory approval of our product candidates, and the labeling for any approved products;
- the scope, progress, expansion, and costs of developing and commercializing our product candidates;
- the size and growth of the potential markets for our product candidates and the ability to serve those markets;
- our expectations regarding our expenses and revenue, the sufficiency of our cash resources and needs for additional financing;
- the rate and degree of market acceptance of any approved products;
- our expectations regarding competition;
- our anticipated growth strategies;
- our ability to attract or retain key personnel;
- our ability to establish and maintain development partnerships;
- our expectations regarding federal, state and foreign regulatory requirements;
- regulatory developments in the U.S. and foreign countries;
- our ability to obtain and maintain intellectual property protection for our product candidates;
- the anticipated trends and challenges in our business and the market in which we operate; and
- our ability to assess the probability of achievement of milestones and other advances in our product candidates.

We discuss many of these risks in detail under the heading “Item 1A. Risk Factors” beginning on page 17 of our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, or the SEC, on March 25, 2025, or the Annual Report. You should carefully review all these factors, as well as other risks described in

our public filings, and you should be aware that there may be other factors, including factors of which we are not currently aware, that could cause these differences.

Also, these forward-looking statements represent our estimates and assumptions only as of the date of this report. We may not update these forward-looking statements, even though our situation may change in the future, unless we have obligations under the federal securities laws to update and disclose material developments related to previously disclosed information.

Kiora Pharmaceuticals, Inc. is referred to herein as “we,” “our,” “us,” and “the Company.”

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

KIORA PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2025 (unaudited)	December 31, 2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,028,324	\$ 3,792,322
Short-Term Investments	19,637,812	22,999,760
Prepaid Expenses and Other Current Assets	957,095	2,042,487
Collaboration Receivables	2,418,022	601,197
Tax Receivables	696,002	270,246
Total Current Assets	24,737,255	29,706,012
Non-Current Assets:		
Property and Equipment, Net	106,843	5,232
Restricted Cash	4,461	4,057
Intangible Assets and In-Process R&D, Net	6,687,100	6,687,100
Operating Lease Right-of-Use Assets	349,017	57,170
Other Assets	61,007	24,913
Total Assets	\$ 31,945,683	\$ 36,484,484
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$ 282,537	\$ 415,590
Accrued Expenses	2,540,493	4,588,657
Accrued Collaboration Credit	219,625	981,111
Operating Lease Liabilities	143,327	23,355
Total Current Liabilities	3,185,982	6,008,713
Non-Current Liabilities:		
Contingent Consideration	4,604,456	4,191,490
Deferred Tax Liability	490,690	490,690
Deferred Collaboration Revenue	1,250,000	—
Non-Current Operating Lease Liabilities	287,079	33,815
Total Non-Current Liabilities	6,632,225	4,715,995
Total Liabilities	9,818,207	10,724,708
Commitments and Contingencies (Note 8)		
Stockholders' Equity:		
Preferred Stock, \$0.01 Par Value: 10,000,000 shares authorized; 3,750 designated Series A, 0 shares issued and outstanding; 10,000 designated Series B, 0 shares issued and outstanding; 10,000 shares designated Series C, 0 shares issued and outstanding; 20,000 shares designated Series D, 7 shares issued and outstanding; 1,280 shares designated Series E, 0 shares issued and outstanding; 3,908 shares designated Series F, 420 issued and outstanding at June 30, 2025 and December 31, 2024, respectively	4	4
Common Stock, \$0.01 Par Value: 150,000,000 shares authorized; 3,433,491 and 3,000,788 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	272,006	267,679
Additional Paid-In Capital	169,828,797	169,156,374
Accumulated Deficit	(147,727,561)	(143,382,122)
Accumulated Other Comprehensive Loss	(245,770)	(282,159)
Total Stockholders' Equity	22,127,476	25,759,776
Total Liabilities and Stockholders' Equity	\$ 31,945,683	\$ 36,484,484

See Accompanying Notes to Condensed Consolidated Financial Statements.

KIORA PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE (LOSS) INCOME
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue:				
Collaboration Revenue	\$ —	\$ —	\$ —	\$ 16,000,000
Grant Revenue	—	20,000	—	20,000
Total Revenue	—	20,000	—	16,020,000
Operating Expenses:				
General and Administrative	1,353,850	1,537,973	2,843,248	2,834,414
Research and Development	2,590,489	2,048,665	5,122,376	3,732,877
Collaboration and Research Credits	(1,685,917)	(1,141,985)	(3,652,040)	(1,332,538)
Change in Fair Value of Contingent Consideration	137,774	120,234	412,966	108,040
Total Operating Expenses	2,396,197	2,564,887	4,726,550	5,342,793
Operating (Loss) Income	(2,396,197)	(2,544,887)	(4,726,550)	10,677,207
Other Income (Expense), Net:				
Interest Income, Net	225,237	342,102	501,870	565,149
Other (Expense) Income, Net	(93,556)	(18,861)	(109,809)	(10,795)
Total Other Income, Net	131,680	323,241	392,060	554,354
(Loss) Income Before Income Tax Expense	(2,264,516)	(2,221,646)	(4,334,490)	11,231,561
Income Tax (Expense) Benefit	112,057	—	(10,949)	—
Net (Loss) Income	\$ (2,152,459)	\$ (2,221,646)	\$ (4,345,439)	\$ 11,231,561
Net (Loss) Income Attributable to Common Shareholders	<u>\$ (2,152,459)</u>	<u>\$ (2,221,646)</u>	<u>\$ (4,345,439)</u>	<u>\$ 11,231,561</u>
Net (Loss) Income per Common Share - Basic	<u>\$ (0.54)</u>	<u>\$ (0.53)</u>	<u>\$ (1.10)</u>	<u>\$ 3.19</u>
Weighted Average Shares Outstanding - Basic	<u>3,989,042</u>	<u>4,170,627</u>	<u>3,936,649</u>	<u>3,526,211</u>
Net (Loss) Income per Common Share - Diluted	<u>\$ (0.54)</u>	<u>\$ (0.53)</u>	<u>\$ (1.10)</u>	<u>\$ 2.79</u>
Weighted Average Shares Outstanding - Diluted	<u>3,989,042</u>	<u>4,170,627</u>	<u>3,936,649</u>	<u>4,031,174</u>
Other Comprehensive (Loss) Income:				
Net (Loss) Income	\$ (2,152,459)	\$ (2,221,646)	\$ (4,345,439)	\$ 11,231,561
Unrealized Loss on Marketable Securities	(11,116)	(2,828)	(27,215)	(2,828)
Foreign Currency Translation Adjustments	62,532	21,467	63,604	(60,106)
Comprehensive (Loss) Income	\$ (2,101,044)	\$ (2,203,007)	\$ (4,309,050)	\$ 11,168,627

See Accompanying Notes to Condensed Consolidated Financial Statements.

KIORA PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Three Months Ended June 30, 2025 and 2024
(unaudited)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at March 31, 2025	427	\$ 4	3,000,788	\$ 267,679	\$ 169,304,990	\$ (145,575,101)	\$ (297,186)	\$ 23,700,386
Stock-Based Compensation	—	—	—	—	262,774	—	—	262,774
Issuance of Common Stock from Warrant Exercises	—	—	389,634	3,896	261,463	—	—	265,359
Issuance of Common Stock from Restricted Stock Awards	—	—	43,069	431	(431)	—	—	—
Unrealized Loss on Investments	—	—	—	—	—	—	(11,116)	(11,116)
Foreign Currency Translation Adjustment	—	—	—	—	—	—	62,532	62,532
Net Loss	—	—	—	—	—	(2,152,459)	—	(2,152,459)
Balance at June 30, 2025	427	\$ 4	3,433,491	\$ 272,006	\$ 169,828,797	\$ (147,727,561)	\$ (245,770)	\$ 22,127,476

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at March 31, 2024	427	\$ 4	2,917,355	\$ 262,584	\$ 168,429,797	\$ (133,523,648)	\$ (264,374)	\$ 34,904,363
Stock-Based Compensation	—	—	—	—	149,795	—	—	149,795
Issuance of Common Stock from Warrant Exercises	—	—	53,213	4,789	245,733	—	—	250,522
Adjustments Due to the Rounding Impact from the Reverse Stock Split for Fractional Shares	—	—	(23)	—	—	—	—	—
Unrealized Loss on Investments	—	—	—	—	—	—	(2,828)	(2,828)
Foreign Currency Translation Adjustment	—	—	—	—	—	—	21,467	21,467
Net Loss	—	—	—	—	—	(2,221,646)	—	(2,221,646)
Balance at June 30, 2024	427	\$ 4	2,970,545	\$ 267,373	\$ 168,825,325	\$ (135,745,294)	\$ (245,735)	\$ 33,101,673

See Accompanying Notes to Condensed Consolidated Financial Statements.

KIORA PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Six Months Ended June 30, 2025 and 2024
(unaudited)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2024	427	\$ 4	3,000,788	\$ 267,679	\$ 169,156,374	\$ (143,382,122)	\$ (282,159)	\$ 25,759,776
Stock-Based Compensation	—	—	—	—	411,390	—	—	411,390
Issuance of Common Stock from Warrant Exercises	—	—	389,634	3,896	261,464	—	—	265,360
Issuance of Common Stock from Restricted Stock Awards	—	—	43,069	431	(431)	—	—	—
Unrealized Loss on Investments	—	—	—	—	—	—	(27,215)	(27,215)
Foreign Currency Translation Adjustment	—	—	—	—	—	—	63,604	63,604
Net Income	—	—	—	—	—	(4,345,439)	—	(4,345,439)
Balance at June 30, 2025	427	\$ 4	3,433,491	\$ 272,006	\$ 169,828,797	\$ (147,727,561)	\$ (245,770)	\$ 22,127,476

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2023	427	\$ 4	856,182	\$ 77,078	\$ 153,192,228	\$ (146,976,855)	\$ (182,801)	\$ 6,109,654
Stock-Based Compensation	—	—	—	—	325,238	—	—	325,238
Issuance of Common Stock and Warrants from Private Placement, Net of Offering Costs of \$1.2 million	—	—	1,755,556	158,000	13,650,815	—	—	13,808,815
Issuance of Common Stock from Warrant Exercises	—	—	358,831	32,295	1,657,044	—	—	1,689,339
Adjustments Due to the Rounding Impact from the Reverse Stock Split for Fractional Shares	—	—	(24)	—	—	—	—	—
Unrealized Loss on Investments	—	—	—	—	—	—	(2,828)	(2,828)
Foreign Currency Translation Adjustment	—	—	—	—	—	—	(60,106)	(60,106)
Net Income	—	—	—	—	—	11,231,561	—	11,231,561
Balance at June 30, 2024	\$ 427	\$ 4	\$ 2,970,545	\$ 267,373	\$ 168,825,325	\$ (135,745,294)	\$ (245,735)	\$ 33,101,673

See Accompanying Notes to Condensed Consolidated Financial Statements.

KIORA PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

	Six Months Ended June 30,	
	2025	2024
Operating Activities:		
Net (Loss) Income	\$ (4,345,439)	\$ 11,231,561
Adjustments to Reconcile Net (Loss) Income to Net Cash (Used in) Provided by Operating Activities:		
Depreciation and Amortization	3,741	11,198
Reduction of Operating Lease Right-of-Use Assets	47,364	22,891
Stock-Based Compensation	411,390	325,238
Change in Fair Value of Contingent Consideration	412,966	108,040
Investment Income and Fair Value Adjustments on Marketable Securities and Cash Equivalents	(34,415)	(71,883)
Prepaid Expenses and Other Current Assets	440,532	(120,052)
Collaboration Receivables	(1,816,825)	(1,341,297)
Research Credit Receivables	(414,288)	55,910
Tax Receivables	17,774	(367,553)
Other Assets	(35,502)	8,322
Accounts Payable	509,579	66,427
Accrued Expenses	(2,159,538)	(14,495)
Accrued Collaboration Credit	(756,187)	—
Deferred Collaboration Revenue	1,250,000	—
Operating Lease Liabilities	(38,785)	(22,891)
Net Cash (Used in) Provided by Operating Activities	(6,507,633)	9,891,416
Investing Activities:		
Purchase of Property and Equipment	(32,195)	(51,287)
Purchases of Marketable Securities	(8,175,851)	(21,289,268)
Sales of Marketable Securities	305,000	14,790
Maturities of Marketable Securities	11,240,000	100,861
Net Cash Provided by (Used in) Investing Activities	3,336,954	(21,224,904)
Financing Activities:		
Gross Proceeds from Private Placement	—	14,998,865
Issuance Costs for Private Placement	—	(1,190,049)
Exercise of Warrants	265,359	1,689,339
Proceeds from Line of Credit	1,000,000	—
Repayments of Line of Credit	(1,000,000)	—
Net Cash Provided by Financing Activities	265,359	15,498,155
Effect of Exchange Rate Changes on Cash, Cash Equivalents and Restricted Cash	141,725	(44,045)
Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash	(2,763,595)	4,120,622
Cash, Cash Equivalents and Restricted Cash, Beginning of Period	3,796,379	2,458,951
Cash, Cash Equivalents and Restricted Cash, End of Period	<u>\$ 1,032,785</u>	<u>\$ 6,579,573</u>
Supplemental Disclosures of Noncash Operating and Financing Activities		
Creation of Right-of-Use Assets and Related Lease Liabilities	\$ 333,677	\$ —
Grant of Restricted Stock Awards	\$ 431	\$ —
Tenant Improvements Paid Directly by Lessor	\$ 72,810	\$ —

See Accompanying Notes to Condensed Consolidated Financial Statements.

KIORA PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
June 30, 2025

1. Business, Presentation and Recent Accounting Pronouncements

Overview

Kiora Pharmaceuticals, Inc. ("Kiora" or the "Company") was formed as a Delaware corporation on December 28, 2004. Kiora is a clinical-stage specialty pharmaceutical company developing and commercializing therapies for the treatment of ophthalmic diseases.

Since its inception, Kiora has devoted substantially all its efforts to business planning, research and development, and raising capital.

Unaudited Interim Financial Information

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Pursuant to these rules and regulations, they do not include all information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of the Company's financial condition and results of operations have been included. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the full year. We believe that the disclosures provided herein are adequate to make the information presented not misleading when these unaudited interim condensed consolidated financial statements are read in conjunction with the audited consolidated financial statements and notes previously included in the Company's 2024 Annual Report on Form 10-K dated March 25, 2025. The balance sheet as of December 31, 2024 was derived from audited consolidated financial statements of the Company but does not include all the disclosures required by U.S. GAAP.

Adoption of Accounting Standards

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740) - Improvements to Income Tax Disclosures. The new standard requires a company to expand its existing income tax disclosures, specifically related to the rate reconciliation and income taxes paid. The standard is effective for us beginning in fiscal year 2025 for the annual reporting period ending December 31, 2025. The new standard is expected to be applied prospectively, but retrospective application is permitted. The Company adopted ASU 2023-09 on January 1, 2025. The adoption of ASU 2023-09 is not expected to have a material effect on the condensed consolidated financial statements and related disclosures.

Accounting Standards Pending Adoption

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses ("ASU 2024-03"). The guidance in ASU 2024-03 requires new financial statement disclosures in tabular format, disaggregating information about prescribed categories underlying any relevant income statement expense captions. The standard is effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. Upon adoption, ASU 2024-03 may be applied prospectively or retrospectively. The Company is currently evaluating the impact that the adoption of ASU 2024-03 may have on its disclosures in its condensed consolidated financial statements.

Liquidity and Capital Resources

At June 30, 2025, the Company had unrestricted Cash and Cash Equivalents of \$1.0 million and Short-term Investments of \$19.6 million, and an Accumulated Deficit of \$147.7 million. With the exception of the year ended December 31, 2024, Kiora has incurred annual losses and negative cash flows since inception, and future losses are anticipated. However, based on the cash and short-term investments on hand at June 30, 2025, the Company anticipates having sufficient cash to fund its planned operations into late 2027 and does not currently anticipate an immediate need to raise additional capital to fund operations.

KIORA PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
June 30, 2025

Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents include cash in readily available checking accounts, savings accounts, money market funds, and marketable securities with maturities of 3 months or less when acquired. The carrying amounts reported in the unaudited condensed balance sheets for cash and cash equivalents are valued at cost, which approximates fair value.

Short-Term Investments

Short-term investments primarily consist of treasuries, corporate debt securities, and government and agency securities. The Company has classified these investments as available-for-sale securities, as the sale of such investments may be required prior to maturity to implement management strategies, and therefore has classified all investments with maturity dates beyond three months at the date of purchase as current assets in the accompanying unaudited condensed consolidated balance sheets. Any premium or discount arising at purchase is amortized and/or accreted to interest income as an adjustment to yield using the straight-line method over the life of the instrument. Investments are reported at their estimated fair value. Unrealized gains and losses are included in accumulated other comprehensive (loss) income as a component of stockholders' equity until realized.

Allowance for Credit Losses

For available-for-sale securities in an unrealized loss position, the Company first assesses whether it intends to sell, or if it is more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through earnings. For available-for-sale securities that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Company considers the severity of the impairment, any changes in interest rates, market conditions, changes to the underlying credit ratings and forecasted recovery, among other factors. The credit-related portion of unrealized losses, and any subsequent improvements, are recorded in interest income through an allowance account. Any impairment that has not been recorded through an allowance for credit losses is included in other comprehensive (loss) income on the condensed consolidated balance sheets.

The Company excludes the applicable accrued interest from both the fair value and amortized cost basis of available-for-sale securities for purposes of identifying and measuring an impairment. Accrued interest receivable on investment securities is recorded within prepaid expenses and other current assets on the condensed consolidated balance sheets. The Company's accounting policy is to not measure an allowance for credit loss for accrued interest receivable and to write-off any uncollectible accrued interest receivable as a reversal of interest income in a timely manner, which is considered to be in the period in which it is determined the accrued interest will not be collected.

Revenue Recognition

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

The Company applies the five-step model to contracts when it determines that it is probable it will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods

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or services promised within each contract and determines those that are performance obligations, and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

In a contract with multiple performance obligations, we must develop estimates and assumptions that require judgment to determine the underlying stand-alone selling price for each performance obligation which determines how the transaction price is allocated among the performance obligation. The estimation of the stand-alone selling price(s) may include estimates regarding forecasted revenues or costs, development timelines, discount rates, and probabilities of technical and regulatory success. We evaluate each performance obligation to determine if it can be satisfied at a point in time or over time. Any change made to estimated progress towards completion of a performance obligation and, therefore, revenue recognized will be recorded as a change in estimate. In addition, variable consideration must be evaluated to determine if it is constrained and, therefore, excluded from the transaction price.

Amounts received prior to satisfying the revenue recognition criteria are recognized as deferred revenue in the Company's balance sheet. Amounts expected to be recognized as revenue within the twelve months following the balance sheet date are classified as the current portion of deferred revenue. Amounts not expected to be recognized as revenue within the twelve months following the balance sheet date are classified as deferred revenue, net of current portion. As of June 30, 2025 and 2024, the Company did not have a deferred revenue balance.

Collaboration Revenue

If a license to our intellectual property is determined to be distinct from the other performance obligations identified in a contract, the Company recognizes revenues from the transaction price allocated to the license when the license is transferred to the licensee and the licensee is able to use and benefit from the license. For licenses that are bundled with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue from the allocated transaction price. The Company evaluates the measure of progress at each reporting period and, if necessary, adjusts the measure of performance and related revenue or expense recognition as a change in estimate.

At the inception of each arrangement that includes milestone payments, the Company evaluates whether the milestones are considered probable of being reached. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the Company's or a collaboration partner's control, such as regulatory approvals, are generally not considered probable of being achieved until those approvals are received. At the end of each reporting period, the Company re-evaluates the probability of achievement of milestones that are within the Company's or a collaboration partner's control, such as operational development milestones and any related constraint, and, if necessary, adjust our estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which will affect collaboration revenues and earnings in the period of adjustment. Revisions to the Company's estimate of the transaction price may also result in negative collaboration revenues and earnings in the period of adjustment.

For arrangements that include sales-based royalties, including commercial milestone payments based on the level of sales, and a license is deemed to be the predominant item to which the royalties relate, the Company will recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied, or partially satisfied.

Collaboration Agreements

The Company has entered into an option agreement and a research agreement that fall under the scope of ASC 808, Collaborative Arrangements. Reimbursements from a collaboration partner are recorded as a reduction to research and development expense in the condensed consolidated statements of operations and comprehensive (loss) income. Similarly, amounts that are owed to a collaboration partner are recognized as

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research and development expense in the condensed consolidated statements of operations and comprehensive (loss) income.

In-Process Research and Development

The Company records in-process R&D projects acquired in asset acquisitions that have not reached technological feasibility and which have no alternative future use. For in-process R&D projects acquired in business combinations, the Company capitalizes the in-process R&D project as an indefinite-lived intangible asset and evaluates this asset at least annually for impairment until the R&D process has been completed. Once the R&D process is complete, the Company amortizes the R&D asset over its remaining useful life. The Company performed an annual evaluation of its indefinite-lived intangible assets for impairment as of August 31, 2024 with a quantitative analysis using the Income Approach. At June 30, 2025 and December 31, 2024, there was \$6.7 million of in-process R&D as part of intangible assets and in-process R&D, net on the condensed consolidated balance sheets.

Accrued Clinical Expenses

As part of the Company's process of preparing the condensed consolidated financial statements, the Company is required to estimate its accrued expenses. This process includes reviewing open contracts and purchase orders, communicating with its applicable personnel to identify services that have been performed on its behalf and estimating the level of service performed and the associated costs incurred for the service when the Company has not yet been invoiced or otherwise notified of actual costs. The majority of the Company's service providers invoice monthly in arrears for services performed. The Company makes estimates of its accrued expenses as of each balance sheet date in the financial statements based on facts and circumstances known at the time. The Company periodically confirms the accuracy of these estimates with the service providers and makes adjustments if necessary.

Business Segment and Geographical Information

The Company identifies operating segments as components of the enterprise for which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions on how to allocate resources and assess performance. The Company views its operations and manages its business as fully integrated and operating in one business segment and three geographic areas. The Company's singular focus is developing innovative ophthalmic pharmaceutical products.

Refunds for Research and Development

The Company through its subsidiaries, Kiora Pharmaceuticals GmbH and Kiora Pharmaceuticals Pty Ltd., is eligible to receive certain refundable tax incentives associated with its research and development expenses in Austria and Australia. These refunds are realized in the form of a cash payment when received, following the eligible incurred research and development expenses. Following the approval of a research finding by the tax authority, the Company records the refundable payment as a tax receivable and a reduction in expense in the period in which the research and development expenses are incurred. In situations where a new research application has not yet been approved by the tax authority, the Company records the tax receivable and reduction of expense in the period following approval. As of June 30, 2025 and December 31, 2024, the Company has a research and development tax receivable of \$0.4 million and \$0.2 million, respectively.

Reclassifications

Certain amounts in the prior period financial statements have been reclassified to confirm to the presentation of the current period financial statements. Such reclassifications have no material effect on the reported financial results.

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2. Balance Sheet Information

Cash, Cash Equivalents and Restricted Cash

A summary of cash and cash equivalents and restricted cash is as follows:

	June 30, 2025	December 31, 2024
Cash and Cash Equivalents	\$ 1,028,324	\$ 3,792,322
Restricted Cash, Non-current	4,461	4,057
Total Cash, Cash Equivalents and Restricted Cash	<u>\$ 1,032,785</u>	<u>\$ 3,796,379</u>

Non-current restricted cash consists of deposits with financial institutions for corporate credit cards.

