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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2026

or

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

For the transition period from _____ to_____

Commission File Number: 001-42270

Zenas BioPharma, Inc.

(Exact name of registrant as specified in its charter)

Delaware	93-2749244
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

852 Winter Street, Suite 250
Waltham, MA 02451
(Address of Principal Executive Offices)

(857) 271-2954
(Registrant's telephone number)

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	☐	Accelerated filer	☐		
Non-accelerated filer	☒	Smaller reporting company	☒	Emerging growth company	☒

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

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

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

Title of Each Class	**Trading symbol**	**Name of Exchange on which registered**
Common stock, par value $0.0001 per share	**ZBIO**	**Nasdaq Global Select Market**

As of October 30, 2026, there were 67,817,793 shares of the registrant's common stock, par value $0.0001 per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Quarterly Report") contains forward-looking statements. All statements other than statements of historical facts contained in this Quarterly Report are forward-looking statements. In some cases, forward-looking statements can be identified by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. Forward-looking statements include, but are not limited to, statements concerning:

- the commercial opportunities stemming from the development of our product candidates for multiple immunology and inflammation ("I&I") diseases;
- our ability to develop and, if approved, ultimately commercialize our product candidates and, with partners, our other programs;
- our ability to obtain or maintain orphan drug designation for certain of our product candidates;
- the initiation, timing, progress, results, and cost of our development programs, and our current and future preclinical and clinical studies, including statements regarding the timing of initiation and completion of our clinical trials, and the period during which the results of the trials will become available;
- the success, cost and timing of our clinical development of our product candidates, including the extent to which interim, topline or preliminary data may be predictive of final results or of the results of future clinical trials;
- our ability to establish clinical differentiation of our product candidates;
- our ability to develop product candidates that have broad therapeutic potential;
- our ability to utilize our business development strategy and expertise to build a balanced portfolio;
- our ability to build our operational and commercial capabilities for supplying and marketing our products, if approved, in key markets;
- market conditions in the biopharmaceutical sector and issuance of securities analysts' reports or recommendations;
- the trading volume of our common stock;
- an inability to obtain additional funding and make future royalty payments under our Revenue Participation Right Purchase and Sale Agreement ("Royalty Purchase Agreement") with Royalty Pharma Investments 2019 ICAV ("Royalty Pharma");
- an inability to obtain additional funding and make borrowings under our agreement with BioPharma Credit PLC (the "Collateral Agent"), BPCR Limited Partnership and BioPharma Credit Investments V (Master) LP, which are funds managed by Pharmakon Advisors, LP (collectively, "Pharmakon"), and the guarantors party to such agreement (the "Loan Agreement");
- our ability to initiate, recruit and enroll patients in and conduct our clinical trials at the pace that we project;
- our ability to obtain regulatory approval of our product candidates, including our plans with respect to regulatory submissions and the timing and outcome with respect to such regulatory submissions and reviews

by the U.S. Food and Drug Administration (the "FDA") or comparable foreign regulatory authorities and with respect to any regulatory approvals we may receive, any related restrictions, limitations or warnings in the label of any of our product candidates, if approved;

- our reliance on third parties to manufacture drug substance and drug product for use in our clinical trials;
- our ability to retain and recruit key personnel;
- our ability to obtain and maintain adequate intellectual property rights;
- our expectations regarding government and third-party payor coverage and reimbursement;
- the impact of current and future healthcare reforms, including those affecting the delivery of or payment for healthcare products and services;
- our expectations regarding federal, state and foreign regulatory requirements;
- other governmental legislation and regulation, as well as adverse effects from a shutdown of the U.S. government;
- our estimates of our expenses, ongoing losses, capital requirements and our needs for or ability to obtain additional financing;
- our existing cash and the sufficiency of our existing cash and proceeds from future capital-raising efforts, if any, to fund our future operating expenses and capital expenditure requirements;
- the potential benefits of strategic collaboration agreements;
- our ability to identify and enter into strategic collaborations or arrangements, including potential business development opportunities and potential licensing partnerships, and our ability to attract collaborators with development, regulatory and commercialization expertise;
- sales of our stock by us, our insiders or our stockholders;
- our expectations regarding the time during which we will be an emerging growth company and smaller reporting company under the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act");
- general economic, industry, geopolitical and market conditions, such as military conflict or war, inflation and financial institution instability, tariffs and other trade measures, or pandemic or epidemic disease outbreaks, many of which are beyond our control;
- additions or departures of senior management, directors or key personnel;
- our financial performance;
- developments and projections relating to our competitors or our industry; and
- other risks and uncertainties, including those included in the section titled "Risk Factors."

The forward-looking statements in this Quarterly Report may prove incorrect. These forward-looking statements speak only as of the date of this Quarterly Report and are subject to a number of known and unknown risks, uncertainties and assumptions, including those described under the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly Report and in the section titled "*Risk Factors*" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 and in our other filings with the Securities and Exchange Commission (the "SEC"). In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and should not be unduly relied upon. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, these forward-looking statements should not be relied upon as guarantees of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual future results, levels of activity, performance and events and circumstances could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risks and uncertainties may emerge from time to time, and management cannot predict all risks and uncertainties. Except as required by applicable law, we do not undertake to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

NOTE REGARDING TRADEMARKS

The Zenas BioPharma word mark, logo mark, and the "lightning bolt" design are trademarks of Zenas BioPharma, Inc. or its affiliated companies.

We have, in certain cases, omitted the ® and ™ designations for these trademarks used in this Quarterly Report. Nevertheless, all rights to such trademarks are owned by Zenas BioPharma, Inc. or its affiliates. Other trademarks referenced in this Quarterly Report are the property of their respective owners.

PART I —FINANCIAL INFORMATION

Item 1. Financial Statements

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

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 177,778	$ 110,641
Short-term investments	407,534	232,551
Prepaid expenses and other current assets	18,136	7,979
Total current assets	603,448	351,171
Property and equipment, net	19	34
Operating lease right-of-use assets, net	1,586	1,354
Long-term investments	61,770	17,272
Other non-current assets	8,393	13,809
Total assets	$ 675,216	$ 383,640
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 7,057	$ 7,111
Accrued expenses	53,736	54,423
Deferred revenue	2,031	—
Operating lease liabilities, current	1,219	1,115
Total current liabilities	64,043	62,649
Long-term liabilities:		
Royalty obligation	99,190	78,636
Senior secured term loan, net	76,118	—
Convertible senior notes, net	223,239	—
Operating lease liabilities, less current portion	318	211
Total long-term liabilities	398,865	78,847
Total liabilities	462,908	141,496
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, par value $0.0001 per share; 25,000,000 shares authorized and no shares issued and outstanding as of September 30, 2026 and December 31, 2025	—	—
Common stock, par value $0.0001 per share; 175,000,000 shares authorized at September 30, 2026 and December 31, 2025, respectively; 67,795,055 and 54,485,518 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	7	5
Additional paid-in capital	1,280,055	1,007,331
Accumulated other comprehensive loss	(1,260)	(64)
Accumulated deficit	(1,066,494)	(765,128)
Total stockholders' equity	212,308	242,144
Total liabilities and stockholders' equity	$ 675,216	$ 383,640

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

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2026	2025	2026	2025
Revenue:				
License and collaboration revenue	$ 10,000	$ —	$ 11,000	$ 10,000
Total revenue	10,000	—	11,000	10,000
Operating expenses:				
Research and development	58,474	34,402	181,826	112,343
General and administrative	27,435	13,178	60,092	37,730
Acquired in-process research and development	27,500	5,000	57,500	5,000
Total operating expenses	113,409	52,580	299,418	155,073
Loss from operations	(103,409)	(52,580)	(288,418)	(145,073)
Other income (expense), net:				
Interest expense on royalty obligation	(7,453)	(1,679)	(20,553)	(1,679)
Interest expense on senior secured term loan	(2,058)	—	(4,146)	—
Interest expense on convertible senior notes	(1,709)	—	(3,454)	—
Interest income	5,795	2,766	15,416	8,902
Other (expense) income, net	(40)	(6)	(48)	370
Total other income (expense), net	(5,465)	1,081	(12,785)	7,593
Loss before income taxes	(108,874)	(51,499)	(301,203)	(137,480)
Income tax provision (benefit)	49	—	163	(185)
Net loss	$ (108,923)	$ (51,499)	$ (301,366)	$ (137,295)
Net loss per share - basic and diluted	$ (1.65)	$ (1.22)	$ (4.91)	$ (3.27)
Weighted-average common stock outstanding - basic and diluted	66,147,400	42,159,340	61,416,660	41,943,160
Comprehensive loss:				
Net loss	$ (108,923)	$ (51,499)	$ (301,366)	$ (137,295)
Other comprehensive income (loss):				
Unrealized (loss) gain on investments	(164)	35	(1,285)	77
Foreign currency translation adjustment	45	(10)	89	(340)
Comprehensive loss	$ (109,042)	$ (51,474)	$ (302,562)	$ (137,558)