Short-term Investments

The following table summarizes short-term investments as of June 30, 2025 and December 31, 2024:

	As of June 30, 2025			
	Amortized Cost	Unrealized		Estimated Fair Value
		Gains	Losses	
Government Agency Securities	\$ 15,242,609	\$ 1,004	\$ (2,684)	\$ 15,240,929
Corporate Debt Securities	4,392,698	4,704	(519)	4,396,882
Total Short-term Investments	<u>\$ 19,635,307</u>	<u>\$ 5,707</u>	<u>\$ (3,203)</u>	<u>\$ 19,637,812</u>

	As of December 31, 2024			
	Amortized Cost	Unrealized		Estimated Fair Value
		Gains	Losses	
US Treasuries	\$ 92,273	\$ 40	\$ —	\$ 92,313
Government Agency Securities	18,517,164	28,008	(4,621)	18,540,551
Corporate Debt Securities	4,058,879	5,901	(2,107)	4,062,673
Asset Backed Securities	301,844	2,379	—	304,223
Total Short-term Investments	<u>\$ 22,970,160</u>	<u>\$ 36,328</u>	<u>\$ (6,728)</u>	<u>\$ 22,999,760</u>

The following table summarizes the maturities of the Company's short-term investments at June 30, 2025 and December 31, 2024:

	As of June 30, 2025	
	Amortized Cost	Estimated Fair Value
Due in one year or less	\$ 18,953,710	\$ 18,954,981
Due in one to five years	681,597	682,831
Total Short-term Investments	<u>\$ 19,635,307</u>	<u>\$ 19,637,812</u>

	As of December 31, 2024	
	Amortized Cost	Estimated Fair Value
Due in one year or less	\$ 21,659,580	\$ 21,688,074
Due in one to five years	1,310,580	1,311,686
Total Short-term Investments	<u>\$ 22,970,160</u>	<u>\$ 22,999,760</u>

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The following table shows the Company's available-for-sale investments' gross unrealized losses and fair value aggregated by investment category and length of time that individual securities have been in a continuous loss position, at June 30, 2025 and December 31, 2024:

	As of June 30, 2025		
	Less than 12 months		
	Count	Fair Value	Unrealized Losses
Government Agency Securities	9	\$ 9,483,612	\$ (2,684)
Corporate Debt Securities	10	703,153	(519)
Total	19	\$ 10,186,765	\$ (3,203)

	As of December 31, 2024		
	Less than 12 months		
	Count	Fair Value	Unrealized Losses
Government Agency Securities	4	\$ 3,369,962	\$ (4,621)
Corporate Debt Securities	9	801,149	(2,107)
Total	13	\$ 4,171,111	\$ (6,728)

The Company reviews its investments each quarter to identify and evaluate investments that have an indication of possible other-than-temporary impairment. Factors considered in determining whether a loss is other-than-temporary include the length of time and extent to which fair value has been less than the cost basis, any changes to the underlying credit risk of the investment, and the Company's intent and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in market value. The unrealized losses in the Company's investments were caused by changes in interest rates resulting from changing economic conditions, and not from a decline in credit of their underlying issuers. The Company may be required to sell these investments prior to maturity to implement management strategies, however, it is not likely that the Company will sell these investments before recovery of their amortized cost basis. As such, the Company has classified these losses as temporary in nature.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

	June 30, 2025	December 31, 2024
Prepaid Research and Development	\$ 746,316	\$ 1,814,795
Prepaid General and Administrative	130,737	131,550
Prepaid Insurance	80,042	96,142
Total Prepaid Expenses and Other Current Assets	\$ 957,095	\$ 2,042,487

Tax and Other Receivables

Tax and other receivables consist of the following:

	June 30, 2025	December 31, 2024
Research Tax Credits	\$ 445,847	\$ 223,184
Other Tax Receivables	30,530	47,063
Accrued Collaboration Credit	219,625	—
Total Tax Receivables	\$ 696,002	\$ 270,246

Accrued Expenses

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Accrued expenses consist of the following:

	June 30, 2025	December 31, 2024
Payroll and Benefits	\$ 828,438	\$ 1,169,618
Professional Fees	98,110	55,032
Clinical Trials	648,601	875,072
Income Tax	917,480	2,328,042
Other	47,865	160,893
Total Accrued Expenses	<u>\$ 2,540,493</u>	<u>\$ 4,588,657</u>

3. Fair Value Disclosures

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 the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. 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 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The following table summarizes the Company's financial instruments measured at fair value on a recurring basis as of June 30, 2025 and December 31, 2024.

		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of June 30, 2025	Total			
Cash Equivalents:				
Money Market Funds	\$ 283,475	\$ 283,475	\$ —	\$ —
US Treasury Securities	275,710	—	275,710	—
Total Cash Equivalents Measured at Fair Value	<u>\$ 559,185</u>	<u>\$ 283,475</u>	<u>\$ 275,710</u>	<u>\$ —</u>
Short-term Investments:				
Government Agency Securities	\$ 15,240,929	\$ —	\$ 15,240,929	\$ —
Corporate Debt Securities	4,396,882	—	4,396,882	—
Total Short-term Investments Measured at Fair Value	<u>\$ 19,637,812</u>	<u>\$ —</u>	<u>\$ 19,637,812</u>	<u>\$ —</u>
Total Assets Measured at Fair Value	<u>\$ 20,196,996</u>	<u>\$ 283,475</u>	<u>\$ 19,913,522</u>	<u>\$ —</u>

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		Fair Value Measurements at Reporting Date Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
As of December 31, 2024		Total			
Cash Equivalents:					
Money Market Funds	\$	562,604	\$	562,604	\$ —
US Treasury Securities		691,917		—	691,917
Total Cash Equivalents Measured at Fair Value	\$	1,254,521	\$	562,604	\$ 691,917
Short-term Investments:					
US Treasury Securities	\$	92,314	\$	—	\$ 92,314
Government Agency Securities		18,540,550		—	18,540,550
Corporate Debt Securities		4,062,673		—	4,062,673
Asset Backed Securities		304,223		—	304,223
Total Short-term Investments Measured at Fair Value	\$	22,999,760	\$	—	\$ 22,999,760
Total Assets Measured at Fair Value	\$	24,254,281	\$	562,604	\$ 23,691,677

In connection with historical acquisitions, additional consideration may be owed by the Company related to the achievement of certain milestones and such contingent consideration payments are required by U.S. GAAP to be presented at fair value. The following table provides information for liabilities measured at fair value on a recurring basis using Level 3 inputs:

	June 30, 2025	December 31, 2024
Contingent Consideration:		
Non-current	\$ 4,604,456	\$ 4,191,490
Total Contingent Consideration	\$ 4,604,456	\$ 4,191,490

The Company initially values contingent consideration related to business combinations using a probability-weighted calculation of potential payment scenarios discounted at rates reflective of the risks associated with the expected future cash flows for certain milestones. Key assumptions used to estimate the fair value of contingent consideration include projected financial information, market data and the probability and timing of achieving the specific milestones. After the initial valuation, the Company generally uses its best estimate to measure contingent consideration at each subsequent reporting period using the following unobservable Level 3 inputs:

Valuation Technique	Unobservable Inputs	June 30, 2025	December 31, 2024
Discounted cash flow	Payment discount rate	14.1 %	15.1 %
Bayon	Payment period	2027 - 2029	2027 - 2029
Panoptes	Payment period	2027 - 2028	2027 - 2028
Bayon	Probability of success for payment	48% - 77%	48% - 77%
Panoptes	Probability of success for payment	30% - 33%	30% - 33%

Significant changes in these assumptions could result in a significantly higher or lower fair value. The contingent consideration reported in the above table is adjusted quarterly based upon the passage of time or the anticipated success or failure of achieving certain milestones. The change in fair value of contingent

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consideration of \$0.4 million for the six months ended June 30, 2025, was primarily driven by a decrease in the discount rate. The change in fair value of contingent consideration of \$108.0 thousand for the six months ended June 30, 2024 was primarily driven by an increase in the discount rate. The change in fair value of contingent consideration is recorded within operating expenses on the accompanying condensed consolidated statements of operations and comprehensive (loss) income.

The Company records in-process R&D projects acquired in asset acquisitions that have not reached technological feasibility and which have no alternative future use at estimated fair value. For in-process R&D projects acquired in business combinations, the Company capitalizes the in-process R&D project as an indefinite-lived intangible asset and evaluates this asset annually for impairment until the R&D process has been completed. Once the R&D process is complete, the Company amortizes the R&D asset over its remaining useful life.

ASC 350 allows an entity to first assess qualitative factors to determine whether events and circumstances indicate that it is more likely than not (that is, a likelihood of more than 50 percent) that an indefinite-lived intangible asset is impaired. If it is more likely than not that the asset is impaired, the entity must calculate the fair value of the asset and record an impairment charge if the carrying amount exceeds fair value. If an entity concludes that there is a less than 50 percent likelihood that the asset is impaired, no further action is required. An indefinite-lived intangible asset should be tested for impairment if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. If such events or changes have occurred, a quantitative assessment is required.

If an entity bypasses the qualitative assessment or determines from its qualitative assessment that an indefinite-lived intangible asset is more likely than not impaired, a quantitative impairment test should be performed. The quantitative impairment test compares the fair value of an indefinite-lived intangible asset with the asset's carrying amount. If the fair value of the indefinite-lived intangible asset is less than the carrying amount, an impairment loss should be recognized in an amount equal to the difference in accordance with ASC 350-30-35-19.

The Company values in-process R&D related to asset acquisitions using the Income Approach which measures the value of an asset by the present value of its future economic benefits. These benefits can include interest and principal payments, earnings, cost savings, tax deductions, or proceeds from its disposition. Value indications are developed by discounting expected cash flows at a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation, and risks associated with the particular investment. The selected discount rate is generally based on rates of return available from alternative investments of similar type and quality.

The Company engaged a third-party valuation firm to complete a quantitative assessment of in-process R&D as of August 31, 2024, which includes the following unobservable Level 3 inputs:

	Valuation Technique	Unobservable Inputs		Discount Rate
KIO-104	Multi-Period Excess Earnings Method	Probability of success for next development phase	17% to 36%	43%
KIO-301	Multi-Period Excess Earnings Method	Probability of success for next development phase	23% to 43%	43%

As of June 30, 2025, the Company assessed qualitative factors to determine whether events and circumstances indicate impairment, and concluded that it is not more likely than not that any assets are impaired.

4. Capital Stock

During May 2025 and June 2025, 133 and 56,168 shares of common stock, respectively, were issued upon the exercise of Class C Warrants at \$4.7079 per share for aggregate proceeds of approximately \$0.3 million.

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On May 1, 2024, the Company filed a certificate of amendment to the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Common Stock to 150,000,000.

On January 31, 2024, the Company entered into a private placement agreement with Maxim Group LLC serving as placement agent for 1,755,556 shares of common stock, pre-funded warrants to purchase up to 1,261,582 shares of common stock, and accompanying Tranche A and Tranche B warrants to purchase up to an aggregate of 5,486,066 shares of common stock. The total net proceeds from the private placement were approximately \$13.8 million. During June 2025, 333,333 shares of common stock were issued upon the exercise of pre-funded warrants.

The Tranche A warrants are exercisable for up to 2,743,033 shares of common stock at an exercise price of \$5.4684 per share for an aggregate of up to approximately \$15.0 million and will expire at the earlier of (i) 30 days following the announcement of full data (expected in 2026) from the Company's Phase 2 clinical trial (ABACUS-2) of KIO-301 in patients with retinitis pigmentosa and the daily Volume Weighted Average Price "VWAP" of the Company's common stock equaling or exceeding \$9.9432 per share for 30 consecutive trading days following the announcement and (ii) five years from the date of shareholder approval of the warrants.

The Tranche B warrants are exercisable for up to 2,743,033 shares of common stock at an exercise price of \$5.4684 per share for an aggregate of up to approximately \$15.0 million and will expire at the earlier of (i) 30 days following the announcement of topline data (expected in 2026) from the planned Phase 2 trial of KIO-104 in retinal inflammation and the daily VWAP of the Company's common stock equaling or exceeding \$12.4290 per share for 30 consecutive trading days following the announcement and (ii) five years from the date of shareholder approval of the warrants.

5. Warrants

The following is a summary of warrant activity for the Company's equity-classified warrants for the six months ended June 30, 2025:

	Number of Common Shares Issuable Upon Exercise of Outstanding Warrants	Weighted Average Exercise Price	Weighted Average Remaining Term in Years
Outstanding at December 31, 2024	7,389,523	\$ 7.06	5.06
Issued	—	\$ —	
Exercised	(389,634)	\$ 0.68	
Expired	(69)	\$ 4.500	
Outstanding at June 30, 2025	<u>6,999,820</u>	<u>\$ 7.37</u>	4.38

6. Net (Loss) Income per Share - Basic and Diluted

Basic and diluted net (loss) income per share is computed by dividing net (loss) income available to common shareholders by the weighted-average number of common shares outstanding for the time period, which for basic net (loss) income per share, does not include the weighted-average unvested restricted common stock that has been issued and is subject to forfeiture totaling 88,432 and 24,094 shares for the three months ended June 30, 2025 and 2024, respectively, and 67,016 and 24,094 shares for the six months ended June 30, 2025 and 2024, respectively.

Dilutive common equivalent shares consist of stock options, warrants, and preferred stock and are calculated using the treasury stock method, which assumes the repurchase of common shares at the average market price during the period. Under the treasury stock method, options and warrants will have a dilutive effect when the average price of common stock during the period exceeds the exercise price of options or warrants. Common equivalent shares do not qualify as participating securities. In periods where the Company records a net loss, unvested restricted common stock and potential common stock equivalents are not included in the calculation of

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diluted net (loss) income per share as their effect would be anti-dilutive. The following is a summary of potentially dilutive securities excluded from the calculation of diluted net (loss) income per share as of June 30, 2025 and 2024:

	2025	2024
Common Stock Warrants, Excluding Pre-funded Warrants	5,738,238	5,661,699
Employee Stock Options	408,161	88,993
Restricted Stock	88,432	24,094
Preferred Stock, as Converted into Common Stock	42,426	42,426
Common Stock Reserved for Future Issuance	570,846	54,695
Total	6,848,103	5,871,907

7. Stock-Based Compensation

Equity Incentive Plans

The Company's Board of Directors (the "Board") adopted the 2014 Equity Incentive Plan (the "2014 Plan") and the Employee Stock Purchase Plan (the "ESPP") and the Company's Stockholders approved the 2014 Plan and ESPP in February 2015. The Board subsequently adopted the 2024 Equity Incentive Plan (the "2024 Plan") and the Company's Stockholders approved the Plan in May 2024. Following adoption of the 2024 Plan, no further grants were made under the 2014 Plan. In May 2025, the Board determined that the potential future benefits of the ESPP were outweighed by the costs of its administration and terminated the ESPP effective as of April 30, 2025.

Consistent with the 2014 Plan, the 2024 Plan provides for the granting of stock options (incentive and nonqualified), restricted stock or other stock-based awards to employees, officers, directors, consultants, and advisors. The Board is responsible for administration of the 2024 Plan. The Company's Board determines the term of each option, the option exercise price, the number of shares for which each option is granted and the rate at which each option is exercisable. Incentive stock options may be granted to any officer or employee at an exercise price per share of not less than the fair value per common share on the date of the grant (not less than 110% of fair value in the case of holders of more than 10% of the Company's voting stock) and with a term not to exceed ten years from the date of the grant (five years for incentive stock options granted to holders of more than 10% of the Company's voting stock). Nonqualified stock options may be granted to any officer, employee, consultant, or director at an exercise price per share of not less than the par value per share. In January 2025, the number of shares of common stock issuable under the 2024 Plan automatically increased by 120,031 shares pursuant to the terms of the 2024 Plan. As of June 30, 2025, the maximum number of shares of Common Stock that may be issued pursuant to the 2024 Plan was 853,133 of which 280,892 shares were available for awards.

Stock-based compensation expense is presented in the same expense line items as cash compensation paid and for the three and six months ended June 30, 2025 and 2024 is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Research and Development	\$ 96,117	\$ 94,092	181,061	188,663
General and Administrative	166,657	55,703	230,329	136,575
Total Stock-Based Compensation Expense	\$ 262,774	\$ 149,795	411,390	325,238

Stock Options

The Company grants time-based stock options which generally vest one-third of the underlying shares on the one-year anniversary of the grant date and the remainder ratably over a 24-month period. The fair value of time-

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based stock options is determined using the Black-Scholes Option Pricing Model, with such value recognized as expense over the service period, which is typically three years, net of actual forfeitures. There were no grants made during the six months ended June 30, 2024, and therefore no assumptions used to determine the fair value.

	Six months ended June 30,	
	2025	2024
Risk-Free Interest Rate	3.97 %	N/A
Expected Life (years)	6	N/A
Expected Stock Price Volatility	136.6 %	N/A
Expected Dividend Yield	— %	— %

The weighted-average grant date fair value of options granted for the six months ending June 30, 2025 was \$2.68. The expected term of the options granted is based on management's estimate. Expected volatility is based on the historical volatility of the Company's common stock. The risk-free interest rate is determined based upon a constant U.S. Treasury security rate with a contractual life that approximates the expected term of the option. Unamortized compensation expense related to the options amounted to \$0.8 million as of June 30, 2025 and is expected to be recognized over a weighted average period of approximately 3.16 years.

Following is a summary of stock option activity for the six months ended June 30, 2025:

	Number of Options	Weighted- Average Exercise Price	Weighted- Average Remaining Term in Years
Outstanding at December 31, 2024	161,303	\$ 21.15	9.00
Granted	246,885	\$ 2.93	
Expired	(27)	\$ 23,490	
Outstanding at June 30, 2025	408,161	\$ 8.58	9.26
Exercisable and vested at June 30, 2025	64,202	\$ 34.98	8.05

The stock options outstanding and exercisable as of June 30, 2025 had no aggregate intrinsic value. The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying options and the market price of the Company's common stock for options that had exercise prices lower than \$2.88, the closing price of the Company's stock on June 30, 2025.

Restricted Stock Awards

Restricted stock compensation expense is recognized over the vesting period, which is typically one-third of the underlying shares on the one-year anniversary of the grant date and the remainder ratably over a 24-month period. Unamortized compensation expense related to the restricted stock awards amounted to \$0.3 million as of June 30, 2025 and is expected to be recognized over a weighted average period of approximately 3.51 years. The following is a summary of restricted stock activity for the six months ended June 30, 2025:

	Number of Units	Weighted- Average Grant Date Fair Value	Weighted- Average Remaining Term in Years
Non-vested Outstanding at December 31, 2024	46,697	\$ 7.56	2.19
Awarded	43,069	\$ 2.93	
Released	(1,334)	\$ 34.45	
Non-vested Outstanding at June 30, 2025	88,432	\$ 4.90	2.22

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8. Collaboration Agreements

In May 2025, the Company entered into an exclusive option agreement (the "Option Agreement") with Senju Pharmaceutical Co., Ltd ("Senju"). Under the agreement, the Company granted Senju an exclusive option to obtain a license to the development and commercialization rights of KIO-301 for the treatment of ophthalmic diseases in certain key countries in Asia, including Japan and China. The Company concluded that the Option Agreement contains two material performance obligations, the Option and the future License. The Option was deemed a material right per ASC 606 and therefore a separate performance obligation. However, the Company also determined that the Option performance obligation is not capable of being distinct because it is interrelated to the future License Agreement. There is no financing component in the Option Agreement.

The Option Agreement provides for a nonrefundable upfront payment of \$1.25 million, which has been deferred and recorded the consideration as a contract liability within the deferred collaboration revenue on the condensed consolidated balance sheet. Revenue associated with the option fee will be recognized at the earlier of the exercise of the option or expiration of the option term.

Similarly, the associated contract costs specifically, sublicense fees, will be included in prepaid expenses and expensed when incurred, at the earlier of the exercise or expiration of the option.

In January 2024, the Company entered into a strategic development and commercialization agreement ("License Agreement") with Théa Open Innovation ("TOI"), a sister company of the global ophthalmic specialty company Laboratoires Théa ("Théa"). Under the agreement, the Company granted TOI exclusive worldwide development and commercialization rights, excluding certain countries in Asia, to KIO-301 for the treatment of degenerative retinal diseases (the "License"). The Company concluded that the Licensing Agreement contains one material performance obligation, the License. The transaction price includes the upfront, non-refundable payment of \$16.0 million (the "License Access Fee"). The Company did not include any development or regulatory milestones in the transaction price because it is probable that changes in the estimate of receiving those milestones would result in significant reversals of cumulative revenue in future periods, due to the inherent risks and uncertainties in the drug development process. The sales-based milestones and royalties are not included in the transaction price per ASC 606-10-32-11 and ASC 606-10-55-65. There is no financing component in the License Agreement.

The initial transaction price was allocated to the one performance obligation identified (the License), which was transferred to TOI at the execution of the License Agreement and the entire \$16.0 million transaction price was recognized in the first quarter of 2024 upon the satisfaction of the license performance obligations. Variable components of consideration related to development and regulatory milestones, commercial milestones, and royalties will be allocated to the transaction price if and when they occur. When it is probable that including milestones in the transaction price will not result in significant reversals of cumulative revenue in future periods, the Company will recognize the revenue for the milestones immediately since the license performance obligation to which the milestones relate has already been fully satisfied when the change in estimate of the variable consideration occurs. Since the reimbursement for the development activities clearly relates to those activities and are accounted for under ASC 808, the Company will recognize those amounts that are due from TOI as contra-R&D expense.

The License Access Fee was earned at a point in time (first quarter of 2024) and, as a result, the associated contract costs specifically, sublicense fees, were expensed at the same point in time (first quarter of 2024). All further revenue sources that may lead to sublicense fee payments will not be recognized until earned. As such, sublicense fees will be expensed in the same period as the revenue of the respective milestone or royalties are earned.

9. Commitments and Contingencies

Leases

The Company is party to five real property operating leases for the rental of office and clinical trial space.

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In February 2022, the Company entered into an 18-month lease for an office facility in Encinitas, California (the "Encinitas Lease"). The Encinitas Lease commenced in May 2022 and was amended to extend its lease term through April 30, 2025. The Company recorded a right-of use ("ROU") asset and lease liability upon lease commencement and lease amendment in May 2022 and November 2023, respectively. Monthly rent payments are approximately \$3.3 thousand. The security deposit of \$12 thousand was refunded to the Company in May 2025 following the conclusion of the lease on April 30, 2025.

In May 2022, the Company entered into a 12-month lease for office space in Adelaide, Australia (the "Adelaide Lease") which expired in May 2023. Following expiration, the landlord agreed to extend the Adelaide Lease on a month-month basis, whereby the Company must provide 90-day notice of termination. The Adelaide Lease is a short-term lease which is exempt for ROU asset and lease liability reporting. Monthly rent payments are approximately A\$2.2 thousand. The Adelaide lease is being used as a clinical trial site for ABACUS-2, with rent costs fully reimbursed by TOI.

The Company also entered into a lease for 910 square feet of office space in Vienna, Austria (the "Vienna Lease"). The Vienna Lease commenced on October 15, 2023 with a term of 5 years through October 14, 2028. The Company recorded a ROU asset and lease liability upon lease commencement in October 2023. Monthly rent payments are approximately €1.3 thousand, and the security deposit is €4.5 thousand.