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

Zenas BioPharma, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)
(in thousands, except share data)

	Common Stock					
	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
Balance as of December 31, 2025	54,485,518	$ 5	$ 1,007,331	$ (64)	$ (765,128)	$ 242,144
Exercises of common stock options	25,767	—	367	—	—	367
Stock-based compensation expense	—	—	9,195	—	—	9,195
Purchases of common stock under the Employee Stock Purchase Plan	44,369	—	592	—	—	592
Issuance of common stock from ATM offering, net of underwriting commissions and other offering costs	2,827,723	—	71,186	—	—	71,186
Issuance of common stock from equity offering, net of underwriting commissions and other offering costs	5,000,000	1	93,644	—	—	93,645
Unrealized loss on investments	—	—	—	(341)	—	(341)
Foreign currency translation adjustment	—	—	—	28	—	28
Net loss	—	—	—	—	(80,987)	(80,987)
Balance as of March 31, 2026	62,383,377	$ 6	$ 1,182,315	$ (377)	$ (846,115)	$ 335,829
Exercises of common stock options	77,825	—	806	—	—	806
Vesting of restricted stock units	119,545	—	—	—	—	—
Stock-based compensation expense	—	—	8,619	—	—	8,619
Issuance of common stock from underwriters' exercise of the overallotment option of equity offering in full, net of underwriting commissions and other offering costs	750,000	—	14,063	—	—	14,063
Unrealized loss on investments	—	—	—	(780)	—	(780)
Foreign currency translation adjustment	—	—	—	16	—	16
Net loss	—	—	—	—	(111,456)	(111,456)
Balance as of June 30, 2026	63,330,747	$ 6	$ 1,205,803	$ (1,141)	$ (957,571)	$ 247,097
Exercises of common stock options	608,980	—	7,904	—	—	7,904
Vesting of restricted stock units	4,951	—	—	—	—	—
Stock-based compensation expense	—	—	17,276	—	—	17,276
Purchases of common stock under the Employee Stock Purchase Plan	32,196	—	597	—	—	597
Issuance of common stock from ATM offering, net of underwriting commissions and other offering costs	1,818,181	—	48,475	—	—	48,475
Issuance of common stock as payment of milestone pursuant to InnoCare License Agreement	2,000,000	1	—	—	—	1
Unrealized loss on investments	—	—	—	(164)	—	(164)
Foreign currency translation adjustment	—	—	—	45	—	45
Net loss	—	—	—	—	(108,923)	(108,923)
Balance as of September 30, 2026	67,795,055	$ 7	$ 1,280,055	$ (1,260)	$ (1,066,494)	$ 212,308

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

Zenas BioPharma, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)
(in thousands, except share data)

	Common Stock					
	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
Balance as of December 31, 2024	41,793,412	$ 4	$ 699,651	$ 194	$ (387,391)	$ 312,458
Exercises of common stock options	28,475	—	99	—	—	99
Stock-based compensation expense	—	—	5,386	—	—	5,386
Unrealized gain on investments	—	—	—	12	—	12
Foreign currency translation adjustment	—	—	—	(65)	—	(65)
Net loss	—	—	—	—	(33,573)	(33,573)
Balance as of March 31, 2025	41,821,887	$ 4	$ 705,136	$ 141	$ (420,964)	$ 284,317
Exercises of common stock options	266,810	—	1,722	—	—	1,722
Stock-based compensation expense	—	—	6,045	—	—	6,045
Unrealized gain on investments	—	—	—	30	—	30
Foreign currency translation adjustment	—	—	—	(265)	—	(265)
Net loss	—	—	—	—	(52,223)	(52,223)
Balance as of June 30, 2025	42,088,697	$ 4	$ 712,903	$ (94)	$ (473,187)	$ 239,626
Exercises of common stock options	82,000	—	664	—	—	664
Stock-based compensation expense	—	—	7,336	—	—	7,336
Purchase of common stock under the Employee Stock Purchase Plan	42,768	—	276	—	—	276
Unrealized gain on investments	—	—	—	35	—	35
Foreign currency translation adjustment	—	—	—	(10)	—	(10)
Net loss	—	—	—	—	(51,499)	(51,499)
Balance as of September 30, 2025	42,213,465	$ 4	$ 721,179	$ (69)	$ (524,686)	$ 196,428

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

Zenas BioPharma, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Net loss	$ (301,366)	$ (137,295)
Adjustments to reconcile net loss to net cash used in operating activities:		
Acquired in-process research and development	57,500	5,000
Depreciation expense	14	46
Loss on disposal of property and equipment	—	107
Net amortization of premiums and accretion of discounts on investments	(2,982)	(1,510)
Non-cash interest expense on royalty obligation	20,553	1,679
Non-cash interest expense on senior secured term loan	4,146	—
Non-cash interest expense on convertible senior notes	563	—
Stock-based compensation expense	35,090	18,767
Non-cash lease expense	792	651
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(5,204)	(799)
Accounts payable	(53)	(11,159)
Accrued expenses	1,343	5,251
Operating lease liabilities	(813)	(657)
Net cash used in operating activities	(190,417)	(119,919)
Cash flows from investing activities:		
Purchases of property and equipment	(3)	(18)
Purchases of investments	(545,834)	(284,862)
Proceeds from sales and maturities of investments	328,035	131,358
Payments of milestones achieved pursuant to license agreements	(57,500)	—
Product candidate license acquisitions	—	(5,000)
Net cash used in investing activities	(275,302)	(158,522)
Cash flows from financing activities:		
Payments of other offering costs for the ATM offering and equity offering	(548)	—
Payments of debt issuance costs for the senior secured term loan and convertible senior notes	(1,952)	—
Payments of deferred offering costs for royalty obligation	—	(3,324)
Proceeds from exercise of stock options	9,077	2,485
Proceeds from issuance of common stock under employee stock purchase plan	1,189	276
Proceeds from issuance of common stock under ATM offering, net of commissions	120,282	—
Proceeds from issuance of common stock in connection with an equity offering, net of underwriting discounts and commissions	108,100	—
Proceeds from senior secured term loan, net of discount	73,500	—
Proceeds from the issuance of convertible senior notes, net of commissions	223,100	—
Proceeds from royalty obligation	—	75,000
Net cash provided by financing activities	532,748	74,437
Effect of exchange rate changes on cash and cash equivalents	108	(263)
Net increase (decrease) in cash and cash equivalents	67,137	(204,267)
Cash and cash equivalents at beginning of period	110,641	319,832
Cash and cash equivalents at end of period	$ 177,778	$ 115,565
Supplemental disclosure of non-cash investing and financing activities:		
Right-of-use assets obtained under operating lease arrangements	$ 1,024	$ 445
Deferred offering costs and debt issuance costs in accounts payable and accrued expenses	$ —	$ 1,204

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

Zenas BioPharma, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Nature of Business

Organization

Zenas BioPharma, Inc. ("Zenas" or the "Company") was incorporated in November 2019 as Zenas BioPharma (Cayman) Limited, an exempted company incorporated in the Cayman Islands with limited liability and commenced operations in 2020. On August 2, 2023, the Company (then known as Zenas BioPharma (Cayman) Limited) de-registered from the Cayman Islands and registered by way of continuation in the State of Delaware. Zenas is a clinical-stage global biopharmaceutical company committed to being a leader in the development and commercialization of transformative immunology-based therapies for patients in need. The Company's goal is to build an immunology and inflammation ("I&I") focused biopharmaceutical company. The Company has in-licensed and is developing several product candidates for the treatment of various auto-immune and rare diseases. The Company is headquartered in Waltham, Massachusetts and operates in one segment, which is the business of acquiring and developing immune-based therapies for potential commercialization.

The Company's condensed consolidated financial statements include the accounts of its wholly owned subsidiaries which include Zenas BioPharma (HK) Limited ("Zenas HK"), Zenas BioPharma (USA) LLC, Shanghai Zenas Biotechnology Co. Limited, Zenas BioPharma Securities Corp., Zenas BioPharma GmbH (Switzerland), Zenas BioPharma B.V. and Zenas BioPharma GmbH (Germany).

Liquidity and Capital Resources

Since its inception, the Company has devoted its efforts principally to research and development and raising capital. The Company is subject to risks and uncertainties common to clinical stage companies in the biopharmaceutical industry, including, but not limited to, completing preclinical studies and clinical trials, obtaining regulatory approval for product candidates, market acceptance of products, development by competitors of new technological innovations, dependence on key personnel, the ability to attract and retain qualified employees, reliance on third-party organizations, protection of proprietary technology, compliance with government regulations, and the ability to raise additional capital to fund operations.

The Company's capital to date has been generated primarily with proceeds received through the sale and issuance of preferred stock, convertible senior notes, the sale of common stock from its initial public offering ("IPO"), private and public equity offerings (please see *Note 10, Common Stock*, to these unaudited condensed consolidated financial statements), as well as from payments received under the Company's license, collaboration and royalty purchase agreements (please see *Note 7, License and Collaboration Revenue* and *Note 9, Royalty Obligation*, to these unaudited condensed consolidated financial statements) and the senior secured term loan with Pharmakon Advisors, LP ("Pharmakon") (please see *Note 6, Long-Term Obligations*, to these unaudited condensed consolidated financial statements).

The Company has not generated any revenue from product sales since inception, and its product candidates currently under development will require significant additional research and development efforts and regulatory approval prior to commercialization.

The Company has incurred operating losses and negative cash flows since its inception, including net losses of $108.9 million and $51.5 million for the three months ended September 30, 2026 and 2025, respectively, and $301.4 million and $137.3 million for the nine months ended September 30, 2026 and 2025, respectively. As of September 30, 2026, the Company had an accumulated deficit of $1.1 billion. Management expects operating losses and negative operating cash flows to continue for the foreseeable future.

The Company expects that its existing cash, cash equivalents and investments of $647.1 million as of September 30, 2026, will be sufficient to fund its operating and capital expenditures for at least twelve months from the date of the issuance of these unaudited condensed consolidated financial statements.

2. Summary of Significant Accounting Policies

The Company's significant accounting policies are disclosed in *Note 2, Summary of Significant Accounting Policies,* in the audited consolidated financial statements for the year ended December 31, 2025, and notes thereto, included in the Company's Annual Report on Form 10-K that was filed with the Securities and Exchange Commission (the "SEC") on March 16, 2026. Since the date of those financial statements, other than disclosed herein, there have been no material changes to the Company's significant accounting policies.

Basis of Presentation and Consolidation

The accompanying condensed consolidated financial statements include the operations of the Company and its wholly-owned subsidiaries. All intercompany accounts, transactions, and balances have been eliminated in consolidation. The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and pursuant to the rules and regulations of the SEC. Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

Unaudited Interim Financial Information

The accompanying unaudited condensed consolidated financial statements have been prepared on the same basis as the annual audited financial statements and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of September 30, 2026, and the results of operations and its cash flows for the three and nine months ended September 30, 2026 and 2025. The financial data and other information disclosed in these notes related to the three and nine months ended September 30, 2026 and 2025 are not necessarily indicative of the results to be expected for the year ending December 31, 2026, any other interim periods, or any future year or period. These interim financial statements should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2025, and the notes thereto, which are included in the Company's Annual Report on Form 10-K as filed with the SEC, on March 16, 2026.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, expenses, and related disclosures. The Company bases its estimates on historical experience, known trends and other market-specific factors or other relevant factors that it believes to be reasonable under the circumstances. The Company evaluates its estimates and assumptions on an ongoing basis using such factors and adjusts those estimates and assumptions as facts and circumstances dictate. Actual results may differ from those estimates or assumptions. Significant estimates in these unaudited condensed consolidated financial statements include estimates made in connection with accrued research and development expenses, stock-based compensation, valuations of embedded features within its senior secured term loan and the liability related to the sale of future royalties including the estimation of future payments and the related non-cash interest expense.

Estimates and assumptions about future events and their effects cannot be determined with certainty and therefore require the exercise of judgement. As of the date of the issuance of these unaudited condensed consolidated financial statements, the Company is not aware of any specific event or circumstance that would require the Company to update its estimates, assumptions and judgements or revise the carrying value of its assets or liabilities. These estimates may change as new events occur and additional information is obtained and are recognized in the financial statements as soon as they become known. Actual results could differ from those estimates and any such differences may be material to the Company's financial statements.

Embedded Derivative Financial Instruments

The Company evaluates its financial instruments, including its convertible senior notes and senior secured term loan to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with *ASC 815 "Derivatives and Hedging."* ASC 815 generally provides three criteria that, if met, require companies to bifurcate embedded features from their host instruments and account for them as free-standing derivative financial instruments. The three criteria include circumstances in which (i) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (ii) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not remeasured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur, and (iii) a separate instrument with the same terms as the embedded derivative would be considered a derivative instrument.

If liability accounting is required, the Company's derivative instruments are recorded at fair value with an offsetting amount recorded as a debt discount, which offsets the carrying amount of the debt. The derivative is revalued at the end of each reporting period and any change in fair value is recorded as a gain or loss in the statement of operations. The debt discount is amortized through interest expense over the life of the debt using the effective interest method.

Convertible Instruments

When the Company issues debt with a conversion feature, in accordance with *ASC 815, "Derivatives and Hedging"* it must first assess whether the conversion feature meets the requirements to be treated as a derivative. An embedded equity-linked component that meets the definition of a derivative does not have to be separated from the host instrument if the component qualifies for the scope exception for certain contracts involving an issuer's own equity. The scope exception applies if the contract is both (i) indexed to its own stock; and (ii) classified in stockholders' equity in its balance sheet.

Debt and Debt Issuance Costs

Debt issuance costs and expenses paid by the Company to its lenders are presented on the unaudited condensed consolidated balance sheet as a direct deduction from the related liability. Debt issuance costs represent costs that are paid directly to third parties and directly attributable to the issuance of a debt or equity instrument, which includes lender fees, legal expenses and other direct costs. These costs are amortized as a non-cash component of interest expense using the effective interest method over the term of the debt. Costs and discounts are presented as a reduction of the related debt in the accompanying balance sheet if related to the issuance of debt or presented as a reduction of additional paid-in capital if related to the issuance of an equity instrument.

Recently Adopted Accounting Standards

In September of 2025, the FASB issued ASU *2025-07: Derivatives and Hedging (ASC 815) and Revenue from Contracts with Customers (ASC 606)*. This ASU expands the scope exceptions in the derivative guidance to exclude certain non-exchange-traded contracts with underlyings based on the operations or activities of one of the parties to the contract, including the occurrence or nonoccurrence of an event specific to those operations or activities. The ASU also clarifies that share-based noncash consideration received from a customer in exchange for goods or services should be accounted for as noncash consideration under *ASC 606* unless and until the entity's rights to receive or retain such consideration become unconditional. The Company early adopted the ASU at the beginning of fiscal year 2026, using the prospective method. The adoption of this new accounting standard was applied to the evaluation of the senior secured term loan that was executed during the first quarter.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03")*, which requires entities to disclose additional information about specific expense categories in the notes to the financial statements. ASU 2024-03 is effective for annual periods beginning after December 15, 2026 and for interim periods within fiscal years

beginning after December 15, 2027, with early adoption permitted. ASU 2024-03 may be applied retrospectively or prospectively to the financial statements. The Company is currently evaluating the impact of ASU 2024-03 on its unaudited condensed consolidated financial statements and related disclosures.

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. Unless otherwise discussed, the Company does not believe that the adoption of recently issued standards have or may have a material impact on its unaudited condensed consolidated financial statements or disclosures.