In January 2025, the Company entered into a lease in Perth, Australia (the "Perth Lease") and another in Brisbane, Australia (the "Brisbane Lease"). Both leases commenced in February 2025, at which time the Company recorded a ROU asset and lease liability, with a term of 2 years through January 2027. Monthly rent payments are approximately A\$8.9 thousand, and the total security deposit is A\$44.0 thousand. The Company has rent abatement for the first 2 months of the Brisbane Lease and for the first 3 months of the Perth Lease. The Brisbane and Perth leases are for ABACUS-2 clinical trial sites, with rent costs fully reimbursed by TOI.

In March 2025, the Company entered into a new lease in Encinitas, California (the "New Encinitas Lease") which is the current headquarters for t. The New Encinitas Lease commenced in June 2025 with a term of 3 years and 3 months through August 31, 2028. Monthly rent payments are approximately \$8.4 thousand per month and will increase by approximately 4% each year on the anniversary of the lease commencement, starting in 2026. The Company has rent abatement for 3 months of the lease in the form of half rent in months two, three, four, five, thirteen and fourteen, and maintains a security deposit of \$9.4 thousand. The Company received \$72.8 thousand from the lessor for tenant improvements.

Operating lease expense, consisting of the reduction of the right-of-use asset and the imputed interest on the lease liability, totaled \$14.2 thousand and \$18.4 thousand for the three months ended June 30, 2025 and 2024, respectively and \$28.0 thousand and \$38.6 thousand for the six months ended June 30, 2025 and 2024, respectively. The remaining lease terms range from less than 1.6 years to 3.3 years.

Supplemental balance sheet information related to the leases is as follows as of June 30, 2025:

Weighted-Average Remaining Lease Term	2.9
Weighted-Average Discount Rate	6.12 %

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Future annual minimum lease payments under non-cancellable operating leases as of June 30, 2025 are as follows:

Years Ending December 31,

2025 (remaining months)	\$	76,026
2026		171,631
2027		136,355
2028		85,608
Total Lease Liabilities		469,620
Less Amounts Representing Interest		(39,215)
Total		430,405
Less Current Portion		(143,327)
	\$	287,079

Option Agreements

The Company is party to one option agreement. In May 2025, the Company entered into the Option Agreement with Senju. Under the Option Agreement, Senju paid the Company a non-refundable upfront Option Fee of \$1.25 million in exchange for an exclusive Option to negotiate a sublicense for the development and commercialization rights to KIO-301 program in certain key countries in Asia, including Japan and China, following the completion of a Phase 2 clinical trial, which is currently in underway in Australia in collaboration with Thea Open Innovation ("TOI"). The Option exercise term will end after a defined period following the report of topline data from the ongoing ABACUS-2 Phase 2 clinical trial. For an additional option fee of \$0.5 million, Senju can extend the exercise term. If exercised, the Option would lead to a separate sublicense agreement, with certain pre-negotiated terms, including potential additional consideration encompassing upfront, milestone, and royalty payments for a combined maximum of \$110.75 million.

License and Exclusive Rights Agreements

The Company is a party to five license agreements, the details of which have been previously disclosed in Note 12 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024. In April 2025, the SentrX Agreement was terminated, otherwise there have been no material changes to the terms of these agreements during the six months ended June 30, 2025.

Grant Funding

In April 2024, the Company received grant funding of \$20,000 from the Choroideremia Research Foundation in support of validating functional vision assessments for patients with profound blindness. This grant funding will aid in further validation of a suite of tests expected to be used in the upcoming ABACUS-2 Phase 2 clinical trial assessing KIO-301.

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Contingent Consideration

The purchase price of various acquisitions in prior periods included contingent consideration, which consisted of various cash earn-out payments upon the achievement of certain milestones. Below are the maximum obligation payments per the respective agreements and estimated fair value of contingent consideration payments remaining as of June 30, 2025.

	Maximum Obligation per Agreements	Current Fair Value Estimated
Bayon	\$ 7,135,000	\$ 2,427,370
Panoptes	9,500,000	2,177,086
	<u>\$ 16,635,000</u>	<u>\$ 4,604,456</u>

Credit Line Agreement

In March 2025, the Company entered into a credit line with UBS (the "Credit Line") providing for a \$10.0 million revolving line of credit. The Credit Line bears interest at the 30-day Secured Overnight Financing Rate ("SOFR") average, plus 1.5%. The SOFR rate is variable. The Credit Line is secured by a first priority lien and security interest in the Company's marketable securities held in its managed investment accounts with UBS. During the second quarter of 2025, the Company received \$1.0 million in proceeds from the line, and made payments of \$1.0 million, resulting in no credit balance as of June 30, 2025.

Other

In the normal course of business, the Company periodically becomes involved in various claims and lawsuits, as well as governmental proceedings and investigations that are incidental to the business. The Company accrues a liability when a loss is considered probable and the amount can be reasonably estimated. When a material loss contingency is reasonably possible but not probable, the Company does not record a liability, but instead discloses the nature and amount of the claim, and an estimate of the possible loss or range of loss, if such an estimate can be made. Legal fees are expensed as incurred. With respect to governmental proceedings and investigations, like other companies in the industry, the Company is subject to extensive regulation by national, state and local governmental agencies in the U.S. and in other jurisdictions in which the Company and its affiliates operate. As a result, interaction with governmental agencies is ongoing. The Company's standard practice is to cooperate with regulators and investigators in responding to inquiries.

The Company currently maintains insurance for risks associated with the operation of its business, provision of professional services and ownership of property. These policies provide coverage for a variety of potential losses, including loss or damage to property, bodily injury, general commercial liability, professional errors and omissions and medical malpractice.

10. Segment Information

The Company operates in and reports as a single reportable segment, focused on the development of innovative ophthalmic pharmaceutical products.

Our Chief Operating Decision Maker "CODM" is our President and Chief Executive Officer. The CODM does not evaluate profitability nor evaluate performance or allocate resources below the level of the consolidated Company. The accounting policies of the segment are the same as those described in the summary of significant accounting policies. The CODM reviews operating expenses and net (loss) income presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. These metrics serve as benchmarks to evaluate the business, measure performance, identify trends, prepare financial projections, and make strategic decisions. The CODM does not evaluate performance or allocate resources based on segment assets data; therefore, total segment assets are not presented. As part of the adoption of ASU 2023-07, the comparative prior period segment information has been disclosed herein to align with the current period's presentation.

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The following table presents the revenue, significant expenses, and net (loss) income for the Company's single reportable segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Total Revenue	—	20,000	\$ —	\$ 16,020,000
Less: Significant and Other Segment Expenses				
General and Administrative	1,353,850	1,537,973	2,843,248	2,834,414
Research and Development				
KIO-101	3,780	2,610	6,795	13,084
KIO-104 ¹	426,347	24,258	277,022	25,897
KIO-201	—	—	—	30,875
KIO-301	2,125,633	1,088,268	4,227,484	2,107,116
KIO-301 Collaboration Credit	(1,685,917)	(1,141,985)	(3,652,040)	(1,332,538)
Unallocated R&D Expenses ²	34,729	933,528	611,076	1,555,905
Change in Fair Value of Contingent Consideration	137,774	120,234	412,966	108,040
Interest Income, Net	(225,237)	(342,102)	(501,870)	(565,149)
Other Segment Expenses ³	93,556	18,861	109,809	10,795
Income Tax Expense	(112,057)	—	10,949	—
Net (Loss) Income	\$ (2,152,459)	\$ (2,221,646)	\$ (4,345,439)	\$ 11,231,561

11. Accrued Collaboration Credit

The "Accrued Collaboration Credit" liability on the balance sheet represents the cumulative amount of: (i) Deferred Collaboration Credits, which are prepaid R&D expenses that are eligible for reimbursement but for which the related services have not yet been provided to the Company and are currently recognized as "Collaboration Credit" on the Statement of Operations as the expenses are incurred, and (ii) Accrued Expense Adjustments, which are R&D expenses that have been incurred but have not yet been invoiced by a third-party vendor and thereby are not yet paid/submitted for reimbursement. The changes in these balances have been included in the table in Note 12 for reference in reconciling the Amount Billed/Submitted for Reimbursement compared to the amount of R&D Expenses Incurred.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Beginning Balance	(738,534)	—	(981,111)	—
Prepaid expenses included in reimbursement, not yet incurred	163,277	(450,056)	414,581	(450,056)
Accrued expenses for work performed, not yet invoiced	351,681	248,520	342,261	248,520
Foreign currency adjustments	3,951	—	4,644	—
Ending Balance, June 30,	(219,625)	(201,536)	(219,625)	(201,536)

¹ Net of research tax credit offset.

² Unallocated research and development expenses primarily include personnel costs, research consulting and scientific advisory expenses. Beginning in 2025, personnel costs are allocated to specific programs. Previously, all personnel costs were unallocated.

³ Other segment expenses primarily include interest expense, other income, net, and loss on disposal of fixed assets.

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12. Roll-forward of TOI Activity

Per the terms of the license and collaboration agreement with TOI, TOI is responsible for all research and development ("R&D") expenses related to KIO-301. This provides for the Company's right to reimbursement upon its submission to TOI of an allowable vendor invoice. Allowable vendor invoices that the Company receives may pertain to services already rendered to the Company, while others may pertain to the prepayment of services that the Company will receive in future periods.

The table below summarizes the R&D expenses submitted for reimbursement and the R&D expenses incurred by the Company related to the collaboration, including the corresponding collaboration credits. These amounts are presented for the most recent relevant periods:

Period	Amount Billed/ Submitted for Reimbursement	Amount Reimbursed/ Received	R&D Expenses Incurred	Collaboration Credits	Variance (foreign exchange timing)	Adjustment to Deferred Collaboration Credits ⁴	Adjustment to Accrued Expenses ⁵
Quarter ended March 31, 2024	\$ 189,904	\$ —	\$ 189,904	\$ (190,553)	\$ (649)	\$ —	\$ —
Quarter ended June 30, 2024	\$ 1,341,297	\$ (189,904)	\$ 1,139,761	\$ (1,141,985)	\$ (2,223)	\$ (450,056)	\$ 248,520
Quarter ended September 30, 2024	\$ 1,783,472	\$ (1,341,297)	\$ 868,198	\$ (867,760)	\$ 437	\$ (788,934)	\$ (126,340)
Quarter ended December 31, 2024	\$ 601,197	\$ (1,783,472)	\$ 739,557	\$ (745,052)	\$ (5,495)	\$ 92,546	\$ 45,814
Fiscal Year ended December 31, 2024	\$ 3,915,870	\$ (3,314,673)	\$ 2,937,420	\$ (2,945,350)	\$ (7,930)	\$ (1,146,444)	\$ 167,994
Quarter ended March 31, 2025	\$ 1,727,386 ⁶	\$ (990,979) ⁷	\$ 1,969,270	\$ (1,966,123)	\$ 3,147	\$ 251,304	\$ (9,420)
Quarter ended June 30, 2025	\$ 1,168,022	\$ (1,337,604)	\$ 1,682,980	\$ (1,685,917)	\$ (2,937)	\$ 163,277	\$ 351,681

13. Subsequent Events

In July 2025, the Company received \$1.25 million from Senju for payment of the Option Fee per the terms of the Option Agreement executed on May 30, 2025.

⁴ Change in prepaid expenses that have not yet been incurred but which have been paid/submitted for reimbursement. The Company's contract with TOI allows for reimbursement upon the Company's receipt of an allowable vendor invoice.

⁵ Change in expenses incurred but not billable to TOI until invoiced by a third-party vendor.

⁶ Includes \$389,782 billed in February 2025 related to Phase 3 activities that were reimbursed by TOI prior to quarter-end March 31, 2025, plus \$1,337,604 related to reimbursable first quarter 2025 R&D expenses, subsequently reimbursed in the second quarter of 2025.

⁷ Includes \$601,197 related to fourth quarter 2024 Collaboration Receivable and \$389,782 billed and reimbursed by TOI in February 2025.

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

The following section of this Quarterly Report on Form 10-Q entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains statements that are not statements of historical fact and are forward-looking statements within the meaning of federal securities laws. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Factors that may cause our actual results to differ materially from those in the forward-looking statements include those factors described in "Item 1A. Risk Factors" beginning on page 17 of our Annual Report on Form 10-K as filed with the Securities and Exchange Commission on March 25, 2025. You should carefully review all of these factors, as well as the comprehensive discussion of forward-looking statements on page 1 of this Quarterly Report on Form 10-Q.

Kiora Pharmaceuticals, Inc. is referred to herein as "Kiora", "we," "our," "us," and "the Company".

Executive Summary

We are a specialty clinical-stage pharmaceutical company developing and commercializing products for the treatment of ophthalmic diseases.

KIO-301 is initially focused on patients with later stages of disease progression due to Retinitis Pigmentosa (any and all sub-forms). KIO-301 is a potential vision-restoring small molecule that acts as a "photoswitch" specifically designed to restore vision in patients with inherited and age-related degenerative retinal diseases. The molecule is specifically designed to restore the eyes' ability to perceive and interpret light in visually impaired patients. It selectively enters viable downstream retinal ganglion cells (no longer receiving electrical input due to degenerated rods and cones) and is intended to turn them into light sensing cells, capable of signaling the brain as to the presence or absence of light. On March 17, 2022, we were granted Orphan Drug Designation by the United States ("U.S.") Food and Drug Administration ("FDA") for the Active Pharmaceutical Ingredient ("API") in KIO-301. In July 2024, we were granted Orphan Medicinal Product Designation by the European Medicines Agency for KIO-301 for the treatment of non-syndromic, rod-dominant retinal dystrophies, which includes diseases like retinitis pigmentosa, choroideremia, Stargardt disease and others. In September 2024, the European Medicines Agency expanded our Orphan Medicinal Product Designation to also include syndromic, rod-dominant retinal dystrophies that includes diseases like Usher's syndrome, which has non-ocular aspects of diseases in addition to retinal involvement.

KIO-301 (formerly known as B-203) was acquired through the Bayon Therapeutics, Inc. ("Bayon") transaction that closed October 21, 2021. We initiated a Phase 1b clinical trial (ABACUS-1) in the third quarter of 2022. Topline data from this trial was presented at the American Academy of Ophthalmology annual meeting in November 2023. The complete data set was presented at the Association for Research in Vision and Ophthalmology ("ARVO") annual conference in May 2024 highlighting improvements in visual acuity, visual field and functional vision among clinical trial participants relative to baseline.

In January 2024, we entered into a strategic development and commercialization agreement ("License Agreement") with Théa Open Innovation ("TOI"), a sister company of the global ophthalmic specialty company Laboratoires Théa ("Théa"). Under the agreement, Kiora granted TOI exclusive worldwide development and commercialization rights, excluding Asia, to KIO-301 for the treatment of degenerative retinal diseases. In exchange, Kiora received an upfront, payment of \$16 million; up to \$285 million upon achievement of pre-specified clinical development, regulatory and commercial milestones; tiered royalties of up to low 20% on net sales; and reimbursement of all KIO-301 research and development expenses moving forward from the date of the execution of the License Agreement.

In October 2024, we, in collaboration with our partner TOI, announced that we received regulatory approval to initiate a Phase 2 clinical trial to investigate KIO-301 for vision restoration in patients with retinitis pigmentosa. The ABACUS-2 trial is expected be a 36 patient, multi-center, double-masked, randomized, controlled, multiple dose study enrolling patients with ultra-low vision or no light perception regardless of their underlying gene mutation associated with retinitis pigmentosa. Enrollment began in the second quarter of 2025.

Based on results of ABACUS-1, we have the opportunity to expand development of KIO-301 to treat patients with late stages of Choroideremia and Stargardt disease. These diseases have a similar underlying late-stage pathology as Retinitis Pigmentosa, hence the mechanism of action of KIO-301 could potentially provide a similar benefit to these patients.

In May 2025, we entered into an exclusive option agreement (the "Option Agreement") with Senju Pharmaceutical Co., Ltd ("Senju"). Under the agreement, we granted Senju an exclusive option to obtain an exclusive license to the development and commercialization rights of KIO-301 for the treatment of ophthalmic diseases in certain key countries in Asia, including Japan and China. In exchange, we received a nonrefundable payment of \$1.25 million. In the future, if the option is exercised and a license agreement is executed, we will be eligible to receive an additional \$109.5 million plus tiered royalties of up to 17.5% on net sales.

We are also developing KIO-104 for the treatment of retinal inflammatory diseases including Posterior Non-Infectious Uveitis, a rare T cell-mediated, intraocular inflammatory disease and diabetic macular edema. KIO-104 is a novel and potent small molecule inhibitor of dihydroorotate dehydrogenase ("DHODH"), formulated for intravitreal delivery and ideally suited to suppress overactive T-cell activity to treat the underlying condition. Data from a previous Phase 1/2a study in patients with Posterior Non-Infectious Uveitis, reported in October 2022, showed that a single injection of KIO-104 decreased intraocular inflammation and improved visual acuity significantly for the duration of the study. Further, KIO-104 reduced macular edema (swelling) which if unchecked, can lead to permanent vision loss. The drug was well tolerated, with no serious side effects on intraocular tissues or other serious adverse events observed. In May 2025, we received approval to start enrolling patients in a Phase 2 trial for KIO-104 in retinal inflammation and began enrollment in the second quarter of 2025.

We have an additional asset, KIO-101, that is currently available to partner. KIO-101 is based on the same molecule as KIO-104, however formulated for topical, eye drop delivery.

Throughout our history we have not generated significant revenue; however, in January 2024 we entered into the License Agreement with TOI, whereby we recognized \$16 million in collaboration revenue related to the upfront payment. We have never been profitable and from inception through June 30, 2025, our losses have aggregated \$147.7 million. We expect to incur significant expenses and increasing operating losses for the foreseeable future as we continue the development and clinical trials of and seek regulatory approval for our product candidates. If we obtain regulatory approval for our product candidates, we expect to incur significant expenses in order to create an infrastructure to support their commercialization including sales, marketing, and distribution functions.

We will need additional financing to support our continuing operations. We will seek to fund our operations through a combination of public or private sales of equity, debt financings, license and development agreements, non-dilutive grants and other sources, which may include collaborations with third parties. Adequate additional financing may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. Although historically we have been successful at raising capital, including raising net proceeds of approximately \$13.8 million in a private placement offering that closed on February 5, 2024, additional capital may not be available on terms favorable to Kiora, if at all. We do not know if any future offerings will succeed. Our failure to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. Kiora has incurred losses and negative cash flows since inception, and future losses are anticipated. However, based on the cash on hand and short-term investments at June 30, 2025 of approximately \$1.0 million and \$19.6 million, respectively, we anticipate having sufficient cash to fund currently planned operations into late 2027.

Recent Developments

All material developments as of June 30, 2025, have been discussed in the Executive Summary above.

New Components of Results of Operations

None.

Results of Operations

Comparison of three months ended, June 30, 2025 and 2024

The following table summarizes the results of our operations for the three months ended June 30, 2025 and 2024:

	2025	2024	Change
Revenue:			
Collaboration Revenue	\$ —	\$ —	\$ —
Total Revenue	—	20,000	(20,000)
Operating Expenses:			
General and Administrative	1,353,850	1,537,973	(184,123)
Research and Development	2,590,489	2,048,665	541,825
Collaboration and Research Credits	(1,685,917)	(1,141,985)	(543,932)
Change in Fair Value of Contingent Consideration	137,774	120,234	17,540
Total Operating Expenses	2,396,197	2,564,887	(168,690)
Other Income, Net	131,680	323,241	(191,561)
(Loss) Income Before Income Tax Expense	(2,264,517)	(2,221,646)	(42,871)
Income Tax Expense	112,057	—	112,057
Net (Loss) Income	<u>\$ (2,152,459)</u>	<u>\$ (2,221,646)</u>	<u>\$ 69,187</u>

Revenue. The increase of \$0.0 million was attributable to the revenue recognized from the option fee payment pursuant the option agreement with Senju.

General and Administrative Expenses. The decrease of \$0.2 million was driven primarily by professional services and travel in 2024 offset by director and personnel related costs related to salary and equity expenses.

Research and Development Expenses. The increase of \$0.5 million was primarily due to increased preclinical, CMC and clinical trial related expenses of \$0.8 million, partially offset by a decrease of \$0.2 million for credits expected from Australian and Austrian government programs related to research and development activities.

Collaboration and Research Credits. The increase of \$0.5 million is related to increased research and development expenses for the KIO-301 program which are fully reimbursed by TOI.

Other Income, Net. The decrease of \$0.2 million was primarily due to higher interest income in 2024 resulting from interest on a higher carrying balance of short-term marketable securities.

Comparison of six months ended, June 30, 2025 and 2024

The following table summarizes the results of our operations for the six months ended June 30, 2025 and 2024:

	2025	2024	Change
Revenue:			
Collaboration Revenue	\$ —	\$ 16,000,000	\$ (16,000,000)
Grant Revenue	—	20,000	(20,000)
Total Revenue	—	16,020,000	(16,020,000)
Operating Expenses:			
General and Administrative	2,843,248	2,834,414	8,834
Research and Development	5,122,376	3,732,877	1,389,500
Collaboration and Research Credits	(3,652,040)	(1,332,538)	(2,319,502)
Change in Fair Value of Contingent Consideration	412,966	108,040	304,926
Total Operating Expenses	4,726,550	5,342,793	(616,243)
Other Income, Net	392,060	554,354	(162,294)
Income Tax (Expense) Benefit	(10,949)	—	(10,949)
Net (Loss) Income	<u>\$ (4,345,439)</u>	<u>\$ 11,231,561</u>	<u>\$ (15,577,000)</u>

Revenue. The decrease of \$16.0 million was attributable to the revenue recognized from the upfront payment pursuant the strategic development and commercialization agreement with TOI of \$16 million in the first quarter of 2024 compared to \$1.25 million in revenue recognized in the second quarter of 2025 related to the option fee payment pursuant to the option agreement with Senju.

Research and Development Expenses. The increase of \$1.4 million was primarily due to preclinical and CMC expenses of \$2.0 million, clinical trial activities of \$0.7 million, and salaries and benefits of \$0.1 million. offset by UC licensing payments of \$0.7 million in 2024 and research tax credits expected from Australian and Austrian government programs of \$0.6 million.

Collaboration and Research Credits. The increase of \$2.3 million is related to increased research and development expenses for the KIO-301 program which are fully reimbursed by TOI.

Change in Fair Value of Contingent Consideration. The increase of \$0.3 million was primarily due to the increase in the fair value of KIO-104 and KIO-301 of approximately \$0.3 million resulting from the change in the discount rate.

Other Income, Net. The decrease of \$0.2 million was primarily due to higher estimated interest income in 2024 resulting from accrued interest on a higher carrying balance of short-term marketable securities.

Liquidity and Capital Resources

Our principal liquidity needs have historically been for acquisitions, working capital, research and development, and capital expenditures. While we anticipate having sufficient cash to fund currently planned operations into late 2027, we will need additional financing to support our future operations as we develop and work toward the commercialization of new products. We will seek to fund our operations through a combination of public or private sales of equity, debt financings, license and development agreements, non-dilutive grants and other sources, which may include collaborations with third parties.

If we raise additional funds by issuing equity securities or convertible debt, our stockholders will experience dilution. Debt financing through our \$10 million credit line with UBS would result in increased fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, or making capital expenditures. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish valuable rights to our products, future revenue streams or product candidates, or to grant licenses on terms that may not be

favorable to us. Although historically we have been successful at raising capital, most recently raising net proceeds of approximately \$13.8 million in a private placement offering that closed on February 5, 2024, additional capital may not be available on terms favorable to us, if at all. We do not know if any future offerings will succeed. Our failure to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. We have incurred losses and negative cash flows since inception, and future losses are anticipated. However, based on the cash on hand and short-term investments at June 30, 2025 of approximately \$1.0 million and \$19.6 million, respectively, we anticipate having sufficient cash to fund currently planned operations into late 2027.