3. Fair Value Measurements

The following table presents information about the Company's financial assets that are regularly measured and carried at fair value and indicates the level within the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value (in thousands):

	As of September 30, 2026			
Description	**Total Carrying Value**	**Quoted Prices in Active Market (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Cash and cash equivalents	$ 177,778	$ 177,778	$ —	$ —
Short-term investments:				
Commercial paper	30,851	—	30,851	—
Corporate debt securities	77,239	—	77,239	—
Government securities	299,444	299,444	—	—
Long-term investments:				
Corporate debt securities	5,241	—	5,241	—
Government securities	56,529	56,529	—	—
Total assets	$ 647,082	$ 533,751	$ 113,331	$ —

	As of December 31, 2025			
Description	**Total Carrying Value**	**Quoted Prices in Active Market (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Cash and cash equivalents	$ 110,641	$ 110,641	$ —	$ —
Short-term investments:				
Commercial paper	5,959	—	5,959	—
Corporate debt securities	44,299	—	44,299	—
Government securities	182,293	182,293	—	—
Long-term investments:				
Corporate debt securities	1,467	—	1,467	—
Government securities	15,805	15,805	—	—
Total assets	$ 360,464	$ 308,739	$ 51,725	$ —

For information on the fair value of the Company's long-term liabilities, see *Note 6, Long-Term Obligations* and *Note 9, Royalty Obligation,* to these unaudited condensed consolidated financial statements.

There have been no material impairments of the Company's assets measured and carried at fair value as of September 30, 2026 and December 31, 2025. In addition, there have been no changes in valuation techniques as of September 30, 2026

and December 31, 2025. The fair value of Level 1 instruments classified as money market funds and government securities are valued using quoted market prices in active markets. The fair value of Level 2 instruments classified as short-term investments was determined using other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date and fair value is determined using models or other valuation methodologies. During the nine months ended September 30, 2026 and year ended December 31, 2025, there were no transfers between levels.

The short and long-term investments are classified as available-for-sale securities. As of September 30, 2026, the remaining contractual maturities of the available-for-sale securities were 1 to 16 months, and the balance in the Company's accumulated other comprehensive loss was comprised of activity related to the Company's available-for-sale securities. There were no realized gains or losses recognized on the sale or maturity of available-for-sale securities during the three and nine months ended September 30, 2026 and 2025. As a result, the Company did not reclassify any amounts out of accumulated other comprehensive income for the same period. The Company had a limited number of available-for-sale securities in insignificant loss positions as of September 30, 2026, which the Company does not intend to sell and has concluded it will not be required to sell before recovery of amortized cost for the investment maturity.

The following table summarizes the available-for-sale securities (in thousands):

	As of September 30, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Commercial paper	$ 30,907	$ —	$ (56)	$ 30,851
Corporate debt securities	82,678	2	(200)	82,480
Government securities	356,817	—	(844)	355,973
Total	$ 470,402	$ 2	$ (1,100)	$ 469,304

	As of December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Commercial paper	$ 5,957	$ 2	$ —	$ 5,959
Corporate debt securities	45,740	28	(2)	45,766
Government securities	197,939	162	(3)	198,098
Total	$ 249,636	$ 192	$ (5)	$ 249,823

Certain short-term investments with original maturities of less than 90 days are included in cash and cash equivalents on the condensed consolidated balance sheets and are not included in the table above.

4. Other Non-Current Assets

Other non-current assets consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Clinical trial deposits	$ 8,166	$ 12,882
Deferred offering costs	227	709
Other	—	218
Total other assets	$ 8,393	$ 13,809

5. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
External research, development and manufacturing expenses	$ 34,663	$ 38,855
Employee compensation and benefits	12,573	13,080
Professional and consultant fees	1,530	1,500
Interest expense on convertible senior notes	2,891	—
Income taxes payable	49	118
Other	2,030	870
Total accrued expenses	$ 53,736	$ 54,423

6. Long – Term Obligations

Senior Secured Term Loan

In March 2026, the Company entered into the Loan Agreement with the Collateral Agent, BPCR Limited Partnership and BioPharma Credit Investments V (Master) LP, which are funds managed by Pharmakon and the guarantors party thereto. The Loan Agreement provides for a five-year senior secured term loan, which matures on March 27, 2031 (the "Term Loan Maturity Date"), for up to $250.0 million and consists of five tranches (collectively, the "Term Loans"). Two of the tranches are committed tranches: (i) Tranche A in an aggregate of $75.0 million, which was funded on the date the Loan Agreement was executed; and (ii) Tranche B in an aggregate of $50.0 million (and up to an additional $25.0 million that the Company may elect to draw), which is available until November 1, 2027, subject to the occurrence of certain approval conditions (the "Tranche B/C Approval Condition").

Three of the tranches may be drawn upon at the discretion of the Company: (i) Tranche C in an aggregate of $25.0 million (less any amounts elected to be (and actually) drawn under Tranche B in excess of $50.0 million), which is available until April 28, 2028; (ii) Tranche D in an aggregate of $50.0 million, which is available until October 30, 2028; and (iii) Tranche E in an aggregate of $50.0 million, which is available until April 30, 2029. Tranches C through E are subject to the occurrence of certain approval conditions and, in the case of Tranches D through E, achievement of certain milestones in respect of certain net sales levels.

The Loan Agreement bears interest at annual interest rate of 3-month secured overnight financing rate ("SOFR") subject to a 3.25% floor, plus 5.75% payable quarterly in arrears. The Company may elect for 100% of the interest for the first 24 months following the Tranche A Loan funding date to be paid-in-kind ("PIK Interest") without an increase in the interest rate.

The Company is required to pay a funding fee equal to (i) 2.00% of the funding amount of the Tranche A on the funding date of such loan, (ii) 2.00% of $50,000,000 of the funding amount of the Tranche B on the funding date for such loan, (iii) 1.00% of any amounts in excess of $50,000,000 of the funding amount for the Tranche B on the funding date for such loan, and (iv) 1.00% of each of the funding amount of the Tranche C, Tranche D, and Tranche E on each respective funding date.

The Company paid the funding fee of $1.5 million for Tranche A as of March 31, 2026.

The Company's obligations under the Loan Agreement are secured by substantially all of its assets, including its intellectual property, and are guaranteed by certain of its subsidiaries, each of which has pledged substantially all of their assets, including intellectual property, to secure such guarantee. The Company is also obligated to maintain liquidity of not less than $50.0 million, immediately following the Tranche A closing date and until the satisfaction of the Tranche B/C Approval Condition.

The Company determined that all of the embedded features identified in the Loan Agreement were either clearly or closely related to the debt host and did not require bifurcation as a derivative liability, or the fair value of the bifurcated features was immaterial to the Company's condensed consolidated financial statements.

Total net proceeds were $72.0 million after deducting discounts and debt issuance costs as of September 30, 2026. As of September 30, 2026, the Company elected to pay interest on the Term Loan as PIK Interest, which was added to the outstanding principal balance of the term loan. No repayment of principal was made during the three and nine months ended September 30, 2026.

The following table reflects the Company's senior secured term loan as of September 30, 2026 (in thousands):

	September 30, 2026
Outstanding principal balance	$ 75,000
Accumulated PIK interest applied to term loan balance	3,753
Unamortized debt discounts and issuance costs	(2,635)
Carrying value	$ 76,118

The carrying value of the outstanding liability, which bears a variable interest rate indexed to the 3-month SOFR, approximates fair value as it reprices when market interest rates change and represents a Level 2 measurement within the fair value hierarchy.

The Company incurred $3.0 million of debt discounts and issuance costs, which were capitalized and deferred when incurred and subsequently amortized over the term of the Loan Agreement. The effective interest rate of the Loan Agreement, including the amortization of the debt issuance costs was 11.00% for the three months ended September 30, 2026.

Interest expense in relation to the Loan Agreement, including amortization of debt discounts and issuance costs amortization is as follows (in thousands):

	For the three months ended September 30, 2026	For the nine months ended September 30, 2026
Amortization of debt discounts and issuance costs	$ 199	$ 393
PIK interest expense (applied to term loan principal balance)	1,859	3,753
Total interest expense	$ 2,058	$ 4,146

Pursuant to the Loan Agreement, each tranche may be voluntarily prepaid at any time, in whole or subject to certain conditions, in part, prior to the Term Loan Maturity Date. Prepayments are subject to an amount equal to the sum of all interest that would have been accrued and payable from such date of prepayment through the second anniversary of each respective tranche's closing date on the amount of principal prepaid, using an interest rate in effect on such date.

Pursuant to the Loan Agreement, each tranche has a required prepayment premium, in an amount equal to the product of the amount of any prepaid principal, multiplied by: (i) if prepayment occurs prior to the third year anniversary of each respective tranche's closing date, 3%; (ii) if prepayment occurs on or after the third year anniversary of each respective tranche's closing date but prior to the fourth year anniversary of each respective tranche's closing date, 2%; and (iii) if prepayment occurs on or after the fourth anniversary of each respective tranche's closing date but prior to the Term Loan Maturity Date, 1%.