Information Regarding Cash Flows

As of June 30, 2025, we had unrestricted cash and cash equivalents totaling \$1.0 million and restricted cash totaling \$4.5 thousand for a total of \$1.0 million compared to \$3.8 million at December 31, 2024. The following table sets forth the primary uses of cash for the six months ended June 30, 2025 and 2024:

	2025	2024
Net Cash (Used in) Provided by Operating Activities	\$ (6,507,633)	\$ 9,891,416
Net Cash Provided by (Used in) Investing Activities	\$ 3,336,954	\$ (21,224,904)
Net Cash Provided by Financing Activities	\$ 265,359	\$ 15,498,155

Operating Activities. Net cash used in operating activities decreased \$16.4 million primarily due to the collaboration revenue recognized in the first quarter of 2024 of \$16 million from the TOI agreement.

Investing Activities. Net cash provided by investing activities increased \$24.6 million primarily due to the purchase of marketable securities in the second quarter of 2024 of approximately \$21.3 million and approximately \$3.3 million in net proceeds from the maturities of marketable securities that were not reinvested in 2025.

Financing Activities. Net cash provided by financing activities decreased \$15.2 million due to receiving net proceeds of approximately \$13.8 million in a private offering that closed on February 5, 2024 and proceeds of \$1.7 million from warrant exercises in the first quarter of 2024 compared to \$0.3 million in the second quarter of 2025.

Funding Requirements and Other Liquidity Matters

Our product pipeline is still in various stages of preclinical and clinical development. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. We anticipate that our expenses will increase substantially if and as we:

- seek marketing approval for our KIO-301 product outside of the territory already partnered with TOI;
- seek marketing approval for our KIO-104 product or any other products that we successfully develop;
- establish a sales and marketing infrastructure to commercialize our KIO-301 product outside of the territory already partnered with TOI;
- establish a sales and marketing infrastructure to commercialize our KIO-104 product, if approved; and
- add operational, financial and management information systems and personnel, including personnel to support our product development and future commercialization efforts.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances, grants and licensing arrangements. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of holders of common stock. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic alliances or licensing arrangements with pharmaceutical partners, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, including our KIO-301

(outside of the territory already partnered with TOI), KIO-101, and KIO-104 products, on terms that may not be favorable to us. We have currently paused development work on KIO-101 and is available for partnership for any further development of those programs. For our active programs, if we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market KIO-301 outside of the territory already partnered with TOI and KIO-104 products, or any other products that we would otherwise prefer to develop and market ourselves.

Based on our cash on hand and short-term investments at June 30, 2025, we believe that we will have sufficient cash to fund planned operations into late 2027. However, the acceleration or reduction of cash outflows by management can significantly impact the timing for raising additional capital to complete development of our products. To continue development, we will need to raise additional capital through debt and/or equity financing, grants and other arrangements. Although historically we have been successful at raising capital, additional capital may not be available on terms favorable to us, if at all. We do not know if any future offerings will succeed. Accordingly, no assurances can be given that management will be successful in these endeavors. Our Condensed Consolidated Financial Statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities or any other adjustments that might be necessary should we be unable to continue as a going concern.

Other

For information regarding Commitments and Contingencies, refer to Note 9. Commitments and Contingencies to the Notes to the Condensed Consolidated Financial Statements of Part 1, Item 1. Financial Statements of this Form 10-Q.

Critical Accounting Estimates

Our discussion of operating results is based upon the Unaudited Condensed Consolidated Financial Statements and accompanying notes. The preparation of these statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Our critical accounting policies and significant judgement and estimates are detailed in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024.

As of June 30, 2025, we have no material changes from such disclosures.

Recently Issued Accounting Pronouncements

Information regarding new accounting pronouncements is included in Note 1 - Business, Presentation and Recent Accounting Pronouncements to the current period's unaudited condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

This Report includes the certifications of our Chief Executive Officer (who is our principal executive officer) and our Chief Financial Officer (who is our principal financial and accounting officer) required by Rule 13a-14 of the Exchange Act. See Exhibits 31.1 and 31.2. This Item 4 includes information concerning the controls and control evaluations referred to in those certifications.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

In connection with the preparation of this Quarterly Report on the Form 10-Q, the Company's Management, under the supervision of, and with the participation of, our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2025. Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and our management necessarily was required to apply its judgment in evaluating and implementing our disclosure controls and procedures. Based upon the evaluation described above, our Chief Executive Officer and Chief Financial Officer have concluded that they believe that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Accounting and Reporting

There were no changes in the Company's internal control over financial reporting during the three months ended June 30, 2025 that were identified in connection with management's evaluation required by Rules 13a-15(d) and 15d-15(d) under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

While we are not currently a party to any legal proceedings as of June 30, 2025, from time to time we may be a party to a variety of legal proceedings that arise in the normal course of our business.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024, each of which is incorporated herein by reference and which could materially affect our business, financial condition or future results. The risks described herein and in those filings are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. We do not believe that there have been any material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

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

Unregistered Sales of Equity Securities

None.

Purchase of Equity Securities

We did not purchase any of our registered equity securities during the period covered by this Quarterly Report on Form 10-Q.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosure.

Not applicable.

Item 5. Other Information.

No officers or directors, as defined in Rule 16a-1(f), adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement as defined in item 408 of Regulation S-K, during the period ended June 30, 2025.

In May 2025, we terminated our Employee Stock Purchase Plan (the "ESPP") effective as of April 30, 2025. We provided notice of the ESPP's termination to our employees and ESPP participants, and there are no employee funds currently held for purchasing shares of Common Stock under the ESPP.

Item 6. Exhibits

The exhibits filed as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index immediately preceding such exhibits and are incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 and 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 8, 2025	By: <u>/s/ Brian M. Strem, Ph.D.</u> President and Chief Executive Officer (Principal executive officer)
Date: August 8, 2025	By: <u>/s/ Melissa Tosca</u> Chief Financial Officer (Principal financial and accounting officer)

EXHIBIT INDEX

The following exhibits are filed as part of this Quarterly Report on Form 10-Q. Where such filing is made by incorporation by reference to a previously filed document, such document is identified.

Exhibit Number	Description of Exhibit
10.1†	<u>Exclusive Option Agreement, dated as of May 30, 2024, by and between Kiora Pharmaceuticals, Inc. and Senju Pharmaceutical Co., Ltd. (previously filed as an exhibit to the registrant's Current Report on Form 8-K filed on June 3, 2025 and incorporated by reference thereto).</u>
10.2	<u>Credit Line Agreement, dated as of March 12, 2025, by and between Kiora Pharmaceuticals, Inc. and UBS Bank USA.</u>
10.3	<u>Addendum to Credit Line Agreement, dated as of March 18, 2025, by and between Kiora Pharmaceuticals, Inc. and UBS Bank USA.</u>
31.1	<u>Certification of principal executive officer pursuant to Rules 13a-15(e) and 15d-15(e), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2	<u>Certification of principal financial and accounting officer pursuant to Rules 13a-15(e) and 15d-15(e), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1*	<u>Certification of principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2*	<u>Certification of principal financial and accounting officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	XBRL Instance Document (embedded within the Inline XBRL document)
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* This certification shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act.

† Certain confidential portions of this exhibit were redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K because the identified confidential portions (i) are not material and (ii) are customarily and actually treated as private and confidential.



Credit Line Agreement

UBS Bank USA	
Variable Credit Line Account Number (if applicable)	VR
Fixed Credit Line Account Number (if applicable)	VR
SS# / TIN	
Internal Use Only	

Borrower Agreement

BY SIGNING BELOW, THE BORROWER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT:

- A** THE BORROWER HAS RECEIVED AND READ A COPY OF THIS BORROWER AGREEMENT, THE ATTACHED CREDIT LINE ACCOUNT APPLICATION AND AGREEMENT (INCLUDING THE CREDIT LINE AGREEMENT FOLLOWING THIS BORROWER AGREEMENT) AND THE LOAN DISCLOSURE STATEMENT EXPLAINING THE RISK FACTORS THAT THE BORROWER SHOULD CONSIDER BEFORE OBTAINING A LOAN SECURED BY THE BORROWER'S SECURITIES ACCOUNT. THE BORROWER AGREES TO BE BOUND BY THE TERMS AND CONDITIONS CONTAINED IN THIS BORROWER AGREEMENT AND ALSO AGREES TO BE BOUND BY THE TERMS AND CONDITIONS CONTAINED IN THE CREDIT LINE ACCOUNT APPLICATION AND AGREEMENT (INCLUDING THE CREDIT LINE AGREEMENT FOLLOWING THIS BORROWER AGREEMENT) (WHICH TERMS AND CONDITIONS ARE INCORPORATED HEREIN BY REFERENCE) AND ANY AND ALL OTHER DOCUMENTS AND AGREEMENTS ENTERED INTO BY THE BORROWER IN CONNECTION WITH THIS BORROWER AGREEMENT OR THE CREDIT LINE AGREEMENT. CAPITALIZED TERMS USED IN THIS BORROWER AGREEMENT HAVE THE MEANINGS SET FORTH IN THE CREDIT LINE AGREEMENT.
- B** THE BORROWER UNDERSTANDS AND AGREES THAT UBS BANK USA MAY DEMAND FULL OR PARTIAL PAYMENT OF THE OBLIGATIONS, AT ITS SOLE OPTION AND WITHOUT CAUSE, AT ANY TIME, AND THAT ADVANCES ARE NOT EXTENDED FOR ANY SPECIFIC TERM OR DURATION, NOTWITHSTANDING THE DURATION OF ANY INTEREST PERIOD OR REPAYMENT PERIOD, IF APPLICABLE, SELECTED. THE BORROWER UNDERSTANDS AND AGREES THAT ALL ADVANCES ARE SUBJECT TO COLLATERAL MAINTENANCE REQUIREMENTS (COMMONLY KNOWN AS MARGIN REQUIREMENTS). THE BORROWER UNDERSTANDS THAT UBS BANK USA MAY, AT ANY TIME, IN ITS SOLE AND ABSOLUTE DISCRETION, TERMINATE AND CANCEL THE CREDIT LINE WHETHER OR NOT AN EVENT HAS OCCURRED.
- C** UNLESS DISCLOSED IN WRITING TO UBS BANK USA AT THE TIME OF THE APPLICATION, APPROVED BY UBS BANK USA AND SPECIFIED IN A FEDERAL RESERVE FORM U-1, THE BORROWER AGREES NOT TO USE THE PROCEEDS OF ANY ADVANCE EITHER TO PURCHASE, CARRY OR TRADE IN SECURITIES OR TO REPAY ANY DEBT (I) USED TO PURCHASE, CARRY OR TRADE IN SECURITIES OR (II) TO ANY AFFILIATE OF UBS BANK USA. THE BORROWER WILL BE DEEMED TO REPEAT THIS AGREEMENT EACH TIME THE BORROWER REQUESTS AN ADVANCE.
- D** THE BORROWER UNDERSTANDS THAT BORROWING USING SECURITIES AS COLLATERAL (I.E., BORROWING ON MARGIN) ENTAILS RISKS. SHOULD THE VALUE OF THE SECURITIES IN THE COLLATERAL ACCOUNT DECLINE BELOW THE REQUIRED COLLATERAL MAINTENANCE REQUIREMENTS (COMMONLY KNOWN AS MARGIN REQUIREMENTS), UBS BANK USA MAY REQUIRE THAT THE BORROWER POST ADDITIONAL COLLATERAL, REPAY PART OR ALL OF THE BORROWER'S LOAN AND/OR SELL THE BORROWER'S SECURITIES. ANY REQUIRED LIQUIDATIONS MAY INTERRUPT THE BORROWER'S LONG-TERM INVESTMENT STRATEGIES AND MAY RESULT IN ADVERSE TAX CONSEQUENCES (OR OTHER MONETARY AND LEGAL LIABILITY IF THE BORROWER IS AN AFFILIATE OF THE ISSUER OF ANY SUCH SECURITIES).
- E** Neither UBS Bank USA nor UBS Financial Services Inc., nor any employee or agent of either, provides legal, reporting or tax advice regarding any jurisdiction, and nothing herein shall be construed as providing any such legal, reporting or tax advice. The Borrower acknowledges that the Borrower has sought and obtained legal, reporting and tax advice from its own legal and tax advisors, to the extent that the Borrower deems necessary or appropriate.
- F** Upon execution of this Credit Line Account Application and Agreement, the Borrower declares that all of the information requested in the Application and supplied by the Borrower is true and accurate and further agrees to promptly notify UBS Bank USA in writing of any material changes to any or all of the information contained in the Application including information relating to the Borrower's financial situation.
- G** Subject to any applicable financial privacy laws and regulations, data regarding the Borrower and the Borrower's securities accounts may be shared with UBS Bank USA affiliates. Subject to any applicable financial privacy laws and regulations, the Borrower requests that UBS Bank USA share such personal financial data with non-affiliates of UBS Bank USA as is necessary or advisable to effect, administer or enforce, or to service, process or maintain, all transactions and accounts contemplated by this Agreement.
- H** The Borrower authorizes UBS Bank USA and UBS Financial Services Inc. to obtain a credit report or other credit references concerning the Borrower (including making verbal or written inquiries concerning credit history) or to otherwise verify or update credit information given to UBS Bank USA at any time. The Borrower authorizes the release of this credit report or other credit information to UBS Bank USA affiliates as UBS Bank USA deems necessary or advisable in order to effect, administer or enforce, or to service, process or maintain, all transactions and accounts contemplated by this Agreement, and for the purpose of offering additional products, from time to time, to the Borrower. The Borrower authorizes UBS Bank USA to exchange Borrower information with any party UBS Bank USA reasonably believes is conducting a legitimate credit inquiry in accordance with the Fair Credit Reporting Act. UBS Bank USA may also share credit or other transactional experience with the Borrower's designated financial advisor or other parties designated by the Borrower.
- I** UBS Bank USA is subject to examination by various federal, state and self-regulatory organizations and the books and records maintained by UBS Bank USA are subject to inspection and subpoena by these regulators and by federal, state, and local law enforcement officials. The Borrower also acknowledges that such regulators and officials may, pursuant to treaty or other arrangements, in turn disclose such information to the officials or regulators of other countries, and that U.S. courts may be required to compel UBS Bank USA to disclose such information to the officials or regulators of other countries. The Borrower agrees that UBS Bank USA may disclose to such regulators and officials information about the Borrower and transactions in the credit line account or other accounts at UBS Bank USA without notice to the Borrower. In addition, UBS Bank USA may in the context of a private dispute be required by subpoena or other judicial process to disclose information or produce documentation related to the Borrower, the credit line account or other accounts at UBS Bank USA. The Borrower acknowledges and agrees that UBS Bank USA reserves the right, in its sole discretion, to respond to subpoenas and judicial process as it deems appropriate.
- J** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When the Borrower opens an account with UBS Bank USA, UBS Bank USA will ask for the Borrower's name, address, and other information that will allow UBS Bank USA to identify the Borrower. UBS Bank USA may also ask to see other identifying documents. UBS Financial Services Inc. and UBS Bank USA are firmly committed to compliance with all applicable laws, rules and regulations, including those related to combating money laundering. The Borrower understands and agrees that the Borrower must take all necessary steps to comply with the anti-money laundering laws, rules and regulations of the Borrower's country of origin and country of residence, in view of the nature of the Borrower's transactions under the Credit Line Account Application and Agreement.
- K** UBS Bank USA and its affiliates will act as creditors and, accordingly, their interests may be inconsistent with, and potentially adverse to, the Borrower's interests. As a bank and consistent with normal lending practice, UBS Bank USA may take any steps necessary to perfect its interest in the Credit Line, issue a collateral maintenance call (i.e., a margin call) for additional collateral or force the sale of the Borrower's assets. None of UBS Bank USA or UBS Financial Services Inc. or any of their affiliates will act as Borrower's investment advisor with respect to any such liquidation. In fact UBS Bank USA will act as a creditor and UBS Financial Services Inc. and any other Securities Intermediary will act as a securities intermediary and will act on instructions from UBS Bank USA, which instructions may be inconsistent with, and potentially adverse to, the Borrower's interests.
- L** The Borrower understands that, if the Collateral Account is a managed account with UBS Financial Services Inc., (i) in addition to any fees payable to UBS Financial Services Inc. in connection with the Borrower's managed account, interest will be payable to the Bank on any amount advanced to the Borrower in connection with the Credit Line Account, and (ii) the performance of the managed account might not exceed the managed account fees and the interest expense payable to the Bank, in which case the Borrower's overall rate of return will be less than the costs associated with the managed account.
- M** UBS Bank USA may provide copies of any credit line account statements to UBS Financial Services Inc. and to any Guarantor. The Borrower acknowledges and agrees that UBS Bank USA may share any and all information regarding the Borrower and the Borrower's accounts at UBS Bank USA with UBS Financial Services Inc. UBS Financial Services Inc. and any other Securities Intermediary may provide copies of all statements and confirmations concerning each Collateral Account to UBS Bank USA at such times and in such manner as UBS Bank USA may request and may share with UBS Bank USA any and all information regarding the Borrower and the Borrower's accounts with UBS Financial Services Inc.
- N** PREPAYMENT OF FIXED RATE ADVANCES WILL BE SUBJECT TO AN ADMINISTRATIVE FEE AND MAY RESULT IN A PREPAYMENT FEE.
- O** I/we hereby certify, to the best of my/our knowledge, that the information provided about the control person(s) and beneficial owner(s) above is complete and correct.

IN WITNESS WHEREOF, the undersigned (Borrower) has signed this Agreement, or has caused this Agreement to be signed in its name by its duly authorized representatives, as of the date indicated below.

DATE: 3/12/2025

Name of Borrower: Kicra Pharmaceuticals, Inc.

By: Brian M Strem
(Signature of Authorized Signatory of Borrower)* Brian M Strem
By: Melissa Tosca
(Signature of Authorized Signatory of Borrower)* Melissa Tosca

Title: President and CEO
(Title of Authorized Signatory of Borrower)
Title: Executive Vice-President
(Title of Authorized Signatory of Borrower)

The authorized signatory of the Borrower must be one of the Authorized Persons designated on the applicable UBS Bank USA supplemental form executed by the Borrower (e.g., the Supplemental Corporate Resolution Form (HP Form)).




UBS Bank USA

Variable Credit Line Account Number: (if applicable)

5V		VR
Fixed Credit Line Account Number: (if applicable)		
5F		VR
SS# / TIN		

Internal Use Only

Credit Line Agreement

Credit Line Agreement - Demand Facility

THIS CREDIT LINE AGREEMENT (as it may be amended, supplemented or otherwise modified from time to time, this "Agreement") is made by and between the party or parties signing as the Borrower on the Application to which this Agreement is attached (together and individually, the "Borrower") and UBS Bank USA (the "Bank") and, together with the Application, establishes the terms and conditions that will govern the uncommitted demand loan facility made available to the Borrower by the Bank and any letter of credit (each, a "Letter of Credit") which may be issued by the Bank in its sole and absolute discretion at the request of the Borrower, whether or not the Borrower is identified therein as the account party. This Agreement becomes effective upon the earlier of (i) the date of notice from the Bank (which notice may be oral or written) to the Borrower that the Credit Line (as defined below) has been approved, and (ii) the date of the Bank making an initial Advance to the Borrower.

1) Definitions

- "Advance" means any Fixed Rate Advance or Variable Rate Advance made by the Bank pursuant to this Agreement.
- "Advance Advice" means a written or electronic notice by the Bank, sent to the Borrower, the Borrower's financial advisor associated with UBS Financial Services Inc. or any other party designated by the Borrower to receive the notice, confirming that a requested Advance will be a Fixed Rate Advance and specifying (i) with respect to a Fixed Rate Advance, that is an Interest Only Advance, the amount, fixed rate of interest and Interest Period for such Advance and (ii) with respect to a Fixed Rate Advance that is a Combined Interest and Principal Advance, the amount, fixed rate of interest, Interest Period, and Repayment Period for such Advance.
- "Application" means the Credit Line Account Application and Agreement the Borrower has completed and submitted to the Bank and into which this Agreement is incorporated by reference.
- "Approved Amount" means the (i) the maximum aggregate principal amount of Advances that is permitted to be outstanding under the Credit Line at any time, as specified in writing by the Bank from time to time, less (ii) the aggregate face amount of all Letters of Credit.
- "Breakage Costs" and "Breakage Fee" have the meanings specified in Section 6(b).
- "Business Day" means a day on which both of the Bank and UBS Financial Services Inc. are open for business. For notices and determinations of SOFR, a Business Day may not be any day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading U.S. government securities.
- "CME Term Rate" means, as of any date of determination, the forward-looking term rate based on SOFR as reported by CME Group Benchmark Administration Limited as the administrator thereof, or by any other administrator selected or recommended by the Relevant Governmental Body, or such other forward-looking term rate based on SOFR for such tenor, or any other applicable tenor, that has been selected or recommended by the Relevant Governmental Body. Notwithstanding anything to the contrary, if at any time CME Term Rate is less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.
- "Collateral" has the meaning specified in Section 9(a).
- "Collateral Account" means, individually and collectively, each account of the Borrower or Pledgor at UBS Financial Services Inc., and any other Securities Intermediary, as applicable, that is either identified as a Collateral Account on the Application to which this Agreement is attached or subsequently identified as a Collateral Account by the Borrower or Pledgor, either directly or indirectly through the Borrower's or Pledgor's financial advisor, together with all successors to those identified accounts, irrespective of whether any successor account bears a different name or account number.
- "Combined Interest and Principal Advance" means any Fixed Rate Advance that is subject to a fixed rate of interest and that is payable in equal monthly principal payments, plus accrued interest over a specified Repayment Period.
- "Credit Line Account" means each fixed rate account and each variable rate account of the Borrower that is established by the Bank in connection with this Agreement and either identified on the Application or subsequently identified as a Credit Line Account by the Bank by notice to the Borrower, together with all successors to those identified accounts, irrespective of whether any successor account bears a different name or account number.
- "Credit Line Obligations" means, at any time of determination, the aggregate of the outstanding principal amounts of all Advances, together with all accrued but unpaid interest on the outstanding principal amounts, any and all fees or other charges payable in connection with the Advances and any costs of collection (including reasonable attorneys' fees) and other amounts payable by the Borrower under this Agreement, and any and all other present or future obligations of the Borrower and the other respective Loan Parties under this Agreement and the related agreements, whether absolute or contingent, whether or not due or mature and interest accruing at the rate provided in this Agreement on or after the commencement of any bankruptcy or insolvency proceedings, whether or not allowed or allowable.
- "Event" means any of the events listed in Section 11.
- "Fixed Rate Advance" means any advance made under the Credit Line that accrues interest at a fixed rate.
- "Guarantor" means any party who guarantees the payment and performance of the Obligations.
- "Guaranty Agreement" means an agreement pursuant to which a Guarantor agrees to guaranty payment of the Obligations.
- "Interest Only Advance" means any Fixed Rate Advance that is subject to a fixed rate of interest, but that does not have any regularly scheduled required payment of principal until the principal amount of such Advance is due and payable pursuant to the terms of this Agreement.
- "Interest Period" means, for a Fixed Rate Advance, the number of days, weeks or months requested by the Borrower, the Borrower's financial advisor associated with UBS Financial Services Inc. or any other party designated by the Borrower and agreed to in the Bank's sole discretion and confirmed in the Advance Advice relating to the Fixed Rate Advance, commencing on the date of (i) the extension of the Fixed Rate Advance or (ii) any renewal of the Fixed Rate Advance and, in each case, ending on the last day of the period. If the last day is not a Business Day, then the Interest Period will end on the immediately succeeding Business Day.

If the last Business Day would fall in the next calendar month, the Interest Period will end on the immediately preceding Business Day. Each monthly or longer Interest Period that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent





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calendar month) will end on the last Business Day of the appropriate calendar month.

- "Joint Borrower" has the meaning specified in Section 7(a).
- "Letter of Credit" is defined in the first paragraph hereof.
- "Letter of Credit Obligations" means any and all indebtedness, obligations and liabilities of any kind, now or hereafter existing, of the Borrower to the Bank (including, without limitation, any and all reimbursement obligations, letter of credit fees and other fees and costs owing from the Borrower to the Bank), whether absolute or contingent and however arising or acquired by the Bank, in respect of the obligation of the Borrower to reimburse the Bank for any drawing under any Letter of Credit.
- "Loan Documents" has the meaning specified in Section 12(h).
- "Loan Party" means each Borrower, Guarantor and Pledgor, each in their respective capacities under this Agreement or any related agreement.
- "Obligations" means, collectively, all Credit Line Obligations and all Letter of Credit Obligations.
- "Person" means any natural person, company, corporation, firm, partnership, joint venture, limited liability company or limited liability partnership, association, organization or any other legal entity.
- "Pledgor" means each Person who pledges to the Bank any Collateral to secure the Obligations (or to secure the obligations of any Guarantor with respect to the guaranty of the Obligations). Pledgors will include (i) each Borrower who pledges Collateral to secure the Obligations, (ii) each Guarantor who has pledged collateral to secure the Obligations or its obligations under a Guaranty Agreement, (iii) any spouse of a Borrower who executes a spouse's pledge and consent agreement with respect to any jointly held Collateral, (iv) any other joint holder of collateral who executes a joint account holder pledge and consent agreement with respect to such jointly held Collateral, and (v) any other Person who executes a pledge agreement with respect to the Obligations.
- "Relevant Governmental Body" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.
- "Repayment Period" means for any Fixed Rate Advance that is a Combined Interest and Principal Advance, the number of months requested by the Borrower and confirmed in the Advance Advice relating to the repayment of such Advance, commencing on the date of the extension of such Advance and ending on the last day of the requested period. If the last day is not a Business Day, then the Repayment Period will end on the immediately succeeding Business Day.
- "Sanctions" has the meaning specified in Section 12(n).
- "Securities Intermediary" has the meaning specified in Section 10.
- "SOFR" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website at approximately 8:00 a.m. (New York City time) based upon the prior Business Day's activity. If (i) the rate ceases to be regularly published on the SOFR Administrator's Website or otherwise provided by the SOFR Administrator to the general public; (ii) the SOFR Administrator issues a public statement indicating that the rate is no longer reliable or representative; (iii) the Bank determines, in its sole and absolute discretion, the rate is no longer

reliable or representative; or (iv) it is unlawful for the Bank to provide the rate under any applicable federal or state law, or applicable federal or state regulation, a replacement index and adjustment, if applicable, may be designated by the Bank in its sole and absolute discretion. For any day that is not a Business Day, SOFR will be the SOFR rate in effect on the immediately preceding Business Day prior to that day. Notwithstanding anything to the contrary, if at any time SOFR is less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

- "SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).
- "SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.
- "SOFR Average" means, as of any date of determination, the compounded 30-day average of SOFR published by the SOFR Administrator. If (i) the rate ceases to be regularly published on the SOFR Administrator's Website or otherwise provided by the SOFR Administrator to the general public; (ii) the SOFR Administrator issues a public statement indicating that the rate is no longer reliable or representative; (iii) the Bank determines, in its sole and absolute discretion, the rate is no longer reliable or representative; or (iv) it is unlawful for the Bank to provide the rate under any applicable federal or state law, or applicable federal or state regulation, a replacement index and adjustment, if applicable, may be designated by the Bank in its sole and absolute discretion. For any day that is not a Business Day, SOFR Average will be SOFR Average in effect on the immediately preceding Business Day prior to that day. Notwithstanding anything to the contrary, if at any time SOFR Average is less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.
- "UBS Bank USA Fixed Funding Rate" means, as of any date of determination, (i) for Fixed Rate Advances of up to and including six (6) months, the sum of (A) the CME Term Rate plus (B) the liquidity premium quoted in the following table and (ii) for Fixed Rate Advances of greater than six (6) months, (A) the U.S. Treasury Rate on the date of the advance that corresponds to the duration of the contract plus (B) the liquidity premium quoted in the following table:

Duration of Fixed Rate Advance	Liquidity Premium
One (1) month or less	Fifteen (15) basis points (0.15%)
Greater than one (1) month and less than or equal to three (3) months	Twenty-Five (25) basis points (0.25%)
Greater than three (3) months and less than or equal to six (6) months	Thirty (30) basis points (0.30%)
Greater than six (6) months and less than or equal to five (5) years	Fifty (50) basis points (0.50%)
Greater than five (5) year and less than or equal to seven (7) years	Sixty (60) basis points (0.60%)
Greater than seven (7) years and less than or equal to ten (10) years	Seventy (70) basis points (0.70%)

- "UBS Financial Services Inc." means UBS Financial Services Inc. and its successors and assigns.





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- "UBS Variable Rate" means, as of any date of determination, SOFR Average plus eleven basis points (0.110%).
- "Variable Rate Advance" means any advance made under the Credit Line that accrues interest at a variable rate.
- "U.S. Treasury Rate" means, as of any date of determination, the U.S. Treasury Yield Curve Rate, published by the U.S. Department of the Treasury on the U.S. Department of the Treasury's website for the immediately preceding Business Day. For any day that is not a Business Day, the U.S. Treasury Rate will be the applicable rate in effect on the immediately preceding Business Day prior to that day. If (i) the rate is not available for any reason, (ii) the Bank determines, in its sole and absolute discretion, the rate is no longer reliable or representative; (iii) the Bank makes the determination to incorporate or adopt a new interest rate to replace the U.S. Treasury Yield Curve Rate in credit agreements; or (iv) it is unlawful for the Bank to provide the rate under any applicable federal or state law, or applicable federal or state regulation, the Bank may replace the U.S. Treasury Rate with an alternate rate and adjustment, if applicable, in its sole and absolute discretion. Notwithstanding anything to the contrary, if at any time the U.S. Treasury Rate is less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

2) Establishment of Credit Line; Termination

- a) Upon the effectiveness of this Agreement, the Bank establishes an **UNCOMMITTED, DEMAND** revolving line of credit (the "Credit Line") in an amount up to the Approved Amount. The Bank will, subject to the terms of this Agreement, from time to time upon request of the Borrower, the Borrower's financial advisor associated with UBS Financial Services Inc. or any other party designated by the Borrower, authorize and make one or more Advances to the Borrower. Variable Rate Advances and Fixed Rate Advances will constitute extensions of credit pursuant to a single Credit Line. The Approved Amount will be determined, and may be adjusted from time to time, by the Bank in its sole and absolute discretion.
- b) **THE BORROWER AND EACH OTHER LOAN PARTY UNDERSTANDS AND AGREES THAT THE BANK MAY DEMAND FULL OR PARTIAL PAYMENT OF THE OBLIGATIONS, AT ITS SOLE AND ABSOLUTE DISCRETION AND WITHOUT CAUSE, AT ANY TIME, AND THAT ADVANCES ARE NOT EXTENDED FOR ANY SPECIFIC TERM OR DURATION, NOTWITHSTANDING THE SELECTION OF AN INTEREST PERIOD OR REPAYMENT PERIOD, IF APPLICABLE, OF ANY SPECIFIC DURATION.**
- c) **UNLESS DISCLOSED IN WRITING TO THE BANK AT THE TIME OF THE APPLICATION, APPROVED BY THE BANK AND SPECIFIED IN A FEDERAL RESERVE FORM U-1, THE BORROWER AGREES NOT TO USE THE PROCEEDS OF ANY ADVANCE EITHER TO PURCHASE, CARRY OR TRADE IN SECURITIES OR TO REPAY ANY DEBT (I) USED TO PURCHASE, CARRY OR TRADE IN SECURITIES OR (II) TO ANY AFFILIATE OF THE BANK. THE BORROWER WILL BE DEEMED TO REPEAT THE AGREEMENT IN THIS SECTION 2(d) EACH TIME THE BORROWER, THE BORROWER'S FINANCIAL ADVISOR ASSOCIATED WITH UBS FINANCIAL SERVICES INC. OR ANY OTHER PARTY DESIGNATED BY THE BORROWER REQUESTS AN ADVANCE.**
- d) Prior to the first Advance under the Credit Line, the Borrower must sign and deliver to the Bank a Federal Reserve Form U-1 and all other documentation the Bank may require. The Borrower acknowledges that neither the Bank nor any of its affiliates has advised the Borrower in any manner regarding the purposes for which the Credit Line will be used.
- e) The Borrower consents and agrees that, in connection with establishing the Credit Line Account or approving any Advances to the Borrower, or for any other purpose associated with the Credit

Line, the Bank may obtain a consumer or other credit report from a credit reporting agency relating to the Borrower's credit history. Upon request by the Borrower, the Bank will inform the Borrower: (i) whether or not a consumer or other credit report was requested; and (ii) if so, the name and address of the consumer or other credit reporting agency that furnished the report. The Borrower and each other Loan Party shall promptly provide all documents, financial or other information as the Bank may request.

- f) Following each month in which there is activity in the Borrower's Credit Line Account in amounts greater than \$1, and whenever required by applicable law, the Borrower will receive an account statement showing the new balance, the amount of any new Advances, year to date interest charges, payments and other charges and credits that have been registered or posted to the Credit Line Account.
- g) Each of the Loan Parties understands and agrees that the Bank may, at any time, and in its sole and absolute discretion, terminate and cancel the Credit Line whether or not an Event has occurred. In the event the Bank terminates and cancels the Credit Line the Obligations shall be immediately due and payable in full. If the Obligations are not paid in full, the Bank shall have the right, at its option, to exercise any or all of its remedies described in Section 11 of this Agreement.
- h) The Borrower understands that the Bank will, directly or indirectly, pay a portion of the interest that it receives to the Borrower's financial advisor associated with UBS Financial Services Inc. or one of its affiliates. To the extent permitted by applicable law, the Bank may also charge the Borrower fees for establishing and servicing the Credit Line Account. These fees may include a stop payment fee (\$12) and a return check fee (\$15).

3) Terms of Advances

- a) Advances made under this Agreement will be available to the Borrower in the form, and pursuant to procedures, that are established from time to time by the Bank in its sole and absolute discretion. Advances will be made by wire transfer of funds to an account as specified in writing by the Borrower or by any other method agreed upon by the Bank and the Borrower. The Borrower acknowledges and agrees that the Bank will not make any Advance to the Borrower unless the collateral maintenance requirements (i.e., margin requirements) that are established by the Bank in its sole and absolute discretion have been satisfied.
- b) Each Advance made under a Credit Line will be a Variable Rate Advance unless designated as a Fixed Rate Advance in an Advance Advice sent by the Bank to the Borrower. The Bank will not designate any Advance as a Fixed Rate Advance unless it has been requested to do so by the Borrower (acting directly or acting indirectly through the Borrower's financial advisor or other agent designated by the Borrower and acceptable to the Bank).
- c) Unless otherwise agreed in writing by the Bank: (i) each Fixed Rate Advance must be in an amount of at least \$25,000 or such other amount as the Bank may determine from time to time; and (ii) each Variable Rate Advance taken by wire transfer must be in an amount of at least \$2,500.

4) Interest

- a) Each Fixed Rate Advance will bear interest at a fixed interest rate. The interest rate is equal to the sum of (i) the UBS Bank USA Fixed Funding Rate plus (ii) the applicable Percentage Spread set forth in Schedule I.

Representative interest rates and corresponding Annual Percentage Rates ("APR") are provided in and below the Interest Rates and





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Interest Charges summary provided with this Agreement, as of the date indicated on that summary.

Prior to the date of the Advance, the interest rate and APR will change if the UBS Bank USA Fixed Funding Rate changes, and may increase. The APR is calculated and may change every day. If the APR increases, the required payments will increase. The interest rate, APR, and required payments will be determined for a particular Fixed Rate Advance on the date of that Advance.

The rates described in this subsection (a) will apply unless the penalty rate is applicable under subsection (c).

- b) Each Variable Rate Advance will bear interest at a variable interest rate. The interest rate is equal to the sum of (i) the UBS Variable Rate plus (ii) the applicable Percentage Spread set forth in Schedule I. The rate of interest payable on Variable Rate Advances is subject to change without notice in accordance with fluctuations in SOFR Average and in the Approved Amount. On each day that SOFR Average changes or the Approved Amount crosses one of the thresholds that is indicated on Schedule I, the interest rate on all Variable Rate Advances will change accordingly.

Representative interest rates and corresponding APR are provided in and below the Interest Rates and Interest Charges summary provided with this Agreement, as of the date indicated on that summary.

The APR will change if SOFR Average changes, and may increase. It may change every day. If the APR increases, the required payments will increase.

The rates described in this subsection (b) will apply unless the penalty rate is applicable under subsection (c).

- c) The interest rate, daily interest rate and APR may also vary on each Advance in the event of a default. Any amounts due and not paid on any Advance following an Event, as defined in Section 11 below, will bear interest from the day following the Event until fully paid at the following penalty rates. If the penalty rate is triggered, the amount of interest and the payment amounts will increase. The penalty interest rate is equal to:

- (i) For Variable Rate Advances, the sum of (i) the UBS Variable Rate (on each day) plus (ii) the applicable Penalty Percentage Spread set forth in Schedule I.

The penalty rate of interest payable on Variable Rate Advances is subject to change without notice in accordance with fluctuations in SOFR Average and in the Approved Amount. On each day that SOFR Average changes or the Approved Amount crosses one of the thresholds that is indicated on Schedule I, the penalty interest rate on all Variable Rate Advances will change accordingly.

Representative penalty interest rates and corresponding penalty APRs are provided in and below the Interest Rates and Interest Charges summary provided with this Agreement, as of the date indicated on that summary.

For Variable Rate Advances, the APR will change if SOFR Average changes, and may increase. It may change every day. If the APR increases, the required payments will increase.

Advance notice of the imposition of a penalty rate will be provided to the extent required by applicable law.

- d) The interest charges are calculated separately for each Advance. To calculate the total interest charge on an Advance for a billing period, the applicable daily interest rate is multiplied by the applicable daily balance for that Advance for each day in the billing period, and

then those totals are added together to determine the total interest charge.

The applicable daily interest rate for a Fixed Rate Advance is equal to the interest rate for that Advance divided by three hundred sixty (360).

The applicable daily interest rate for a Variable Rate Advance is equal to the variable interest rate determined for that day divided by three hundred sixty (360).

The daily balance of each Advance is determined each day by: (i) taking the beginning balance for that day; (ii) adding any new withdrawals applicable to that Advance on the date of the withdrawal; (iii) adding to the Variable Rate Balance, at the beginning of a billing cycle, the interest charges and any fees attributable to all Advances for the prior billing cycle that were not paid; and (iv) subtracting any payments credited as of that day. A credit balance on any Advance is treated as a balance of zero.

Each billing period is a calendar month, except that for Fixed Rate Advances with a term of more than one month, the first billing period is the first two calendar months.

5) Payments

- a) **Each Fixed Rate Advance that is an Interest Only Advance will be due and payable in full ON DEMAND or (if not earlier due as a result of an Event or a demand by the Bank) on the last day of the applicable Interest Period. Each Fixed Rate Advance that is a Combined Interest and Principal Advance shall be due and payable (if not earlier due as a result of an Event or a demand by the Bank): (i) in equal monthly installments, with each installment in such amount as is sufficient to fully amortize the principal amount of such Advance over the Repayment Period applicable to such Advance; and (ii) in its entirety, ON DEMAND.** On or before the last day of its Interest Period, any Fixed Rate Advance that is an Interest Only Advance may be renewed by the Bank, in its sole and absolute discretion (and pursuant to such procedures as it may establish), as another Fixed Rate Advance. Any Fixed Rate Advance that is an Interest Only Advance and which is not due as a result of an Event and as to which the Bank has not made a demand for payment and which is not paid in full or renewed as another such Fixed Rate Advance on or before the last day of its Interest Period, will be automatically renewed on that date as a U.S. dollar denominated Variable Rate Advance in an amount equal to the unpaid principal balance of such Fixed Rate Advance plus any accrued but unpaid interest on such Fixed Rate Advance, which Variable Rate Advance will then accrue additional interest at such variable rate as is provided in this Agreement.
- b) **Each Variable Rate Advance will be due and payable ON DEMAND.**
- c) The Borrower promises to pay the outstanding principal amount of each Advance, together with all accrued but unpaid interest on such Advance, and any and all fees or other charges payable in connection with such Advance, on the date the principal amount becomes due (whether by reason of demand or the occurrence of a stated maturity date, by reason of acceleration or otherwise). The Borrower further promises to pay interest in respect of the unpaid principal balance of each Advance from the date the Advance is made until it is paid in full. Interest on each Advance will be payable in arrears as follows:
- (i) For Fixed Rate Advances - if the Interest Period is one month or less, then on the last day of the Interest Period. For all other Fixed Rate Advances, on the last day of each calendar month during the Interest Period except the first month, and on the last day of the Interest Period, and on each date that all or any portion of





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the principal amount of the Fixed Rate Advance becomes due or is paid and

- (ii) For Variable Rate Advances- on the last day of each calendar month, and on each date that all or any portion of the principal amount of the Variable Rate Advance becomes due or is paid.

To the extent permitted by law, and without limiting any of the Bank's other rights and remedies under this Agreement, interest charges on any Advance that are not paid when due will be treated as principal in a Variable Rate Advance, and will accrue interest at a rate applicable to such Variable Rate Advance from the date the payment of interest was due until it is paid in full.

- d) All payments of principal, interest or other amounts payable under this Agreement in connection with any Advance will be made in immediately available funds and in the same currency in which such Advance was made, which, unless otherwise agreed in writing by the Bank, will be U.S. dollars. All payments will be made by wire transfer of funds to an account specified by the Bank or by another method agreed upon by the Bank and the Borrower. Upon receipt of any payment, the Bank will credit the same to the Credit Line Account, and not until such time shall the obligation of Borrower (or of any other Loan Party) to make such payment be discharged. The Bank shall apply the proceeds of any payment in the following order: first to billed but non-capitalized interest; second to outstanding fees, including Breakage Costs, Breakage Fees, other fees, costs of collection and expenses; and third to the outstanding principal amount.
- e) All payments must be made to the Bank free and clear of any and all present and future taxes (including withholding taxes), levies, imposts, duties, deductions, fees, liabilities and similar charges other than those imposed on the overall net income of the Bank. If so requested by the Bank, the Borrower will deliver to the Bank the original or a certified copy of each receipt evidencing payment of any taxes or, if no taxes are payable in respect of any payment under this Agreement, a certificate from each appropriate taxing authority, or an opinion of counsel in form and substance and from counsel acceptable to the Bank in its sole and absolute discretion, in either case stating that the payment is exempt from or not subject to taxes. If any taxes or other charges are required to be withheld or deducted from any amount payable by the Borrower under this Agreement, the amount payable will be increased to the amount which, after deduction from the increased amount of all taxes and other charges required to be withheld or deducted from the increased amount payable, will yield to the Bank the amount otherwise stated to be payable under this Agreement. If any of such taxes or charges are paid by the Bank, the Borrower will reimburse the Bank on demand for the payments, together with all interest and penalties that may be imposed by any governmental agency. None of the Bank, UBS Financial Services Inc. nor their respective employees or agents has provided or will provide legal advice to the Borrower or any other Loan Party regarding compliance with (or the implications of) the Credit Line and the related guaranties and pledges under) the laws (including tax laws) of the jurisdiction of the Borrower or any other Loan Party or any other jurisdiction. The Borrower and each Loan Party are, and shall be solely responsible for, and the Bank shall have no responsibility for, the compliance by the Loan Parties with any and all reporting and other requirements arising at any time or times under any applicable laws (including tax laws).
- f) In no event will the total interest and fees, if any, charged under this Agreement exceed the maximum interest rate or total interest and fees permitted by applicable law. In the event any excess interest or fees are collected, the same will be refunded or credited to the Borrower. If the amount of interest payable by the Borrower on any interest payment date is reduced pursuant to this Section 5(f), the amount of interest payable on each succeeding interest payment date shall be increased to the maximum extent permitted by

applicable law until the amount of the reduction has been received by the Bank.

6) Prepayments; Breakage Charges

- a) The Borrower may repay any Variable Rate Advance at any time, in whole or in part, without penalty.
- b) Subject to the provisions of this Section 6(b), the Borrower may repay any Fixed Rate Advance in whole, but may not repay any Fixed Rate Advance in part.

The Borrower agrees to reimburse the Bank, immediately upon demand, for any loss or cost ("Breakage Costs") that the Bank notifies the Borrower has been incurred by the Bank as a result of any repayment of the principal of (i) any Fixed Rate Advance that is an Interest Only Advance before the expiration of the Interest Period for the Fixed Rate Advance (whether voluntarily by the Borrower, or as a result of acceleration, or demand by the Bank, or otherwise) or (ii) any Fixed Rate Advance that is a Combined Interest and Principal Advance, in an amount that is in excess of the then required monthly amortized principal payment amount as specified in the relevant Advance Advice (whether voluntarily by the Borrower, or as a result of acceleration, or demand by the Bank, or otherwise).

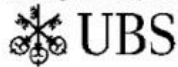
Breakage Costs will be calculated by determining the differential between the UBS Bank USA Fixed Funding Rate, exclusive of liquidity premiums and client spread, for the Interest Period of the Fixed Rate Advance and the prevailing UBS Bank USA Fixed Funding Rate, exclusive of the liquidity premium and client spread, for a period of time equal to the remainder of the Interest Period, then multiplying such differential, expressed as a daily rate differential based on a 360-day year, by the outstanding principal amount of the Fixed Rate Advance (or by the principal amount of the Fixed Rate Advance not taken by the Borrower), and then multiplying the product thereof by the actual number of days remaining in the Interest Period of the Fixed Rate Advance. For purposes of the foregoing, any cancellation with a remaining tenor of 4, 6, 8, or 9 years that is not quoted as a U.S. Treasury Yield Curve Rate will interpolate the midpoint between quoted tenors to determine Breakage Costs.

The Borrower also agrees to promptly pay to the Bank an administrative fee ("Breakage Fee") in connection with any prepayment. The Breakage Fee will be calculated by multiplying the outstanding principal amount of the Fixed Rate Advance by two basis points (0.02%) (with a minimum Breakage Fee of \$100.00). Any written notice from the Bank as to the amount of the Breakage Costs and/or Breakage Fees will be conclusive absent manifest error.

7) Joint Credit Line Account Agreement Suspension and Cancellation

- a) If more than one Person is signing this Agreement as the "Borrower", each party (a "Joint Borrower") shall be jointly and severally liable for the Obligations, regardless of any change in business relations, divorce, legal separation, or other legal proceedings, and regardless of any agreement that may affect liabilities between the parties. Except as provided below for the reinstatement of a suspended or cancelled Credit Line, and unless otherwise agreed by the Bank in writing, the Bank may rely on, and each Joint Borrower will be responsible for, requests for Advances, directions, instructions and other information provided to the Bank by any Joint Borrower. The Bank may provide notices and other information to either Joint Borrower, and any such notices or information will be binding on all of them.