Pursuant to the Loan Agreement, each tranche has a required exit consideration fee, with respect to any prepayment, repayment or as a result of the acceleration of maturity, an amount equal to the product of the amount of principal prepaid or repaid, multiplied by 1% to 2% based on the specific tranche. The Loan Agreement requires repayment in full of all

term loans in four equal payments commencing on September 30, 2028 to the extent the Tranche B/C Approval Condition is not met on or prior to June 30, 2028.

The Loan Agreement contains customary prepayment fees and provisions, events of default, including a material adverse change to the Company, and representations, warranties and covenants, including financial covenants. The financial covenants include (i) at all times prior to the satisfaction of the Tranche B/C Approval Condition, a minimum liquidity requirement and (ii) subject to the outstanding aggregate principal amount of Term Loans advanced under the Loan Agreement being equal to or greater than $200.0 million, a minimum trailing twelve months consolidated net revenue covenant.

As of September 30, 2026, the Company was in compliance with its debt covenants under the Loan Agreement.

Convertible Senior Notes

In March 2026, the Company issued an aggregate principal amount of $200.0 million of 2.50% convertible senior notes due 2032 (the "Convertible Notes") to multiple investors (the "Holders") in an underwritten public offering. In April 2026, the underwriters of the Company's offering of the Convertible Notes exercised their overallotment option in full, pursuant to which the Company issued an additional principal amount of $30.0 million of Convertible Notes, before deducting commission costs of $0.9 million. The Convertible Notes were issued pursuant to, and are governed by, an indenture (the "Base Indenture"), dated March 31, 2026, between the Company and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by a first supplemental indenture (the "Supplemental Indenture," and the Base Indenture, as supplemented by the Supplemental Indenture, the "Indenture"), dated as of March 31, 2026, between the Company and the Trustee.

The Convertible Notes are general, unsecured, senior obligations of the Company. The Convertible Notes bear interest at 2.50% per annum, to be paid semi-annually in arrears on April 1 and October 1 of each year, beginning October 1, 2026. In addition, special interest will accrue on the notes upon the occurrence of certain events relating to the Company's failure to file certain reports with the SEC as provided in the Indenture. The Convertible Notes mature on April 1, 2032 (the "Convertible Notes Maturity Date"), unless earlier converted, redeemed or repurchased by the Company.

The Holders may convert their notes into shares of common stock, at their option only in the following circumstances: (i) during any calendar quarter commencing after the calendar quarter ending on June 30, 2026; if the last reported sale price per share of the Company's common stock exceeds 130% of the conversion price for each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding quarter; (ii) during the five consecutive business days immediately after any 10 consecutive trading day period (the "Measurement Period") in which the trading price per $1,000 principal amount of notes for each trading day of the Measurement Period was less than 98% of the product of the last reported sales price per share of the common stock on such trading day and the conversion rate on such trading day; (iii) upon the occurrence of certain corporate events or distributions of the Company's common stock; (iv) if the Company calls such notes for redemption; and (v) at any time from, and including January 1, 2032 until the close of business on the scheduled trading day immediately before the Convertible Notes Maturity Date.

The Convertible Notes are redeemable, in whole or in part, subject to certain limitations, at the Company's option any time and from time to time, on or after April 8, 2030 and on or before the twenty-sixth scheduled trading day immediately before the Convertible Notes Maturity Date, at a cash redemption price equal to the principal amount of Convertible Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date only if the last reported sale price per share of the Company's common stock exceeds 130% of the conversion price on (i) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related redemption notice; and (ii) the trading day immediately before the date the Company sends such notice. However, the Company may not redeem less than all of the outstanding Convertible Notes unless at least $75.0 million aggregate principal amount of the Convertible Notes are outstanding and not called for redemption. In addition, calling any note for redemption will constitute a Make-Whole Fundamental Change, in which case the conversion rate applicable to the conversion of the note will be increased in certain circumstances if it is converted after it is called for redemption.

The initial conversion rate is 37.7358 shares of common stock per $1,000 principal amount of notes, which represents an initial conversion price of approximately $26.50 per share, and is subject to adjustment as described in the Indenture. However, if a fundamental change occurs, generally a change of control, merger, consolidation, asset sale or similar transaction, takes place prior to April 1, 2030, and it results in the Convertible Notes immediately being due, the noteholders may be entitled to an increase in the conversion rate ("Make-Whole Rate"). The amount of the increase is determined pursuant to the contractual make-whole table based on the effective date of the transaction. No increase in the conversion rate will be provided if the stock price used to determine the adjustment is greater than $160.00 per share or less than $20.00 per share of common stock and the conversion rate as increased pursuant to the make-whole provision will not exceed 50.00 shares of common stock per $1,000 principal amount of the Convertible Notes.

The Company will settle conversions by paying or delivering cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company's election. If the Company elects to deliver cash or a combination of cash and shares of its common stock, then the consideration due upon conversion will be determined over a period consisting of 25 volume-weighted average price ("VWAP") trading days.

The Convertible Notes were accounted for in accordance with *ASC Subtopic 470-20, Debt with Conversion and Other Options* ("ASC 470-20") and *ASC Subtopic 815-40, Contracts in Entity's Own Equity* ("ASC 815-40"). Under ASC 815-40, to qualify for equity classification (or non-bifurcation, if embedded), the instrument (or embedded feature) must be both (i) indexed to the issuer's stock and (ii) meet the requirements of the equity classification guidance. Based upon the Company's analysis, it was determined that the Convertible Notes do contain embedded features indexed to the Company's common stock, that do not require bifurcation and do not need to be separately accounted for as an equity component. Since the embedded conversion feature meets the equity scope exception from derivative accounting, and, also since the embedded conversion option does not need to be separately accounted for as an equity component under ASC 470-20, the proceeds from the issuance of the Convertible Notes were recorded as a liability.

The Company incurred issuance costs related to the Convertible Notes of $7.3 million, which were recorded as debt issuance costs and were included as a reduction to the Convertible Notes on the unaudited condensed consolidated balance sheet. The debt issuance costs are amortized to interest expense using the effective interest rate method over the term of the Convertible Notes, resulting in an effective interest rate of 3.08%.

The outstanding balance of the Convertible Notes consisted of the following as of September 30, 2026 (in thousands):

		September 30, 2026
Outstanding principal balance	$	230,000
Unamortized commissions and offering costs		(6,761)
Carrying value	$	223,239

The fair value of the Convertible Notes is influenced by the Company's common stock price and has been classified as Level 1 within the fair value hierarchy as it uses quoted prices in active markets. The estimated fair value of the Convertible Notes as of September 30, 2026, was approximately $301.1 million. None of the Convertible Notes were converted, nor did the Company redeem any of the Convertible Notes as of September 30, 2026.

Interest expense in relation to the Convertible Notes, including amortization of commissions and offering costs is as follows (in thousands):

		For the three months ended September 30, 2026		For the nine months ended September 30, 2026
Cash interest expense	$	1,426	$	2,891
Amortization of commissions and offering costs		283		563
Total interest expense	$	1,709	$	3,454

The indenture contains customary events of default and covenants, including (i) certain payment defaults on the notes (ii) a default by the Company in its other obligations or agreements under the Indenture or the Notes if such default is not cured or waived within 60 days after notice is given in accordance with the Indenture; (iii) certain defaults by the Company or any of its significant subsidiaries with respect to indebtedness for borrowed money of at least $30,000,000; (iv) certain final judgments being rendered against the Company or any of its significant subsidiaries for the payment of at least $30,000,000, where such judgments are not discharged or stayed within 60 days after the date on which the right to appeal has expired or on which all rights to appeal have been extinguished; and (v) certain events of bankruptcy, insolvency and reorganization involving the Company or any of its significant subsidiaries.

As of September 30, 2026, the Company was in compliance with its covenants under the Indenture.

7. License and Collaboration Revenue

License and Collaboration Agreement with Bristol-Myers Squibb

In August 2023, the Company entered into a license and collaboration agreement (the "BMS Agreement") with Bristol-Myers Squibb ("BMS"), under which the Company granted BMS an exclusive license to (i) develop, manufacture (subject to the Company's rights to be the exclusive manufacturer for BMS for a certain period of time), commercialize or otherwise exploit obexelimab and any biological product (irrespective of presentations, formulations or dosages) containing obexelimab but not any of the Company's other proprietary active ingredients (the "BMS Product") in Japan, South Korea, Taiwan, Singapore, Hong Kong and Australia (collectively, the "BMS Territory") and (ii) develop and manufacture obexelimab and the BMS Product outside the BMS Territory provided that obexelimab and the BMS Product are solely used in the BMS Territory.

Pursuant to the BMS Agreement, BMS paid the Company a one-time non-refundable upfront cash payment of $50.0 million. In September 2026, the Company received a development and regulatory milestone payment of $10.0 million for the first regulatory approval application filing in Japan. The Company is entitled to receive further separate development and regulatory milestone payments from BMS of up to approximately $69.5 million. The Company is also entitled to receive one-time sales milestone payments up to $70.0 million upon BMS achieving certain net sales milestones in a given year in the BMS Territory. The Company is also eligible to receive tiered high single-digit to low double-digit royalties on net sales in the BMS Territory, subject to specified reductions.

Additionally, pursuant to the BMS Agreement, the Company will supply BMS finished products for use in the BMS Territory, per BMS orders, at the Company's cost of goods plus an applicable mark-up. The Company will recognize revenue in the period the finished products are shipped to BMS.

The Company will continue to perform and oversee the ongoing Phase 3 trial open label extension of obexelimab in the immunoglobulin G4-related disease ("IgG4-RD") indication and BMS will participate in the performance of the study. BMS will fund its pro rata share of the total global study costs up to a specified percentage of the patients enrolled in the study from the BMS Territory. The global development activities under the agreement do not represent a transaction with a customer and reimbursement payments received by the Company for global development activities are accounted for as a reduction of the related research and development expenses. The Company recorded $0.9 million and $1.3 million for the three months ended September 30, 2026 and 2025, respectively, and $2.8 million and $4.2 million for the nine months ended September 30, 2026 and 2025, respectively, as a reduction to research and development expense for global development costs reimbursed or to be reimbursed by BMS.

The Company recognized $10.0 million in revenue, related to the achievement of the development milestone, during the three and nine months ended September 30, 2026. Additionally, the Company recorded deferred revenue of $2.0 million, related to a BMS drug substance supply order, as of September 30, 2026. During the three and nine months ended September 30, 2025, the Company did not recognize revenue or record deferred revenue related to the BMS Agreement.

Tenacia Biotechnology Co. Novation Agreement

In October 2024, the Company entered into a novation agreement with Tenacia Biotechnology (Hong Kong) Co., Limited ("Tenacia"), under which the Company transferred its rights and obligations under the agreements with Dianthus Therapeutics, Inc ("Dianthus") to Tenacia (the "Tenacia Agreement"). Pursuant to the Tenacia Agreement, Tenacia paid the Company a one-time non-refundable upfront cash payment of $5.0 million, which was recognized as revenue in the fourth quarter of 2024.

The Company did not recognize revenue during the three months ended September 30, 2026. During the nine months ended September 30, 2026, the Company recognized revenue of $1.0 million, related to the achievement of a certain development milestone. The Company did not recognize revenue related to the Tenacia Agreement during the three and nine months ended September 30, 2025. The Company is entitled to receive remaining development, regulatory, and sales milestones from Tenacia of up to approximately $85.0 million if certain milestones are achieved.

License Agreement with Zai Lab (Hong Kong) Limited

In January 2025, the Company entered into a license agreement (the "Zai License Agreement") with Zai Lab (Hong Kong) Limited ("Zai"), under which the Company granted Zai an exclusive sublicense to develop, manufacture and commercialize ZB001 (also known as VRDN-001), an insulin-like growth factor-1 receptor monoclonal antibody and related programs in greater China. Under the Zai License Agreement, Zai will be responsible for conducting all research and development activities, manufacturing, regulatory and commercialization in greater China.

Pursuant to the Zai License Agreement, Zai paid the Company a one-time non-refundable upfront cash payment of $10.0 million. The Company is entitled to receive further development, regulatory and sales milestones from Zai up to approximately $117.0 million if certain milestones are successfully achieved, with passthrough obligations of $21.0 million due to Viridian Therapeutics, Inc. ("Viridian"). The Company is also eligible to receive tiered royalties on net sales in greater China, ranging from the low to mid-single digits, net of passthrough obligations due to Viridian.

The Company evaluated the terms of the Zai License Agreement and determined it is within the scope of ASC 606. The Company identified the following promises in the Zai License Agreement that were evaluated under the scope of ASC 606: (i) transfer of the license for ZB001, (ii) licensed technology transfer, (iii) licensed material transfer and (iv) continued licensed technology transfer. The Company also evaluated whether certain options outlined in the Zai License Agreement represented material rights that would give rise to a performance obligation and concluded that none of the options conveyed a material right to Zai and, therefore, are not considered separate performance obligations within the Zai License Agreement.

The Company assessed the above promises and determined that the license for ZB001 and technology transfer are a combined distinct performance obligation within the scope of ASC 606. The licensed material transfer and the continued technology know-how transfer services are promises that are separately identifiable and considered to be distinct. The Company determined the transfer of the licensed materials and continued technology know-how transfer services were immaterial in the context of the contract based on the minimal resources required to fulfill the obligations and the estimated standalone selling price of the licensed materials. Therefore, the sublicense and technology transfer represent a single performance obligation at contract inception.

The Company concluded that the transaction price of $10.0 million was allocated to the combined performance obligation, which was recognized upon delivery prior to March 31, 2025. The Company used the most likely amount method to estimate variable consideration and estimated that the most likely amount for each potential developmental and regulatory variable consideration milestone payment under the agreement is zero, as achievement of those milestones is uncertain and susceptible to factors outside the Company's control. Accordingly, all such milestone payments were excluded from the transaction price. Management will reevaluate the transaction price at the end of each reporting period and as uncertain events are resolved or other changes in circumstances occur, will adjust the transaction price as necessary. Sales and royalty based milestones structured on the level of sales, were also excluded from the transaction price, as the license is deemed to be the predominant item to which the transaction price relates. The Company will recognize such milestone and

royalty 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).

As of September 30, 2026 and 2025, no milestones were achieved or deemed probable of achievement.

8. License Agreements

License Agreements with Xencor, Inc.

2020 Xencor Agreement

In September 2020, the Company entered into a license agreement (the "2020 Xencor Agreement") with Xencor, Inc. ("Xencor"), under which the Company is required to pay Xencor tiered royalties on annual net sales of successfully commercialized products, including ZB002 and ZB004. The royalty percentage rates vary by geographic areas as defined in the 2020 Xencor Agreement and range from the mid-single digits to mid-teens. The Company is also obligated to reimburse Xencor for third-party costs incurred for certain patent filings, prosecution and maintenance as further specified in the 2020 Xencor Agreement.

2021 Xencor Agreement

In May 2021, the Company entered into a license agreement with Xencor (the "2021 Xencor Agreement"), under which the Company obtained an exclusive, royalty-bearing, sublicensable worldwide license to research, develop, manufacture, market and sell obexelimab. In May 2026, the Company made a payment of $10.0 million to Xencor for the achievement of a regulatory milestone for submission of the marketing authorization application to the FDA. In July 2026, the Company made a regulatory milestone payment of $2.5 million to Xencor for achievement of a regulatory milestone for submission of the marketing authorization application to Japan. The Company is obligated to make additional regulatory milestone payments up to $62.5 million, including $20.0 million and $15.0 million payable upon marketing approval by the FDA and the European Medicines Agency, respectively, and one-time sales milestone payments up to $385.0 million upon achieving milestone events of net sales in a given calendar year in the territory equal to certain threshold amounts. In addition, the Company is required to pay Xencor tiered royalties on annual net sales of successfully commercialized products utilizing obexelimab, with the royalty percentages varying based on regions and ranging from the mid-single digits to the mid-teens.

During the three and nine months ended September 30, 2026, the Company recorded $2.5 million and $12.5 million related to the achievement and payment of regulatory milestones as acquired in-process research and development expense.
During three and nine months ended September 30, 2026 and 2025, the Company did not record any reimbursable patent-related costs.

License Agreement with Viridian Therapeutics, Inc.

In October 2020, the Company entered into a license agreement with Viridian (the "Viridian Agreement") to obtain an exclusive, royalty-bearing, sublicensable license to research, develop, manufacture, market and sell certain antibody product candidates based on Viridian's proprietary technology. The Company's license rights are limited to non-oncology indications and are limited to China, Hong Kong, Macau and Taiwan ("Zenas Territories"). The Viridian Agreement, as amended, obligates the Company to make payments to Viridian, totaling $21.0 million, based on achievement of certain specified development and sales milestones, and royalties on net sales.