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- b) Any Joint Borrower may request that the Bank suspend or cancel the Credit Line by sending the Bank a written notice of such request addressed to the Bank at the address shown on the Borrower's periodic Credit Line Account statements. Any such notice will become effective three Business Days after the date that the Bank receives it, and each Joint Borrower will continue to be responsible for paying: (i) the Obligations as of the effective date of the notice, and (ii) all Advances that any Joint Borrower has requested but that have not yet become part of the Obligations as of the effective date of the notice. No notice will release or in any other way affect the Bank's interest in the Collateral. All subsequent requests to reinstate credit privileges must be signed by all Joint Borrowers comprising the Borrower, including the Joint Borrower that requested the suspension of credit privileges. Any reinstatement will be granted or denied in the sole and absolute discretion of the Bank.
- c) All Obligations will become immediately due and payable in full as of the effective date of any suspension or cancellation of the Credit Line. The Borrower will be responsible for the payment of all charges incurred on the Advances after such effective date. The Bank will not release any Loan Party from any of the obligations under this Agreement or any related agreement until the Obligations have been paid in full and this Agreement has been terminated by the Bank.

8) Letters of Credit

- a) The Borrower may request that one or more Letters of Credit be issued by completing, executing and delivering to the Bank an application in such form as the Bank may specify from time to time. In the event of any inconsistency between this Agreement and any such application, this Agreement shall be controlling. The Bank may, in its sole and absolute discretion, but shall not be obligated, to issue one or more Letters of Credit in such form and content and with such maturity dates as the Bank may determine in its sole and absolute discretion. The Borrower agrees to pay to the Bank such commissions, letter of credit fees and other fees and charges in respect of Letters of Credit as may be agreed upon by the Bank and the Borrower from time to time.
- b) The Borrower shall reimburse to the Bank the amount of any drawing under any Letter of Credit upon the date of such drawing. Such reimbursement obligation of the Borrower in respect of each Letter of Credit shall be unconditional and absolute notwithstanding, and neither the Bank nor any of its correspondents shall have any liability by reason of, (i) any draft, certificate, bill of lading or other document presented under or in connection with such Letter of Credit, including any instrument purporting to transfer or assign such Letter of Credit or any rights thereunder, proving to be forged, fraudulent, inaccurate or invalid in any respect, (ii) the existence of any claim, setoff or other rights which the Borrower may have at any time against the beneficiary or any other person or entity, (iii) the failure of any drawing to conform to the terms of such Letter of Credit (provided that the Bank shall have acted in good faith and shall not have engaged in willful misconduct in connection therewith) or the misapplication of the proceeds thereof by the beneficiary or any other person or entity, (iv) any difference in character, quality, quantity, condition or value of property purporting to be represented by bills of lading or other documents of title from that expressed in such documents, or (v) any other act, omission or circumstance that would, but for the provisions of this paragraph (b), constitute a legal or equitable discharge of any obligation of the Borrower hereunder.
- c) The Borrower agrees to obtain promptly any import, export or other license required in connection with property to which any Letter of Credit directly or indirectly relates, and agrees to comply with all applicable law and regulations in regard to any shipment, warehousing or financing of any such property. The Borrower agrees to protect, indemnify and hold harmless the Bank and its correspondents from and against all claims, actions, suits and other proceedings, and all losses, damages and costs (including fees and

expenses of counsel) which the Bank or any of its correspondents may suffer or incur by reason of the issuance of any Letter of Credit or any act or omission in respect of any Letter of Credit, except to the extent resulting from the bad faith or willful misconduct of the party seeking indemnification.

- d) If an Event occurs and is continuing, the Borrower will, on demand by the Bank, pay to the Bank in cash an amount equal to the maximum amount that may at any time thereafter be drawn under all Letters of Credit, to be held by the Bank in such manner as the Bank may determine and applied to the Borrower's reimbursement obligations hereunder (with any excess to be returned to the Borrower, subject to Section 9 hereof, upon expiration of all Letters of Credit and reimbursement in full of all amounts drawn thereunder).

9) Collateral; Grant of Security Interest; Set-off

- a) To secure payment and performance of the Obligations, the Borrower and each other Pledgor assigns, transfers and pledges to the Bank, and grants to the Bank a first priority lien and security interest in the following assets and rights of the Borrower and each other Pledgor, wherever located and whether owned or existing now or acquired or arising in the future: (i) the Collateral Account; (ii) any and all money, credit balances, certificated and uncertificated securities, security entitlements, commodity contracts, deposits, certificates of deposit, instruments, documents, partnership interests, limited liability company interests, general intangibles, financial assets and other investment property now or in the future credited to or carried, held or maintained in the Collateral Account; (iii) any and all over-the-counter options, futures, foreign exchange, swap or similar contracts between the Borrower and each other Pledgor, on the one hand, and either UBS Financial Services Inc. or any of its affiliates, on the other hand; (iv) any and all accounts of the Borrower and each other Pledgor at the Bank or any of its affiliates; (v) any and all goods, assets or other property in the possession, custody or control of the Bank or any of its agents or custodians, including, without limitation, gold and other precious metals (whether in the form of coins, bars or otherwise); (vi) any and all supporting obligations, general intangibles and other rights ancillary or attributable to, or arising in any way in connection with, any of the foregoing; and (vii) any and all interest, dividends, distributions and other proceeds of any of the foregoing, including proceeds of proceeds (collectively, the "Collateral"); provided, however, clauses (iv) and (v) of this Section 9(a) shall not be effective with respect to the Borrower (and, for greater certainty, such assets described therein shall not be "Collateral" for the purposes of this Agreement) if and for so long as the Borrower shall simultaneously have a "purpose" and a "non-purpose" loan or loans outstanding with the Bank (as such terms are used under Federal Reserve Regulation U) or with respect to any other Pledgor, if and for so long as such Pledgor shall simultaneously be pledging assets for both a "purpose" and "non-purpose" loan with the Bank.
- b) The Borrower and if applicable, any other Pledgor of Collateral, shall take all actions reasonably requested by the Bank to evidence, maintain and perfect the Bank's first priority security interest in, and to enable the Bank to obtain control over, the Collateral and any additional collateral pledged by the Pledgors, to secure any of the Obligations, including but not limited to making, executing, recording and delivering to the Bank (and the Borrower authorizes the Bank to file, without the signature of the Borrower or any Pledgor where permitted by applicable law) financing statements and amendments thereto, control agreements, notices, assignments, listings, powers, consents and other documents (regarding the Collateral and the Bank's security interest in the Collateral) in such jurisdictions, and in such forms, as the Bank reasonably may require. Each Loan Party irrevocably authorizes and appoints the Bank to act as the Loan Party's agent and attorney-in-fact and to file any documents, or execute any documents, in the Loan





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Party's name, with or without designation of authority. Each Loan Party acknowledges that it will be obligated in respect of such documentation as if it had executed the documentation itself.

- c) The Borrower (and, if applicable, any other Pledgor of Collateral) agrees to maintain in the Collateral Account, at all times, Collateral having an aggregate lending value as specified by the Bank from time to time. For greater certainty, any failure by the Borrower (or, if applicable, any other Pledgor of Collateral) to satisfy the aggregate lending value specified by the Bank from time to time may result in the Bank issuing a collateral maintenance call (i.e., a margin call) for additional collateral or for the Borrower to repay all or a portion of the Obligations.
- d) The Bank's sole duty as to the custody, safekeeping and physical preservation of any Collateral in its possession will be to deal with the Collateral in the same manner as the Bank deals with similar property held for its own account. The Borrower (and, if applicable, any other Pledgor of Collateral) agrees that the Bank will have no responsibility to act on any notice of corporate actions or events provided to holders of securities or other investment property included in the Collateral. The Borrower (and, if applicable, any other Pledgor of Collateral) agrees (i) to notify the Bank promptly upon receipt of any communication to holders of the investment property disclosing or proposing any stock split, stock dividend, extraordinary cash dividend, spin-off or other corporate action or event as a result of which the Borrower or Pledgor would receive securities, cash (other than ordinary cash dividends) or other assets in respect of the investment property, and (ii) immediately upon receipt by the Borrower or Pledgor of any of these assets, to cause them to be credited to a Collateral Account or to deliver them to or as directed by the Bank as additional Collateral.
- e) The Borrower (and, if applicable, any other Pledgor of Collateral) agrees that all principal, interest, dividends, distributions, premiums or other income and other payments received by the Bank or credited to the Collateral Account in respect of any Collateral may be held by the Bank as additional Collateral or applied by the Bank to the Obligations. The Bank may create a security interest in, and may, at any time and at its option, transfer any securities or other investment property constituting Collateral to, a securities account maintained in its name or cause the Collateral Account to be redesignated or renamed in the name of the Bank.
- f) The Borrower (and, if applicable, any other Pledgor on the Collateral Account) agrees that if the Collateral Account has UBS Financial Services Inc. or other Securities Intermediary margin features, the margin features will be removed by UBS Financial Services Inc., and any other Securities Intermediary, so long as there is no outstanding margin debt owing to UBS Financial Services Inc. or any other Securities Intermediary in the Collateral Account.
- g) If the Collateral Account permits cash withdrawals in the form of check writing, access card charges, bill payment and/or electronic funds transfer services (for example, Resource Management Accounts®, Business Services Accounts BSA®, Basic Investment Accounts and certain accounts enrolled in UBS Financial Services Inc. Investment Solutions programs), then the Borrower (and, if applicable, any other Pledgor on the Collateral Account) agrees that the "Withdrawal Limit" for the Collateral Account, as described in the documentation governing the account, will be reduced on an ongoing basis so that the aggregate lending value of the Collateral remaining in the Collateral Account following any withdrawal will not be less than the amount required pursuant to Section 9(c).
- h) In addition to the Bank's security interest, the Borrower (and, if applicable, any other Pledgor on the Collateral Account) agrees that the Bank will at all times have a right to set off or apply any or all of the Obligations at or after the time at which they become due, whether upon demand, at a stated maturity date, by acceleration or

otherwise, against all securities, cash, deposits or other property in the possession of, or at any time held or deposited in any account maintained with, the Bank or any of its affiliates by or for the benefit of the Borrower, whether carried individually or jointly with others and regardless of the currency in which denominated. This right is in addition to, and not in limitation of, any right the Bank may have at law or otherwise.

- i) The Bank reserves the right to disapprove any Collateral and to require the Borrower at any time to either deposit into the Borrower's Collateral Account or pledge directly to the Bank additional Collateral in such amount as the Bank requests or to substitute new or additional Collateral for any Collateral that has previously been deposited in the Collateral Account.

10) Control

For the purpose of giving the Bank control over the Collateral Account and in order to perfect the Bank's security interests in the Collateral, the Borrower and each other Pledgor on the Collateral Account consents to, and hereby authorizes, compliance by UBS Financial Services Inc., and by any other securities intermediary or depository institution (each, including UBS Financial Services Inc., being a "Securities Intermediary"), with which any account comprising the Collateral Account is maintained, with entitlement orders and instructions from the Bank (or from any assignee or successor of the Bank) regarding the Collateral Account and any financial assets, cash or other property held therein, without the further consent of the Borrower or any other Pledgor on the applicable Collateral Account. Without limiting the foregoing, the Borrower and each Pledgor on the Collateral Account acknowledges, consents and agrees that, pursuant to a control agreement entered into between the Bank and UBS Financial Services Inc., and any other Securities Intermediary, each as Securities Intermediary, to which any account comprising the Collateral Account held by such Securities Intermediary is subject:

- a) The Securities Intermediary will comply with entitlement orders and any other instructions originated by the Bank regarding any Collateral Account without further consent from the Borrower or any other Pledgor. The Securities Intermediary will treat all assets credited to the Collateral Account, including money and credit balances, as financial assets for purposes of Article 8 of the Uniform Commercial Code.
- b) In order to enable the Borrower and any other Pledgor on the Collateral Account to trade financial assets that are from time to time credited to the Collateral Account, the Securities Intermediary may comply with entitlement orders originated by the Borrower or any other Pledgor on the Collateral Account (or if so agreed by the Bank in writing, by an investment adviser designated by the Borrower or any other Pledgor on the Collateral Account and acceptable to the Bank and the Securities Intermediary) regarding the Collateral Account, but only until the time that the Bank notifies the Securities Intermediary, that the Bank is asserting exclusive control over the Collateral Account. After the Securities Intermediary has received a notice of exclusive control and has had a reasonable opportunity to comply with such notice, the Securities Intermediary shall no longer comply with entitlement orders originated by the Borrower or any other Pledgor (or by any investment adviser designated by the Borrower or any other Pledgor) concerning the Collateral Account. Notwithstanding the foregoing, however, and irrespective of whether it has received any notice of exclusive control, the Securities Intermediary will not comply with any entitlement order originated by the Borrower or any other Pledgor (or by any investment adviser designated by the Borrower or any other Pledgor) to withdraw any financial assets from the Collateral Account or to pay any money, free credit balance or other amount owing on a Collateral Account (other than cash withdrawals and payments not exceeding the "Withdrawal Limit" as contemplated in Section 9(g)) without the prior consent of the Bank.





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11) Remedies

- a) If any of the following events (each, an "Event") occurs:
 - (i) the Borrower fails to pay any amount due under this Agreement;
 - (ii) the Borrower and/or any other relevant Loan Party fails to maintain sufficient Collateral in the Collateral Account as required by the Bank, or any Guarantor fails to maintain collateral as required by the Bank under its Guaranty Agreement or denies or attempts to terminate or challenge the validity of any such Guaranty Agreement;
 - (iii) the Borrower or any other Loan Party breaches or fails to perform any other covenant, agreement, term or condition that is applicable to it under this Agreement or any related agreement, or any representation or other statement of the Borrower (or any other Loan Party) in this Agreement or in any related agreement is incorrect in any material respect when made or deemed made;
 - (iv) the Borrower or any other Loan Party dies or is declared (by appropriate authority) incompetent or of unsound mind or is indicted or convicted of any crime or, if any Loan Party is comprised of the trustee(s) of a trust, the trust is revoked or otherwise terminated, or any Loan Party that is not an individual otherwise ceases to exist;
 - (v) any voluntary or involuntary proceeding for bankruptcy, reorganization, dissolution or liquidation or similar action is commenced by or against the Borrower or any other Loan Party, or a trustee in bankruptcy, receiver, conservator or rehabilitator is appointed, or an assignment for the benefit of creditors is made, with respect to the Borrower or any other Loan Party or its property;
 - (vi) the Borrower or any Loan Party is insolvent, unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, begins negotiations or takes any proceeding or other step with a view to readjustment, rescheduling or deferral of all or any part of its indebtedness, which it would or might otherwise be unable to pay when due, or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors;
 - (vii) the Collateral Account (or any account in which Collateral provided by a Loan Party is maintained) or any portion thereof is terminated, attached or subjected to a levy or all or any portion of the Collateral is transferred, gifted, assigned or encumbered;
 - (viii) the Borrower or any other Loan Party fails to provide promptly all financial and other information that the Bank may request from time to time;
 - (ix) any indebtedness of the Borrower or any other Loan Party in respect of borrowed money (including indebtedness guaranteed by the Borrower or any other Loan Party) or in respect of any swap, forward, cap, floor, collar, option or other derivative transaction, repurchase or similar transaction or any combination of these transactions is not paid when due, or any event or condition causes such indebtedness to become, or permits the holder to declare such indebtedness to be, due and payable prior to its stated maturity, provided, however, if and for so long as the Borrower shall have outstanding with the Bank, simultaneously with the Credit Line hereunder, an additional "purpose" or "non-purpose" loan (as such terms are used under Federal Reserve Regulation U), as the case may be, such that the Borrower shall simultaneously have outstanding both a "purpose" and "non-purpose" loan with the Bank, the term

"indebtedness" shall not include any such other "purpose" or "non-purpose" loan, as the case may be;

- (x) final judgment for the payment of money is rendered against Borrower (or any other Loan Party) and, within 30 days from the entry of judgment, has not been discharged or stayed pending appeal, or has not been discharged within 30 days from the entry of a final order of affirmance on appeal;
- (xi) any legal proceeding is instituted or any other event occurs or condition exists that in the Bank's sole judgment calls into question (A) the validity or binding effect of this Agreement or any related agreement, or any of the Borrower's (or any other Loan Party's) obligations under this Agreement or under any related agreement, or (B) the ability of the Borrower (or any Loan Party) to perform its obligations under this Agreement or under any related agreement; or
- (xii) the Bank in its sole discretion otherwise deems itself or its security interest in the Collateral insecure or the Bank believes in good faith that the prospect of payment or other performance by any Loan Party is impaired;

then, all Obligations will become immediately due and payable (without demand) and the Bank may, in its sole and absolute discretion, liquidate, transfer, withdraw or sell all or any part of the Collateral and apply the same, as well as the proceeds of any liquidation or sale, to any amounts owed to the Bank, including, without limitation, any applicable Breakage Costs and Breakage Fee. The Bank will not be liable to any Loan Party in any way for any adverse consequences (as to tax effects or otherwise) resulting from the liquidation of appreciated or depreciated Collateral. Without limiting the generality of the foregoing, any such sale may be made, in the Bank's sole and absolute discretion, by public sale on any exchange or market where business is then usually transacted or by private sale, and the Bank or any of its affiliates may be the purchaser at any public or private sale. **Any Collateral that may decline speedily in value or that customarily is sold on a recognized exchange or market may be sold without providing any Loan Party with prior notice of the sale.** Each Loan Party agrees that, as to all other Collateral, two calendar days' notice to the Loan Party, sent to its last address shown in the Bank's account records, shall be deemed reasonable notice of the time and place of any public sale or time after which any private sale or other disposition of the Collateral may occur. Any amounts due and not paid on any Advance following an Event will bear interest at the applicable penalty interest rate, as set forth in Section 4(c). In addition to the Bank's rights under this Agreement, the Bank will have the right to exercise any one or more of the rights and remedies of a secured creditor under the Utah Uniform Commercial Code, as then in effect, or under any other applicable law.

- b) **Nothing contained in this Section 11 will limit the right of the Bank to demand full or partial payment of the Obligations, in its sole and absolute discretion and without cause, at any time, whether or not an Event has occurred or is continuing.**
- c) All rights and remedies of the Bank under this Agreement are cumulative and are in addition to all other rights and remedies that the Bank may have at law or equity or under any other contract or other writing for the enforcement of the security interest granted herein or the collection of any amount due under this Agreement.
- d) Any non-exercise of rights, remedies and powers by the Bank under this Agreement and the other documents delivered in connection with this Agreement shall not be construed as a waiver of any rights, remedies or powers. The Bank fully reserves its rights to invoke any of its rights, remedies and powers at any time it may deem appropriate. No prior demand for full or partial payment, or call for additional collateral or prior notice of the time or place of any sale of Collateral





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shall be considered a waiver of the Bank's right to liquidate Collateral without prior demand, call or notice.

12) Representations, Warranties and Covenants by the Loan Parties

The Borrower and each other Loan Party (if applicable) makes the following representations, warranties and covenants to the Bank (and the Borrower shall be deemed to have repeated each representation and warranty each time the Borrower requests an Advance):

- a) Except for the Bank's rights under this Agreement and the rights of the Securities Intermediary under any account agreement, the Borrower and each relevant Pledgor owns the Collateral, free of any interest, lien or security interest in favor of any third party and free of any impediment to transfer;
- b) Each Loan Party: (i) if a natural Person, is of the age of majority, and if a legal Person, is validly existing and in good standing under the laws of the jurisdiction of its formation; (ii) is authorized to execute and deliver this Agreement and to perform its obligations under this Agreement and any related agreement; (iii) is not an employee benefit plan, as that term is defined by the Employee Retirement Income Security Act of 1974, or an Individual Retirement Credit Line Account (and none of the Collateral is an asset of such a plan or account); and (iv) unless the Loan Party advises the Bank to the contrary, in writing, and provides the Bank with a letter of approval, where required, from its employer, is not an employee or member of any exchange or of any corporation or firm engaged in the business of dealing, either as a broker or as principal, in securities, bills of exchange, acceptances or other forms of commercial paper;
- c) Neither the Borrower nor any Pledgor of Collateral has pledged or will pledge the Collateral or grant a security interest in the Collateral to any party other than the Bank or a Securities Intermediary, or has permitted or will permit the Collateral to become subject to any liens or encumbrances (other than those of the Bank and the Securities Intermediary), during the term of this Agreement;
- d) No Loan Party is in default under any material contract, judgment, decree or order to which it is a party or by which it or its properties may be bound;
- e) Each Loan Party has duly filed and will duly file all tax and information returns required to be filed and has paid and will pay all taxes, fees, assessments and other governmental charges or levies that have or will become due and payable, except to the extent such taxes or other charges or levies are being contested in good faith and are adequately reserved against in accordance with United States GAAP. Each Loan Party is fully in compliance, and shall ensure that it at all times remains fully in compliance, with all applicable laws and regulations, including environmental laws and regulations, and all reporting and other requirements arising under any applicable laws and regulations;
- f) The Borrower and each relevant Pledgor (i) is and at all times will continue to be the legal and beneficial owner of all assets held in or credited to the Collateral Account or otherwise included in the Collateral, and (ii) does not hold any assets held in or credited to the Collateral Account or otherwise included in the Collateral in trust or subject to any contractual or other restrictions on use that would prevent the use of such assets to (a) repay the Bank or (b) be pledged as Collateral in favor of the Bank. Each Loan Party shall immediately notify the Bank in writing of any and all pending or threatened material litigation and any and all pending or threatened material proceedings before any governmental or regulatory agency immediately after becoming aware of such pending or threatened litigation or proceedings;
- g) The execution, delivery and performance by each Loan Party of the Loan Documents, as defined in Section 12(h), the consummation of the transactions contemplated by the Loan Documents, and compliance with the provisions of the Loan Documents will not (a) violate any law, regulation, order, judgment or decree binding on such Loan Party, (b) if such Loan Party is a legal Person, violate or conflict with any of its organizational agreements or charter documents, (c) if such Loan Party is a trust, violate any trust instruments or agreements binding on such Loan Party or (d) conflict with, cause a breach of, constitute a default under, be cause for the acceleration of the maturity of, or create or result in the creation or imposition of any lien, charge or encumbrance (other than in favor of the Bank) on any of its property under any agreement, notice, indenture, instrument or other undertaking to which it is a party;
- h) No order, consent, license, authorization, recording or registration is required in order to authorize, or is required in connection with the execution, delivery and performance of or the legality, validity, binding effect or enforceability of, this Agreement or any other documents or agreements entered into by the Borrower or any other Loan Party in connection with this Agreement (all such documents and agreements, whenever signed or issued, including this Agreement, being the "Loan Documents") or any transactions contemplated herein or therein;
- i) After giving effect to each Advance, and to such Loan Party's obligations (including any contingent obligations) under the Loan Documents, (a) the present fair value of its assets exceeds the total amount of its liabilities (including, without limitation, contingent liabilities); (b) it has capital and assets sufficient to carry on its business; (c) it is not engaged and is not about to engage in a business or transaction, for which its remaining assets are unreasonably small in relation to such business or transaction and (d) it does not intend to incur, or believe that it will incur, debts beyond its ability to pay as they become due, such Loan Party will not be rendered insolvent by the execution, delivery and performance of this Agreement or by the consummation of the transactions contemplated herein or in other Loan Documents;
- j) The location of such Loan Party's principal residence, if such Loan Party is a natural person, or, if such Loan Party is not a natural person, such Loan Party's jurisdiction of organization or formation, the location of its chief executive office and, if different, the location of its principal place of business, are all accurately set forth in the documents signed by such Loan Party and in the Bank's records;
- k) Each Loan Party shall immediately notify the Bank in writing upon becoming aware of the imposition of any lien, claim, charge or encumbrance on, or any loss of or damage to, any or all of the Collateral;
- l) Each Loan Party shall immediately notify the Bank in writing upon becoming aware of the probable occurrence of any Event, and the Borrower shall promptly furnish to the Bank a detailed statement setting forth the steps being taken by the Borrower to cure the effect thereof;
- m) Each Loan Party, promptly upon request by the Bank, shall execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register, any and all such pledge agreements, pledge letters, assignments, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances, certifications of beneficial ownership and other instruments, and shall do any and all such further acts, as the Bank may reasonably require from time to time in order to (i) carry out more effectively the purposes of the Loan Documents, (ii) to the fullest extent permitted by applicable law, subject the Loan Parties' properties, assets, rights and interests to the Bank's security interests contemplated herein, (iii) perfect and maintain the validity, effectiveness and priority of the Bank's security interest in the Collateral hereunder and (iv) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Bank the





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rights granted or now or hereafter intended to be granted to the Bank under any Loan Document to which the Loan Party is, or is to become, a party;

- n) No Loan Party nor, to the best knowledge of the Loan Party, any director, officer, agent, employee or affiliate of any Loan Party (i) is currently subject to any economic sanctions or trade embargoes administered or imposed by the Office of Foreign Assets Control of the U.S. Department of the Treasury, by the U.S. Department of State, the United Nations Security Council, the European Union, the Swiss State Secretariat for Economic Affairs or Her Majesty's Treasury or any other relevant authority (collectively, "Sanctions"), or (ii) resides, is organized or chartered, or has a place of business in a country or territory that is currently the subject of Sanctions, and the Loan Parties will not directly or indirectly use the proceeds of the Credit Line, or lend, contribute or otherwise make available such proceeds to or for the benefit of any Person for the purpose of financing or supporting, directly or indirectly, the activities of any Person that is currently the subject of Sanctions;
- o) No Loan Party nor, to the best knowledge of the Loan Party, any affiliate (including any joint venture) of, or director, officer, agent, employee or other Person associated with or acting on behalf of, any Loan Party, in connection with the Credit Line, has (i) used any corporate funds directly or indirectly for any unlawful contribution, gift, entertainment or other unlawful expense; or (ii) made any offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value directly or indirectly to or for the benefit of any public official, political party or party candidate, or any third party to benefit any of the foregoing, or to any other Person, if doing so would violate the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, the UK Bribery Act of 2010 or the law of any other relevant jurisdiction;
- p) Except as otherwise notified to the Bank in writing, the name set forth with respect to the Borrower and each Pledgor (as applicable) on the signature page hereof is, and at all times has been, the exact and complete name of the Borrower and each Pledgor (as applicable);
- q) Except for the lien granted to the Bank hereunder, the Borrower and the Pledgors (as applicable) are the sole holders of record and beneficial owners of all Collateral whether now existing or hereafter acquired, will continue to own each item of the Collateral, free and clear of any and all liens rights or claims of all other persons, and the Borrower and Pledgors (as applicable) shall defend the collateral against all claims and demands of all persons at any time claiming the same or any interest therein adverse to the Bank;
- r) The Borrower and each Pledgor (as applicable) shall from time to time execute and deliver all such supplements and amendments hereto and all such other documents, and shall take such other action as may be reasonably requested by the Bank and necessary or advisable to: (i) create the lien and security interest under this Agreement in all or any portion of any Collateral acquired by the Borrower or Pledgor (as applicable); (ii) maintain or preserve the lien and security interest (and the priority thereof) under this Agreement or to carry out more effectively the purposes hereof; (iii) perfect, publish notice of or protect the validity of the grant made by this Agreement; (iv) preserve and defend title to the Collateral against the claims of all persons and parties; (v) preserve the Collateral from loss; (vi) pay any and all taxes levied or assessed upon all or any part of the Collateral; or (vii) carry out the purposes of this Agreement;
- s) Promptly upon request the Borrower will deliver or cause to be delivered to Bank, in form and substance reasonably satisfactory to Bank, any financial statements, or other information or documentation relating to the beneficial ownership and/or financial

position of such Loan Party, as Bank may reasonably request from time to time;

- t) **For any individual borrower (including an individual acting as a trustee of a trust) residing or located in any country in the European Economic Area:** Borrower represents and warrants that the Borrower does not now or in the future intend to use any part of this Credit Line and will not now or in the future use any part of this Credit Line for the acquiring or retaining of property rights in land or in an existing or projected building or for the renovation of residential property; and
- u) The Loan Parties acknowledge and agree that this Agreement is a securities contract under the United States Bankruptcy Code.

The provisions of this Section 12 shall survive the termination of this Agreement and any other Loan Documents and the repayment of the Obligations.

13) Indemnification; Limitation on Liability of the Bank and the Securities Intermediary

The Borrower agrees to indemnify and hold harmless the Bank and the Securities Intermediary, their affiliates and their respective directors, officers, agents and employees against any and all costs, increased costs, documentary taxes, stamp taxes or other taxes, claims, causes of action, liabilities, lawsuits, demands and damages, and any and all court costs and reasonable attorneys' fees, in any way relating to or arising out of or in connection with this Agreement, except to the extent caused by the Bank's or the Securities Intermediary's gross negligence or willful misconduct. The Borrower shall also reimburse the Bank from time to time at the Bank's request for any out-of-pocket expenses incurred by the Bank or any Securities Intermediary in connection with the Collateral and the Bank's security interest therein, including, without limitation, in connection with the enforcement thereof. Neither the Bank nor the Securities Intermediary shall be liable to any party for any consequential damages arising out of any act or omission by either of them with respect to this Agreement or any Advance or Collateral. The provisions of this Section 13 shall survive the termination of this Agreement and any other Loan Documents and the repayment of the Obligations.

14) Acceptance of Application and Agreement; Applicable Law

THIS APPLICATION AND AGREEMENT WILL BE RECEIVED AND ACCEPTED BY BANK IN THE STATE OF UTAH. DELIVERY OF THE APPLICATION AND AGREEMENT TO THE BORROWER'S FINANCIAL ADVISOR ASSOCIATED WITH UBS FINANCIAL SERVICES INC. SHALL NOT BE CONSIDERED RECEIPT OR ACCEPTANCE BY BANK. ALL DECISIONS MADE BY BANK REGARDING THE CREDIT LINE WILL BE MADE IN UTAH.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF UTAH APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY IN THE STATE OF UTAH AND, IN CONNECTION WITH THE CHOICE OF LAW GOVERNING INTEREST, THE FEDERAL LAWS OF THE UNITED STATES, EXCEPT THAT WITH RESPECT TO THE COLLATERAL AND THE BANK'S SECURITY INTEREST THEREIN, THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, WITHOUT LIMITATION, THE NEW YORK UNIFORM COMMERCIAL CODE, AND FOR PURPOSES OF THIS AGREEMENT, OF THE COLLATERAL AND OF THE BANK'S SECURITY INTEREST THEREIN, THE JURISDICTION OF UBS FINANCIAL SERVICES INC. SHALL BE DEEMED TO BE THE STATE OF NEW YORK.

15) Assignment; No Third Party Beneficiaries

This Agreement may not be assigned by the Borrower without the prior written consent of the Bank. This Agreement will be binding upon and





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inure to the benefit of the heirs, personal representatives, executors, successors and permitted assigns of the Borrower. The Bank may assign this Agreement, and this Agreement will inure to the benefit of the Bank's successors and assigns. Except as may otherwise be expressly provided herein, there are no third party beneficiaries of this Agreement.

16) Amendment

This Agreement may be amended only by the Bank, including, but not limited to, (i) the addition or deletion of any provision of this Agreement and (ii) the amendment of the "Spread Over UBS Variable Rate/ UBS Bank USA Fixed Funding Rate" in Schedule I to this Agreement, at any time by sending written notice, signed by an authorized officer of the Bank, of an amendment to the Borrower. The Bank will provide advance notice to the extent required by applicable law. The amendment shall be effective as of the date established by the Bank. This Agreement may not be amended orally. The Borrower or the Bank may waive compliance with any provision of this Agreement, but any waiver must be in writing and will not be deemed to be a waiver of future compliance with such provision or a waiver of any other provision of this Agreement. The provisions of this Agreement and the other Loan Documents constitute the entire agreement between the Bank and the Borrower with respect to the subject matter hereof and supersede all prior or contemporaneous agreements, proposals, understandings and representations, written or oral, between the parties with respect to the subject matter hereof. This Agreement may not be amended or modified by, and the Bank will not be bound by any agreement, representation or warranty, whether in writing or otherwise, made by UBS Financial Services Inc. or any other affiliate of the Bank or any of their respective directors, officers, employees, or agents.

17) Severability

If any provision of this Agreement is held to be invalid, illegal, void or unenforceable, by reason of any law, rule, administrative order or judicial or arbitral decision, such determination will not affect the validity of the remaining provisions of this Agreement.

18) Choice of Forum; Waiver of Jury Trial

- a) ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR FOR THE ENFORCEMENT OF ANY JUDGMENT ENTERED BY ANY COURT REGARDING THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE THIRD JUDICIAL DISTRICT COURT FOR THE STATE OF UTAH OR IN THE UNITED STATES DISTRICT COURT FOR THE STATE OF UTAH. EACH OF THE LOAN PARTIES IRREVOCABLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE JURISDICTION OF THE COURTS OF THE THIRD JUDICIAL DISTRICT COURT FOR THE STATE OF UTAH AND OF THE UNITED STATES DISTRICT COURT FOR THE STATE OF UTAH FOR THE PURPOSE OF ANY SUCH ACTION OR PROCEEDING AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH SUCH ACTION OR PROCEEDING. EACH OF THE LOAN PARTIES IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE NOW OR IN THE FUTURE TO THE LAYING OF VENUE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.
- b) EACH OF THE LOAN PARTIES (FOR ITSELF, ANYONE CLAIMING THROUGH IT OR IN ITS NAME, AND ON BEHALF OF ITS EQUITY HOLDERS) IRREVOCABLY (i) WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY REGARDING ANY CLAIM BASED UPON, IN ANY WAY RELATED TO OR ARISING OUT OF THIS AGREEMENT

OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AND (ii) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HERETO HAS REPRESENTED THAT THIS JURY WAIVER WOULD NOT OR MIGHT NOT BE ENFORCED IN THE EVENT OF LITIGATION.

The Loan Parties hereby waive personal service of any summons, complaint or other process and agree that any process required to be served on a Loan Party for purposes of any such proceeding may be served on the Loan Party, with the same effect as personal service within the State of Utah, by certified mail or by courier service providing evidence of delivery addressed to the Loan Party at the Loan Party's address for notices provided in Section 21 of the Credit Line Agreement and shall be deemed to have been served when received or delivered at such address.

- c) Any arbitration proceeding between the Borrower (or any other Loan Party) and the Securities Intermediary, regardless of whether or not based on circumstances related to any court proceedings between the Bank and the Borrower (or the other Loan Party), will not provide a basis for any stay of the court proceedings.
- d) Nothing in this Section 18 will be deemed to alter any agreement to arbitrate any controversies which may arise between the Borrower (or any other Loan Party) and UBS Financial Services Inc., its predecessors or its employees or associated persons, and any claims between the Borrower or the Loan Party, as applicable, and UBS Financial Services Inc. or its employees or associated persons (whether or not they have acted as agents of the Bank) will be arbitrated as provided in any agreement between the Borrower or the Loan Party, as applicable, and UBS Financial Services Inc.

19) Provisions and Disclosures Applicable in Specified Jurisdictions

- a) For residents of Ohio:
The Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.
- b) For residents of Oregon:
NOTICE TO BORROWER: DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT. THIS AGREEMENT PROVIDES FOR THE PAYMENT OF A PENALTY IF YOU WISH TO REPAY A FIXED RATE ADVANCE PRIOR TO THE DATE PROVIDED FOR REPAYMENT IN THE AGREEMENT.
- c) For residents of Vermont:
NOTICE TO BORROWER: THE ADVANCES MADE UNDER THIS AGREEMENT ARE DEMAND LOANS AND SO MAY BE COLLECTED BY THE BANK AT ANY TIME. A NEW LOAN MUTUALLY AGREED UPON AND SUBSEQUENTLY ISSUED MAY CARRY A HIGHER OR LOWER RATE OF INTEREST.

NOTICE TO JOINT BORROWER: YOUR SIGNATURE ON THE AGREEMENT MEANS THAT YOU ARE EQUALLY LIABLE FOR REPAYMENT OF THIS LOAN. IF THE BORROWER DOES NOT PAY, THE BANK HAS A LEGAL RIGHT TO COLLECT FROM YOU.
- d) For residents of California:
 - (i) Any person, whether married, unmarried, or separated, may apply for separate credit.
 - (ii) As required by law, you are notified that a negative credit report reflecting on your credit record may be submitted



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to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

(iii) The Borrower will notify the Bank, within a reasonable time, of any change in the Borrower's name, address, or employment.

(iv) The Borrower will not attempt to obtain any Advance if the Borrower knows that the Borrower's credit privileges under the Credit Line have been terminated or suspended.

(v) The Borrower will notify the Bank by telephone, telegraph, letter, or any other reasonable means that an unauthorized use of the Credit Line has occurred or may occur as the result of the loss or theft of a credit card or other instrument identifying the Credit Line, within a reasonable time after the Borrower's discovery of the loss or theft, and will reasonably assist the Bank in determining the facts and circumstances relating to any unauthorized use of the Credit Line.

credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).

For important information and disclosures regarding the Military Lending Act you may call 1-800-762-1000.

20) Account Agreement

Each Loan Party acknowledges and agrees that this Agreement supplements any account agreement(s) between the Loan Party and the Securities Intermediary relating to the Collateral Account and, if applicable, any related account management agreement(s) between the Loan Party and the Securities Intermediary. In the event of a conflict between the terms of this Agreement and any other agreement between the Loan Party and the Securities Intermediary, the terms of this Agreement shall prevail.

21) Electronic Records; Notices

This Agreement and each other Loan Document may, in the Bank's sole and absolute discretion, be in the form of an electronic record and executed using electronic signatures through an electronic execution process provided by the Bank from time to time. Facsimile signatures and electronically transmitted copies of signatures (including, without limitation, signatures in PDF or TIFF formats or signatures executed and delivered by DocuSign or other electronic signature provider acceptable to the Bank in its sole and absolute discretion) shall be deemed valid and binding to the same extent as the original. Unless otherwise required by law or by the express terms of this Agreement, all notices to a Loan Party may be oral or in writing, in the Bank's discretion, and if in writing, may be delivered or mailed by United States mail, by overnight carrier, by telecopy to the address of the Loan Party shown on the records of the Bank or by transmitting to the electronic address of the Loan Party shown on the records of the Bank. Each Loan Party agrees to send notices to the Bank, in writing, at such address as is provided by the Bank from time to time.

22) Military Lending Act

If you are a covered borrower as defined under the Military Lending Act or you are a dependent of a covered member as defined under the Military Lending Act, the following disclosure is applicable to you:

Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified





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Interest Rates and Interest Charges

APRs are as of 02/21/2025

Annual Percentage Rate (APR)
for Variable Rate Advances

APRs are as of 02/21/2025

These APRs will vary with the market based on SOFR.

10.100% for Approved Amounts of \$25,000 to \$99,999
9.593% for Approved Amounts of \$100,000 to \$249,999
8.453% for Approved Amounts of \$250,000 to \$499,999
7.946% for Approved Amounts of \$500,000 to \$999,999
7.312% for Approved Amounts of \$1,000,000 to \$2,499,999
7.059% for Approved Amounts of \$2,500,000 to \$4,999,999
6.552% for Approved Amounts of \$5,000,000 to \$9,999,999
6.298% for Approved Amounts of \$10,000,000 and over

APR for Fixed Rate Advances

APRs are as of 02/21/2025

These APRs will vary with the market based on CME Term SOFR Rates. However, once a Fixed Rate Advance is taken, the APR on that Advance will not vary.

For Fixed Rate Advances of up to 1 month

10.108% for Approved Amounts of \$25,000 to \$99,999
9.601% for Approved Amounts of \$100,000 to \$249,999
8.460% for Approved Amounts of \$250,000 to \$499,999
7.953% for Approved Amounts of \$500,000 to \$999,999
7.320% for Approved Amounts of \$1,000,000 to \$2,499,999
7.066% for Approved Amounts of \$2,500,000 to \$4,999,999
6.559% for Approved Amounts of \$5,000,000 to \$9,999,999
6.306% for Approved Amounts of \$10,000,000 and over

For Fixed Rate Advances of up to 3 months

10.211% for Approved Amounts of \$25,000 to \$99,999
9.704% for Approved Amounts of \$100,000 to \$249,999
8.564% for Approved Amounts of \$250,000 to \$499,999
8.057% for Approved Amounts of \$500,000 to \$999,999
7.423% for Approved Amounts of \$1,000,000 to \$2,499,999
7.170% for Approved Amounts of \$2,500,000 to \$4,999,999
6.663% for Approved Amounts of \$5,000,000 to \$9,999,999
6.409% for Approved Amounts of \$10,000,000 and over

For Fixed Rate Advances of up to 6 months

10.231% for Approved Amounts of \$25,000 to \$99,999
9.724% for Approved Amounts of \$100,000 to \$249,999
8.583% for Approved Amounts of \$250,000 to \$499,999
8.076% for Approved Amounts of \$500,000 to \$999,999
7.443% for Approved Amounts of \$1,000,000 to \$2,499,999
7.189% for Approved Amounts of \$2,500,000 to \$4,999,999
6.682% for Approved Amounts of \$5,000,000 to \$9,999,999
6.429% for Approved Amounts of \$10,000,000 and over





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These APRs will vary with the market based on U.S. Treasury Rate. However, once a Fixed Rate Advance is taken, the APR on that Advance will not vary.

For Fixed Rate Advances of up to 1 year

10.342% for Approved Amounts of \$25,000 to \$99,999
9.835% for Approved Amounts of \$100,000 to \$249,999
8.694% for Approved Amounts of \$250,000 to \$499,999
8.187% for Approved Amounts of \$500,000 to \$999,999
7.553% for Approved Amounts of \$1,000,000 to \$2,499,999
7.300% for Approved Amounts of \$2,500,000 to \$4,999,999
6.793% for Approved Amounts of \$5,000,000 to \$9,999,999
6.540% for Approved Amounts of \$10,000,000 and over

For Fixed Rate Advances of up to 2 years

10.423% for Approved Amounts of \$25,000 to \$99,999
9.916% for Approved Amounts of \$100,000 to \$249,999
8.775% for Approved Amounts of \$250,000 to \$499,999
8.268% for Approved Amounts of \$500,000 to \$999,999
7.635% for Approved Amounts of \$1,000,000 to \$2,499,999
7.381% for Approved Amounts of \$2,500,000 to \$4,999,999
6.874% for Approved Amounts of \$5,000,000 to \$9,999,999
6.621% for Approved Amounts of \$10,000,000 and over

For Fixed Rate Advances of up to 3 years

10.413% for Approved Amounts of \$25,000 to \$99,999
9.906% for Approved Amounts of \$100,000 to \$249,999
8.765% for Approved Amounts of \$250,000 to \$499,999
8.258% for Approved Amounts of \$500,000 to \$999,999
7.624% for Approved Amounts of \$1,000,000 to \$2,499,999
7.371% for Approved Amounts of \$2,500,000 to \$4,999,999
6.864% for Approved Amounts of \$5,000,000 to \$9,999,999
6.611% for Approved Amounts of \$10,000,000 and over

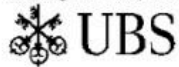
For Fixed Rate Advances of up to 5 years

10.484% for Approved Amounts of \$25,000 to \$99,999
9.977% for Approved Amounts of \$100,000 to \$249,999
8.836% for Approved Amounts of \$250,000 to \$499,999
8.329% for Approved Amounts of \$500,000 to \$999,999
7.695% for Approved Amounts of \$1,000,000 to \$2,499,999
7.442% for Approved Amounts of \$2,500,000 to \$4,999,999
6.935% for Approved Amounts of \$5,000,000 to \$9,999,999
6.682% for Approved Amounts of \$10,000,000 and over

For Fixed Rate Advances of up to 7 years

10.676% for Approved Amounts of \$25,000 to \$99,999
10.169% for Approved Amounts of \$100,000 to \$249,999
9.029% for Approved Amounts of \$250,000 to \$499,999
8.522% for Approved Amounts of \$500,000 to \$999,999
7.888% for Approved Amounts of \$1,000,000 to \$2,499,999
7.635% for Approved Amounts of \$2,500,000 to \$4,999,999
7.128% for Approved Amounts of \$5,000,000 to \$9,999,999
6.874% for Approved Amounts of \$10,000,000 and over





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For Fixed Rate Advances of up to 10 years

10.849% for Approved Amounts of \$25,000 to \$99,999
10.342% for Approved Amounts of \$100,000 to \$249,999
9.201% for Approved Amounts of \$250,000 to \$499,999
8.694% for Approved Amounts of \$500,000 to \$999,999
8.060% for Approved Amounts of \$1,000,000 to \$2,499,999
7.807% for Approved Amounts of \$2,500,000 to \$4,999,999
7.300% for Approved Amounts of \$5,000,000 to \$9,999,999
7.047% for Approved Amounts of \$10,000,000 and over

Penalty APR for Variable Rate Advances and When It Applies

APRs are as of 02/21/2025

These APRs will vary with the market based on SOFR.

12.128% for Approved Amounts of \$25,000 to \$99,999
11.621% for Approved Amounts of \$100,000 to \$249,999
10.481% for Approved Amounts of \$250,000 to \$499,999
9.974% for Approved Amounts of \$500,000 to \$999,999
9.340% for Approved Amounts of \$1,000,000 to \$2,499,999
9.086% for Approved Amounts of \$2,500,000 to \$4,999,999
8.580% for Approved Amounts of \$5,000,000 to \$9,999,999
8.326% for Approved Amounts of \$10,000,000 and over

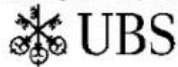
These APRs may be applied to your Variable Rate Advances if you make a late payment.

How Long Will the Penalty APR Apply?: If your APRs are increased for this reason, the Penalty APR may apply indefinitely.

Paying Interest

We will begin charging you interest on all transactions on the date of the advance.



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Fixed Credit Line Account Number: (if applicable)

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How We Will Calculate Your Balance: We use a method called "daily balance (including new transactions)". See section 4D of your Credit Line Agreement for more details.

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in the Credit Line Agreement.

The information in this section, including the tables above and below, is incorporated into the Credit Line Agreement.

In addition to the interest rates and interest charges disclosed above, you may be required to pay fees in the event of prepayment of any Advance.