In January 2025, the Company entered into the Zai License Agreement under which the Company granted Zai an exclusive sublicense to develop, manufacture and commercialize ZB001 and related programs in greater China. In connection with the Zai License Agreement, the Company assigned the Viridian Agreement to Zai. For additional information on the Zai License Agreement, please see *License Agreement with Zai Lab (Hong Kong) Limited* in *Note 7, License and Collaboration Revenue* to these unaudited condensed consolidated financial statements.

During the three and nine months ended September 30, 2026 and 2025, the Company did not incur expenses related to Viridian contract manufacturing organization ("CMO") costs. Viridian has agreed to reimburse the Company for certain

services the Company performs on Viridian's behalf, with reimbursements being recorded as a reduction in research and development expenses. During the three and nine months ended September 30, 2026, the Company did not incur any reimbursable expenses. During the three and nine months ended September 30, 2025, the Company recorded an immaterial amount and $0.2 million in reimbursable expenses, respectively. Additionally, during the nine months ended September 30, 2026 and 2025, the Company did not achieve any milestones.

License Agreement with InnoCare Pharma Inc.

In October 2025, the Company entered into a License Agreement (the "InnoCare License Agreement") with InnoCare Pharma Inc. ("InnoCare"). Under the InnoCare License Agreement, InnoCare granted the Company exclusive rights to develop, manufacture, and commercialize: i) orelabrutinib, in the multiple sclerosis ("MS") field worldwide, and in all non-oncology indications outside greater China and Brunei, Burma, Cambodia, Timor-Leste, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam ("Southeast Asia"), ii) ZB021 (an IL-17AA/AF inhibitor) in all fields of use worldwide, excluding greater China and Southeast Asia and iii) ZB022 (a TYK2 inhibitor) in all fields of use worldwide. The Company also obtained certain non-exclusive rights to perform development and manufacturing activities in greater China and Southeast Asia to support each program in its respective licensed territories.

Pursuant to the InnoCare License Agreement, the Company made one-time non-refundable upfront cash payments totaling $35.0 million and issued 5,000,000 shares of common stock to InnoCare ("InnoCare Shares") in exchange for these rights in October 2025. Further, in August 2026, the Company achieved a development milestone (the "Near-Term Milestone") and became obligated to make an additional one-time non-refundable cash payment of $25.0 million and issue an additional 2,000,000 shares of common stock to InnoCare.

The Company is also required to make one-time, potential near-term milestone payments of $20.0 million each, upon the achievement of certain regulatory milestones for ZB021 and ZB022 (the "Regulatory Milestones"). In May 2026, the Company achieved the ZB021 Regulatory Milestone and made a payment of $20.0 million.

During the three months ended September 30, 2026, the Company recorded $25.0 million related to achievement and payment of the Near-Term Milestone and during the nine months ended September 30, 2026, the Company recorded $45.0 million related to the achievement and payment of Near-Term Milestone and the Regulatory Milestone for ZB021, both were recorded as acquired in-process research and development expense.

The Company is further obligated to pay future regulatory and commercial milestones of up to $723.0 million related to orelabrutinib, and future regulatory and commercial milestones of up to $636.0 million for ZB021, and $656.0 million for ZB022, inclusive of the $20.0 million Regulatory Milestone, if certain milestones are successfully achieved. In addition, the Company is obligated to pay royalties on net sales at rates ranging from high-single digits to high-teens for orelabrutinib, and mid-single digits to mid-teens for the preclinical compounds.

Under the InnoCare License Agreement, the Company is obligated to reimburse InnoCare for certain clinical trial startup costs and Investigational New Drug ("IND") enabling activities which were incurred prior to and after the effective date of the agreement. During the three and nine months ended September 30, 2026, the Company incurred $3.1 million and $5.0 million of expense, respectively. During the three and nine months ended September 30, 2026, the Company made payments of $0.7 million and $2.9 million to InnoCare related to the acquired programs, respectively.

9. Royalty Obligation

In September 2025, the Company and Royalty Pharma entered into the Royalty Purchase Agreement. Pursuant to the Royalty Purchase Agreement, the Company received a $75.0 million upfront payment in exchange for which Royalty Pharma purchased the right to receive, for each calendar quarter, (i) 5.5% of net sales of obexelimab products sold by the Company and its affiliates worldwide, (ii) 5.5% of net sales of obexelimab products sold by licensees of Zenas and its affiliates in the U.S., the United Kingdom and the European Union, (iii) 25% of royalty income payable to Zenas or any of its affiliates on sales of obexelimab products in countries other than the U.S., the United Kingdom, and in the European Union by its licensees pursuant to out-licenses less royalty payments payable by Zenas to Xencor Inc. and (iv) 25% of non-royalty income attributable to obexelimab products payable to Zenas or any of its affiliates by its licensees (other than

certain milestone payments payable by Bristol-Myers Squibb) pursuant to out-licenses and allocated to countries other than the U.S., the United Kingdom and in the European Union.

The Royalty Purchase Agreement provides for an additional $225.0 million of payments to be paid to the Company by Royalty Pharma upon the occurrence of certain triggering events which includes (i) $75.0 million payable upon the achievement of certain milestones with respect to Zenas' INDIGO Phase 3 Trial, noting the Company is not eligible for this milestone, (ii) $75.0 million payable following receipt of marketing approval for obexelimab from the U.S. Food and Drug Administration (the "FDA") for the treatment of IgG4-Related Disease on or before a specified date and (iii) $75.0 million payable following receipt of marketing approval for obexelimab from the FDA for the treatment of systemic lupus erythematosus on or before a specified date.

The Company accounted for the Royalty Purchase Agreement as a debt financing, primarily because it has significant continuing involvement in generating the future revenue on which the royalty payments are based. The $75.0 million upfront payment received was recorded as a liability, net of issuance costs of $3.7 million. The effective interest rate was determined based on the Company's projections of future payments to Royalty Pharma. The Company will evaluate the estimated timing and amount of future royalty payments for each reporting period and will revise the effective interest rate prospectively if those estimates change materially.

The following table shows the activity within the liability account of the arrangement (in thousands):

		Period from inception to September 30, 2026
Proceeds from royalty obligation	$	75,000
Issuance costs		(3,691)
Interest expense related to royalty obligation		27,881
Royalty obligation as of September 30, 2026	$	99,190
Effective interest rate		32.2%

The fair value of the liability approximates the carrying value and was determined based on the current estimate of the timing and amount of expected future royalty payments expected to be paid over the estimated term of the Royalty Purchase Agreement, which are subject to significant estimation uncertainty and are based on various assumptions made by the Company. These assumption inputs are determined to be Level 3 inputs in the fair value hierarchy as they involve significant unobservable inputs and judgment.

10. Common Stock

In September 2024, upon the completion of the IPO, the Company restated its certificate of incorporation, pursuant to which the Company is authorized to issue 175,000,000 shares of common stock $0.0001 par value. The voting, dividend and liquidation rights of the holders of the Company's common stock were subject to and qualified by the rights, powers and preference of the holders of any preferred stock then issued and outstanding.

In October 2025, the Company entered into a sales agreement with Jefferies LLC ("Jefferies") under which the Company could, from time to time, issue and sell shares of its common stock having aggregate sales proceeds of up to $200.0 million, in a series of one or more at-the-market equity offerings ("2025 ATM Program"). The Company's common stock will be sold at prevailing market prices at the time of the sale; and as a result, prices may vary. For the three and nine months ended September 30, 2026, the Company sold 1,818,181 and 4,645,904 shares of common stock, respectively, under the 2025 ATM Program. As of September 30, 2026, $46.8 million remained available under the 2025 ATM Program.

In October 2025, the Company entered into a securities purchase agreement for a private investment in public equity ("PIPE") (the "PIPE Purchase Agreement"), pursuant to which the Company sold (i) 6,262,112 shares of common stock to certain institutional and accredited investors at a price of $19.00 per share and (ii) 48,918 shares of common stock to

certain directors and officers of the Company at a price of $20.85 per share. The net proceeds from the PIPE offering, after deducting placement agent fees and other offering costs were $111.8 million.

In March 2026, the Company completed a follow-on equity offering under which it issued and sold 5,000,000 shares of common stock at a public offering price of $20.00 per share. Total proceeds for the follow-on offering were approximately $100.0 million, before deducting commissions and estimated offering costs of $6.4 million payable by the Company.