The following chart provides the annual and daily interest rates that correspond to the APRs provided in the chart above:

APRs are as of 02/21/2025

	APR	Interest Rate	Daily Interest Rate	Penalty APR	Penalty Interest Rate	Penalty Daily Interest Rate
Variable Rate Advances						
\$25,000 to \$99,999 Approved Amount	10.100%	9.962%	0.028%	12.128%	11.962%	0.033%
\$100,000 to \$249,999 Approved Amount	9.593%	9.462%	0.026%	11.621%	11.462%	0.032%
\$250,000 to \$499,999 Approved Amount	8.453%	8.337%	0.023%	10.481%	10.337%	0.029%
\$500,000 to \$999,999 Approved Amount	7.946%	7.837%	0.022%	9.974%	9.837%	0.027%
\$1,000,000 to \$2,499,999 Approved Amount	7.312%	7.212%	0.020%	9.340%	9.212%	0.026%
\$2,500,000 to \$4,999,999 Approved Amount	7.059%	6.962%	0.019%	9.086%	8.962%	0.025%
\$5,000,000 to \$9,999,999 Approved Amount	6.552%	6.462%	0.018%	8.580%	8.462%	0.024%
\$10,000,000 and over	6.298%	6.212%	0.017%	8.326%	8.212%	0.023%
Fixed Rate Advances of 1 month or less						
\$25,000 to \$99,999 Approved Amount	10.108%	9.969%	0.028%	N/A	N/A	N/A
\$100,000 to \$249,999 Approved Amount	9.601%	9.469%	0.026%	N/A	N/A	N/A
\$250,000 to \$499,999 Approved Amount	8.460%	8.344%	0.023%	N/A	N/A	N/A
\$500,000 to \$999,999 Approved Amount	7.953%	7.844%	0.022%	N/A	N/A	N/A
\$1,000,000 to \$2,499,999 Approved Amount	7.320%	7.219%	0.020%	N/A	N/A	N/A
\$2,500,000 to \$4,999,999 Approved Amount	7.066%	6.969%	0.019%	N/A	N/A	N/A
\$5,000,000 to \$9,999,999 Approved Amount	6.559%	6.469%	0.018%	N/A	N/A	N/A
\$10,000,000 and over	6.306%	6.219%	0.017%	N/A	N/A	N/A
Fixed Rate Advances of 3 months or less						
\$25,000 to \$99,999 Approved Amount	10.211%	10.072%	0.028%	N/A	N/A	N/A
\$100,000 to \$249,999 Approved Amount	9.704%	9.572%	0.027%	N/A	N/A	N/A
\$250,000 to \$499,999 Approved Amount	8.564%	8.447%	0.023%	N/A	N/A	N/A
\$500,000 to \$999,999 Approved Amount	8.057%	7.947%	0.022%	N/A	N/A	N/A
\$1,000,000 to \$2,499,999 Approved Amount	7.423%	7.322%	0.020%	N/A	N/A	N/A
\$2,500,000 to \$4,999,999 Approved Amount	7.170%	7.072%	0.020%	N/A	N/A	N/A
\$5,000,000 to \$9,999,999 Approved Amount	6.663%	6.572%	0.018%	N/A	N/A	N/A
\$10,000,000 and over	6.409%	6.322%	0.018%	N/A	N/A	N/A
Fixed Rate Advances of 6 months or less						
\$25,000 to \$99,999 Approved Amount	10.231%	10.091%	0.028%	N/A	N/A	N/A
\$100,000 to \$249,999 Approved Amount	9.724%	9.591%	0.027%	N/A	N/A	N/A
\$250,000 to \$499,999 Approved Amount	8.583%	8.466%	0.024%	N/A	N/A	N/A
\$500,000 to \$999,999 Approved Amount	8.076%	7.966%	0.022%	N/A	N/A	N/A
\$1,000,000 to \$2,499,999 Approved Amount	7.443%	7.341%	0.020%	N/A	N/A	N/A
\$2,500,000 to \$4,999,999 Approved Amount	7.189%	7.091%	0.020%	N/A	N/A	N/A
\$5,000,000 to \$9,999,999 Approved Amount	6.682%	6.591%	0.018%	N/A	N/A	N/A
\$10,000,000 and over	6.429%	6.341%	0.018%	N/A	N/A	N/A





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Fixed Rate Advances of 1 year or less

\$25,000 to \$99,999 Approved Amount	10.342%	10.200%	0.028%	N/A	N/A	N/A
\$100,000 to \$249,999 Approved Amount	9.835%	9.700%	0.027%	N/A	N/A	N/A
\$250,000 to \$499,999 Approved Amount	8.694%	8.575%	0.024%	N/A	N/A	N/A
\$500,000 to \$999,999 Approved Amount	8.187%	8.075%	0.022%	N/A	N/A	N/A
\$1,000,000 to \$2,499,999 Approved Amount	7.553%	7.450%	0.021%	N/A	N/A	N/A
\$2,500,000 to \$4,999,999 Approved Amount	7.300%	7.200%	0.020%	N/A	N/A	N/A
\$5,000,000 to \$9,999,999 Approved Amount	6.793%	6.700%	0.019%	N/A	N/A	N/A
\$10,000,000 and over	6.540%	6.450%	0.018%	N/A	N/A	N/A

Fixed Rate Advances of 2 years or less

\$25,000 to \$99,999 Approved Amount	10.423%	10.280%	0.029%	N/A	N/A	N/A
\$100,000 to \$249,999 Approved Amount	9.916%	9.780%	0.027%	N/A	N/A	N/A
\$250,000 to \$499,999 Approved Amount	8.775%	8.655%	0.024%	N/A	N/A	N/A
\$500,000 to \$999,999 Approved Amount	8.268%	8.155%	0.023%	N/A	N/A	N/A
\$1,000,000 to \$2,499,999 Approved Amount	7.635%	7.530%	0.021%	N/A	N/A	N/A
\$2,500,000 to \$4,999,999 Approved Amount	7.381%	7.280%	0.020%	N/A	N/A	N/A
\$5,000,000 to \$9,999,999 Approved Amount	6.874%	6.780%	0.019%	N/A	N/A	N/A
\$10,000,000 and over	6.621%	6.530%	0.018%	N/A	N/A	N/A

Fixed Rate Advances of 3 years or less

\$25,000 to \$99,999 Approved Amount	10.413%	10.270%	0.029%	N/A	N/A	N/A
\$100,000 to \$249,999 Approved Amount	9.906%	9.770%	0.027%	N/A	N/A	N/A
\$250,000 to \$499,999 Approved Amount	8.765%	8.645%	0.024%	N/A	N/A	N/A
\$500,000 to \$999,999 Approved Amount	8.258%	8.145%	0.023%	N/A	N/A	N/A
\$1,000,000 to \$2,499,999 Approved Amount	7.624%	7.520%	0.021%	N/A	N/A	N/A
\$2,500,000 to \$4,999,999 Approved Amount	7.371%	7.270%	0.020%	N/A	N/A	N/A
\$5,000,000 to \$9,999,999 Approved Amount	6.864%	6.770%	0.019%	N/A	N/A	N/A
\$10,000,000 and over	6.611%	6.520%	0.018%	N/A	N/A	N/A

Fixed Rate Advances of 5 years or less

\$25,000 to \$99,999 Approved Amount	10.484%	10.340%	0.029%	N/A	N/A	N/A
\$100,000 to \$249,999 Approved Amount	9.977%	9.840%	0.027%	N/A	N/A	N/A
\$250,000 to \$499,999 Approved Amount	8.836%	8.715%	0.024%	N/A	N/A	N/A
\$500,000 to \$999,999 Approved Amount	8.329%	8.215%	0.023%	N/A	N/A	N/A
\$1,000,000 to \$2,499,999 Approved Amount	7.695%	7.590%	0.021%	N/A	N/A	N/A
\$2,500,000 to \$4,999,999 Approved Amount	7.442%	7.340%	0.020%	N/A	N/A	N/A
\$5,000,000 to \$9,999,999 Approved Amount	6.935%	6.840%	0.019%	N/A	N/A	N/A
\$10,000,000 and over	6.682%	6.590%	0.018%	N/A	N/A	N/A

Fixed Rate Advances of 7 years or less

\$25,000 to \$99,999 Approved Amount	10.676%	10.530%	0.029%	N/A	N/A	N/A
\$100,000 to \$249,999 Approved Amount	10.169%	10.030%	0.028%	N/A	N/A	N/A
\$250,000 to \$499,999 Approved Amount	9.029%	8.905%	0.025%	N/A	N/A	N/A
\$500,000 to \$999,999 Approved Amount	8.522%	8.405%	0.023%	N/A	N/A	N/A
\$1,000,000 to \$2,499,999 Approved Amount	7.888%	7.780%	0.022%	N/A	N/A	N/A
\$2,500,000 to \$4,999,999 Approved Amount	7.635%	7.530%	0.021%	N/A	N/A	N/A
\$5,000,000 to \$9,999,999 Approved Amount	7.128%	7.030%	0.020%	N/A	N/A	N/A
\$10,000,000 and over	6.874%	6.780%	0.019%	N/A	N/A	N/A





UBS Bank USA

Variable Credit Line Account Number: (if applicable)

5V

VR

Fixed Credit Line Account Number: (if applicable)

5F

VR

SS# / TIN

Internal Use Only

Credit Line Agreement

Fixed Rate Advances of up to 10 years						
\$25,000 to \$99,999 Approved Amount	10.849%	10.700%	0.030%	N/A	N/A	N/A
\$100,000 to \$249,999 Approved Amount	10.342%	10.200%	0.028%	N/A	N/A	N/A
\$250,000 to \$499,999 Approved Amount	9.201%	9.075%	0.025%	N/A	N/A	N/A
\$500,000 to \$999,999 Approved Amount	8.694%	8.575%	0.024%	N/A	N/A	N/A
\$1,000,000 to \$2,499,999 Approved Amount	8.060%	7.950%	0.022%	N/A	N/A	N/A
\$2,500,000 to \$4,999,999 Approved Amount	7.807%	7.700%	0.021%	N/A	N/A	N/A
\$5,000,000 to \$9,999,999 Approved Amount	7.300%	7.200%	0.020%	N/A	N/A	N/A
\$10,000,000 and over	7.047%	6.950%	0.019%	N/A	N/A	N/A



**UBS Bank USA**

Variable Credit Line Account Number: (if applicable)

5V		VR
----	--	----

Fixed Credit Line Account Number: (if applicable)

5F		VR
----	--	----

SS# / TIN

Internal Use Only

Credit Line Agreement**Schedule I to UBS Bank USA Credit Line Agreement**

Schedule of Percentage Spreads and Penalty Percentage Spreads over UBS Variable Rate or the UBS Bank USA Fixed Funding Rate, as applicable

Aggregate Approved Amount	Percentage Spread	Penalty Percentage Spread
\$25,000 to \$99,999	5.500%	7.500%
\$100,000 to \$249,999	5.000%	7.000%
\$250,000 to \$499,999	3.875%	5.875%
\$500,000 to \$999,999	3.375%	5.375%
\$1,000,000 to \$2,499,999	2.750%	4.750%
\$2,500,000 to \$4,999,999	2.500%	4.500%
\$5,000,000 to \$9,999,999	2.000%	4.000%
\$10,000,000 and over	1.750%	3.750%

See Section 4 of the Credit Line Agreement for the explanation of the determination of the applicable interest rate

Your Billing Rights: Keep This Document For Future Use

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

What To Do If You Find A Mistake On Your Statement

If you think there is an error on your statement, write to us at:

UBS Bank USA
c/o UBS Financial Services Inc.
1000 Harbor Boulevard, 6th Floor
Weehawken, NJ 07086 - 6761

In your letter, give us the following information:

- *Account information:* Your name and account number.
- *Dollar amount:* The dollar amount of the suspected error.
- *Description of problem:* If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

What Will Happen After We Receive Your Letter

When we receive your letter, we must do two things:

- Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
- Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- If we made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
- If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.



Certificate Of Completion

Envelope Id: 979CD8A9-55B5-4CBA-BF77-F63655328488
Subject: Please provide your e-Signature for UBS account document(s)
Source Envelope:
Document Pages: 82
Certificate Pages: 4
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-05:00) Eastern Time (US & Canada)

Status: Completed

Envelope Originator:
UBS Bank USA
677 Washington Blvd
Stamford, CT 06901-3707
sh-esignature-sbl-prod@ubs.com
IP Address: 161.239.225.131

Record Tracking

Status: Original
2/21/2025 11:11:30 AM
Holder: UBS Bank USA
sh-esignature-sbl-prod@ubs.com

Location: DocuSign

Signer Events

Melissa Tosca
mtosca@kiorapharma.com
CFO
Security Level: Email, Account Authentication
(None), Access Code, Authentication

Signature

DocuSigned by:

2E10D7437B2247E...

Signature Adoption: Pre-selected Style
Using IP Address: 68.7.62.76

Timestamp

Sent: 2/21/2025 11:11:34 AM
Viewed: 2/21/2025 12:07:00 PM
Signed: 3/12/2025 3:43:39 PM

Authentication Details

SMS Auth:
Transaction: 43b5053d-6ff8-414b-a474-7b6bf315d9ec
Result: passed
Vendor ID: TeleSign
Type: SMSAuth
Performed: 2/21/2025 12:06:44 PM
Phone: +1 619-629-3073

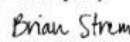
SMS Auth:
Transaction: bea36c70-2c7a-48a1-bac0-6fbc10aabfd
Result: passed
Vendor ID: TeleSign
Type: SMSAuth
Performed: 3/12/2025 12:30:55 PM
Phone: +1 619-629-3073

SMS Auth:
Transaction: d84e6c3c-08bc-496c-8ebe-02391bbfb106
Result: passed
Vendor ID: TeleSign
Type: SMSAuth
Performed: 3/12/2025 3:17:47 PM
Phone: +1 619-629-3073

Electronic Record and Signature Disclosure:

Accepted: 3/12/2025 12:37:26 PM
ID: e0d03733-43b3-46d9-92fd-2df94421e0ac
Company Name: UBS Financial Services Inc.

Brian Strem
bstrem@kiorapharma.com
Security Level: Email, Account Authentication
(None), Access Code, Authentication

DocuSigned by:

47D32B86AEAF493...

Signature Adoption: Pre-selected Style
Using IP Address: 174.79.254.251

Sent: 3/12/2025 3:43:44 PM
Viewed: 3/12/2025 4:25:39 PM
Signed: 3/12/2025 4:27:51 PM

Authentication Details

Signer Events	Signature	Timestamp
SMS Auth: Transaction: b0b96bc0-9cf8-42c2-ae2-a3d8fc1f68fc Result: passed Vendor ID: TeleSign Type: SMSAuth Performed: 3/12/2025 4:25:29 PM Phone: +1 818-438-4055		
Electronic Record and Signature Disclosure: Accepted: 3/12/2025 4:25:39 PM ID: b24dcafe-704a-4af5-a7b2-87c441ef7196 Company Name: UBS Financial Services Inc.		
In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/21/2025 11:11:34 AM
Certified Delivered	Security Checked	3/12/2025 4:25:39 PM
Signing Complete	Security Checked	3/12/2025 4:27:51 PM
Completed	Security Checked	3/12/2025 4:27:51 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

CONSENT TO ELECTRONIC RECEIPT OF CONSUMER DISCLOSURES AND ELECTRONIC SIGNATURE AGREEMENT AND OTHER TERMS AND CONDITIONS

From time to time, UBS (we, us or Company) may elect to send you or be required by law to provide to you certain written notices or disclosures. "UBS" refers to UBS Financial Services Inc. and its affiliates or any other entity controlled by or under common control with UBS AG. Described below are the Terms and Conditions for providing to you such notices and disclosures electronically through the DocuSign, Inc. ("DocuSign") electronic signing system.

- By selecting the "I Consent to use Electronic Records and Signatures" button, you are signing this Agreement electronically.
- You agree your electronic signature is the legal equivalent of your manual signature on this Agreement. By selecting "I Consent," you consent to be legally bound by this Agreement's Terms and Conditions.
- You further agree that your use of a key pad, mouse or other device to select an item, button, icon or similar act/action, constitutes your signature (hereafter referred to as "E-Signature"), acceptance and agreement as if actually signed by you in writing.
- You also agree that no third party verification is necessary to validate your E-Signature and that the lack of such verification will not in any way affect the enforceability of your E-Signature or any resulting contract between you and UBS.
- You also represent that you are authorized to enter into this Agreement for all persons who own or are authorized to access any of your accounts and that such persons will be bound by the terms of this Agreement.
- You further agree that each use of your E-Signature through DocuSign constitutes your agreement to be bound by the Terms and Conditions of this Agreement.

If you **do not agree** to all of these Terms and Conditions and choose the "Decline" button, you will not be able to use electronic signature services at UBS.

Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these Terms and Conditions, please confirm your agreement by clicking the "Consent" button at the bottom.

Receiving paper copies of documents that we sent to you electronically:

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will be able to download and print documents we send to you through the DocuSign system during and immediately after each signing session. If you would like for us to send you paper copies of any such documents, please contact your financial advisor. You will not be charged a fee to receive a paper copy of any documents that we sent you electronically.

Withdrawing your consent for E-Signature services and reverting to paper documents:

You may at any time choose to revert back to receiving required notices and disclosures in paper format instead of electronically. There is no fee for paper notices and disclosures.

If you elect to receive required notices and disclosures only in paper format, it may slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you, your acknowledgment of your receipt of such paper notices or disclosures.

To indicate to us that you would like to receive these documents in paper format only, please contact your financial advisor. Upon receipt of such notice, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

Notices and disclosures will be sent to you electronically:

Unless you tell us otherwise by contacting your financial advisor, we will provide electronically to you through the DocuSign system, those notices, disclosures, authorizations, acknowledgements, and other documents that we make available through DocuSign to you during the course of our relationship with you. This authorization is in addition to, and supplements, any other electronic delivery authorizations you have provided or may provide in the future, to UBS.

Changing your E-Signature preferences:

Please contact your financial advisor to let us know of any change to the e-mail address to which we send DocuSign related e-mails, to request paper copies of certain information from us that you received through DocuSign, and to withdraw your prior consent to receive notices and disclosures electronically through DocuSign to which you are consenting to herein.

Required hardware and software to use E-Signature services

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: [Signer Guide Signing System Requirements](#)

Other Agreements:

The Terms and Conditions set forth in this Agreement concern use of the UBS electronic signature services provided through DocuSign, Inc. This Agreement is in addition to (and does not replace or modify) any other agreements you may have with UBS, any affiliates of UBS, or any other agreements for services included as part of services at UBS.

Use of Location Based Services:

If you have enabled location services, please be advised that the approximate location of your device may be determined based upon information including cellular, Wi-Fi or GPS features. UBS may use and retain this information to provide you with additional or improve our services. We may also use this information in connection with our electronic signature services and retain your approximate location when accessed these services.

If you do not want UBS to have access to your location, please turn off your location services.

Acknowledging your access and consent to receive materials electronically:

You confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you. Please verify:

- that you were able to read this electronic disclosure, and
- that you also were able to print on paper or electronically save this page for your future reference and access or,
- that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access.

Further, if you consent to receiving notices and disclosures in electronic format through DocuSign on the Terms and Conditions described above and any other electronic delivery authorizations you have provided or may provide in the future, to UBS, please let us know by clicking the "I Consent" button below.

By checking the "I Consent" box, I confirm that:

- I can access and have read this CONSENT TO ELECTRONIC RECEIPT OF CONSUMER DISCLOSURES AND ELECTRONIC SIGNATURE AGREEMENT; and
 - I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
 - Until or unless I notify UBS as described above, I consent to receive from UBS through electronic means notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by UBS during the course of my relationship with you.
-

DRAFT

Credit Line Account: 5V [REDACTED]

Collateral Accounts: VR [REDACTED]

ADDENDUM TO CREDIT LINE ACCOUNT APPLICATION AND AGREEMENT

This Addendum (this "Addendum") is attached to, incorporated by reference into and is fully a part of the Credit Line Account Application and Agreement between UBS Bank USA (the "Bank") and Kiora Pharmaceuticals, Inc., Inc. ("Borrower"), dated as of the date hereof, (as amended or otherwise modified from time to time, the "Agreement"). This Addendum and the Agreement shall not become effective and binding upon the Bank until this Addendum has been executed by the Borrower and accepted by the Bank at its home office. Any conflict between the terms of the Agreement and this Addendum shall be resolved in accordance with the terms of this Addendum. In all other respects, the terms and provisions of the Agreement remain in full force and effect. Defined terms used herein to have the respective meanings set forth in the Agreement unless otherwise defined in this Addendum.

- A.** The Bank and the Borrower acknowledge and agree that:
- 1.** Section 9 c) of the Agreement is amended by deleting the Section in its entirety and replacing it with the following:
"The Borrower (and, if applicable, any other Pledgor of Collateral) agrees to maintain in the Collateral Account, at all times, Collateral having an aggregate lending value as specified by the Bank from time to time. For greater certainty, any failure by the Borrower (or, if applicable, any other Pledgor of Collateral) to satisfy the aggregate lending value specified by the Bank from time to time may result in the Bank issuing a collateral maintenance call (i.e., a margin call) for additional collateral or for the Borrower to repay all or a portion of the Obligations. Notwithstanding the generality of the foregoing, the Borrower (and, if applicable, any other Pledgor of Collateral) shall maintain in the Collateral Account, at all times, Collateral having an aggregate lending value (as determined by the Bank in its sole discretion) of not less than (x) the outstanding Obligations as of the date of determination multiplied by (y) one hundred twenty-five percent (125%)."
- B.** This Addendum may be signed in multiple original counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

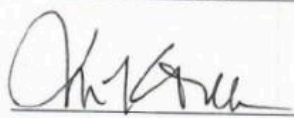
IN WITNESS WHEREOF, each of the parties has signed this Addendum pursuant to due and proper authority as of the date set forth below.

BORROWER: Kiora Pharmaceuticals, Inc.

By: 

Name: Brian M Strem

Title: President and CEO

By: 

Name: Melissa Tosca

Title: ~~Executive Vice President~~ Chief Financial Officer

UBS BANK USA

By: 

Name: Michael Rausch

Title: Executive Director

By: 

Name: Michael J McKeon

Title: Assoc. Director

Date: 3/18 , 2025

Certification

I, Brian M. Strem, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kiara Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/ Brian M. Strem, Ph.D.

Brian M. Strem, Ph.D.
President and Chief Executive Officer
(Principal executive officer)

Certification

I, Melissa Tosca, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kiara Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2025

/s/ Melissa Tosca

Melissa Tosca
Chief Financial Officer
(Principal financial and accounting officer)

**CERTIFICATION OF PERIODIC FINANCIAL REPORT
PURSUANT TO 18 U.S.C. SECTION 1350**

The undersigned officer of Kiora Pharmaceuticals, Inc. (the "Company") hereby certifies to his knowledge that the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (the "Report") to which this certification is being furnished as an exhibit, as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely pursuant to 18 U.S.C. Section 1350 and Item 601(b)(32) of Regulation S-K ("Item 601(b)(32)") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and the Exchange Act. In accordance with clause (ii) of Item 601(b)(32), this certification (A) shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and (B) shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Date: August 8, 2025

/s/ Brian M. Strem, Ph.D.

Brian M. Strem, Ph.D.
President and Chief Executive Officer
(Principal executive officer)

**CERTIFICATION OF PERIODIC FINANCIAL REPORT
PURSUANT TO 18 U.S.C. SECTION 1350**

The undersigned officer of Kiora Pharmaceuticals, Inc. (the "Company") hereby certifies to her knowledge that the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (the "Report") to which this certification is being furnished as an exhibit, as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely pursuant to 18 U.S.C. Section 1350 and Item 601(b)(32) of Regulation S-K ("Item 601(b)(32)") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and the Exchange Act. In accordance with clause (ii) of Item 601(b)(32), this certification (A) shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and (B) shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Date: August 8, 2025

/s/ Melissa Tosca

Melissa Tosca
Chief Financial Officer
(Principal financial and accounting officer)