In April 2026, the underwriters of the Company's follow-on equity offering exercised their overallotment option in full, pursuant to which the Company issued and sold an additional 750,000 shares of common stock, at $20.00 per share, for gross proceeds of $15.0 million, before deducting commissions and estimated offering costs of $0.9 million payable by the Company.

The holders of the common stock are entitled to one vote for each share of common stock held at all meetings of stockholders (and written actions in lieu of meetings), and there are no cumulative voting rights.

The Company has reserved the following shares of common stock for the potential conversion of outstanding stock options, restricted stock units ("RSUs"), employee stock purchase plan and conversion of Convertible Notes:

	September 30, 2026	December 31, 2025
Options to purchase common stock	11,667,480	10,675,615
Remaining shares reserved for future issuance	2,176,121	431,863
Unvested RSUs	1,350,759	599,675
Employee stock purchase plan	1,241,412	773,122
Common stock reserved under convertible senior notes[1]	13,225,000	—
Total	29,660,772	12,480,275

[1] Represents a maximum conversion rate of 50.0000 shares of common stock per $1,000 principal amount of notes.

11. Stock-Based Compensation

2020 Plan

In August 2020, the Company's sole director adopted the 2020 Equity Incentive Plan (the "2020 Plan"). Upon effectiveness of the 2024 Plan (as defined below), the Company ceased granting additional awards under the 2020 Plan and the remaining available shares for future grants were transferred to the 2024 Plan. The 2020 Plan allowed the Company to grant stock options, restricted stock awards, restricted stock units ("RSUs") and other stock-based awards to employees, officers, directors and consultants of the Company and its subsidiaries. As of September 30, 2026, 2,810,159 shares of stock options were issued and outstanding under the 2020 Plan.

2024 Plan

In September 2024, the Company's board of directors (the "Board") adopted the 2024 Equity Incentive Plan (the "2024 Plan"), which became effective immediately prior to the effectiveness of the registration statement for the Company's IPO. The 2024 Plan provides for the award of incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock awards, unrestricted stock, restricted stock units and other stock-based awards.

The number of shares reserved and available for issuance under the 2024 Plan will automatically increase each January 1, beginning on January 1, 2025 through January 1, 2034, by the number of shares equal to the lesser of (i) five percent of the aggregate number of shares of common stock outstanding as of such date, and (ii) a number of shares as may be determined by the Board on or prior to such date. On January 1, 2026, the number of shares of common stock available for issuance under the Company's 2024 Plan increased to 3,156,138. As of September 30, 2026, 1,583,621 shares of common stock were available for issuance under the 2024 Plan.

2026 Inducement Plan

In December 2025, the Company's Board adopted the 2026 Inducement Plan (the "2026 Inducement Plan"), which became effective December 10, 2025. The 2026 Inducement Plan provides for awards of non-qualified stock options and other awards under the 2026 Inducement Plan to persons not previously an employee or director of the Company, or following a bona fide period of non-employment, as an inducement material to such persons entering the employment of the Company. The grants constitute "employment inducement grants" in accordance with Rule 5635(c)(4) of the Nasdaq Listing Rules and are issued outside of the 2024 Plan. The inducement grants include non-statutory options to purchase shares of the Company's common stock and RSUs. The inducement grants have terms and conditions consistent with those set forth in the 2024 Plan and vest under the same respective vesting schedules as stock options and RSUs granted under the 2024 Plan. The Company initially reserved 1,000,000 shares of common stock for issuance under the Company's 2026 Inducement Plan. In August 2026, the 2026 Inducement Plan was amended to increase the shares of common stock for issuance by 600,000 shares. As of September 30, 2026, 592,500 shares of common stock were available for issuance under the 2026 Inducement Plan.

Stock Options

The Company has granted stock-based awards with either service or performance-based vesting conditions. Compensation expense related to awards to employees and directors with service based vesting conditions is recognized on a straight-line basis based on the grant date fair value over the associated service period of the award, which is generally the vesting term. Compensation expense related to awards to employees with performance-based vesting conditions is recognized based on the grant date fair value once the achievement of the performance condition is probable.

From time to time, the Company grants equity awards to newly hired employees as an inducement to enter into employment with the Company. The grants constitute "employment inducement grants" in accordance with Rule 5635(c)(4) of the Nasdaq Listing Rules and are issued outside of the 2024 Plan and 2026 Inducement Plan (the "Individual Inducement Grants"). The Individual Inducement Grants include non-statutory stock options to purchase shares of the Company's common stock and RSUs. The Individual Inducement Grants are granted under individual inducement agreements and have terms and conditions consistent with those set forth under the 2024 Plan and vest under the same respective vesting schedules as stock option awards granted under the 2024 Plan. The Individual Inducement Grants are included in the stock option award tables below. As of September 30, 2026, the Company granted 1,062,000 non-statutory stock options as Individual Inducement Grants, which were awarded during the year ended December 31, 2025. The Company did not grant any stock options or RSUs as Individual Inducement Grants during the three or nine months ended September 30, 2026.

The following table presents a summary of the Company's stock option activity and related information:

	Number of Shares	Weighted - Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding - December 31, 2025	10,675,615	$ 13.46	8.60	$ 243,979
Granted	2,426,150	$ 19.97		
Exercised	(712,572)	$ 12.74		$ 12,778
Forfeited or cancelled	(721,713)	$ 14.73		
Outstanding - September 30, 2026	11,667,480	$ 14.78	8.12	$ 144,554
Options vested and exercisable as of September 30, 2026	4,840,264	$ 12.41	7.34	$ 70,464
Options vested and expected to vest as of September 30, 2026	11,667,480	$ 14.78	8.12	$ 144,554

The aggregate intrinsic value of the stock options outstanding is calculated as the difference between the exercise price of the options and the fair value of the Company's common stock for those stock options that had an exercise price lower than the fair value of the Company's common stock as of the measurement date of September 30, 2026.

Restricted Stock Units

The Company has granted RSUs that are subject to time-based vesting conditions, that vest equally over four years, assuming continued employment. RSUs with time-based vesting conditions are valued on the grant date using the grant date market value price of the underlying shares of the Company's common stock. The following table summarizes the Company's RSU activity:

	Number of Shares		Weighted - Average Grant Date Fair Value
Unvested as of December 31, 2025	599,675	$	14.23
Granted	1,037,050	$	21.55
Vested	(124,496)	$	12.16
Forfeited	(161,470)	$	14.97
Unvested as of September 30, 2026	1,350,759	$	19.95

The fair value of RSUs vested during the nine months ended September 30, 2026 was $2.4 million.

As of September 30, 2026, unrecognized stock-based compensation expense was $95.6 million, which is expected to be recognized over a weighted-average period of 2.8 years.

The Company recognized stock-based compensation expense related to the issuance of equity awards to employees and directors in the unaudited condensed consolidated statement of operations as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Research and development	$ 4,268	$ 2,403	$ 11,225	$ 6,097
General and administrative	13,008	4,933	23,865	12,670
Total stock-based compensation expense	$ 17,276	$ 7,336	$ 35,090	$ 18,767

In connection with the transition and separation of certain employees in 2026, the Company accelerated the vesting and extended the exercise date of certain equity awards to these employees. The Company accounted for the stock modification of these awards under *ASC Subtopic 718, Compensation – Stock Compensation* ("ASC 718"). As a result of the modifications, the Company recognized approximately $7.3 million and $8.9 million of incremental stock-based compensation expense during the three and nine months ended September 30, 2026, respectively.

Employee Stock Purchase Plan

In September 2024, the Board adopted the 2024 Employee Stock Purchase Plan (the "ESPP"), which became effective immediately prior to the effectiveness of the registration statement for the Company's IPO. The number of shares of common stock available under the ESPP will automatically increase on January 1st of each year, beginning on January 1, 2025 through January 1, 2034, by the number of shares equal to the lesser of (i) one percent of the aggregate number of shares of common stock outstanding as of such date, and (ii) a number of shares as may be determined by the Board on or prior to such date, up to a maximum of 1,000,000 shares in the aggregate per year. On January 1, 2026, the number of shares of common stock authorized for issuance under the ESPP increased to 1,317,977. As of September 30, 2026, 1,241,412 shares were available for future issuance under the ESPP. During the three and nine months ended September 30, 2026, there were 32,196 shares and 76,565 shares issued, respectively, under the ESPP.

12. Net Loss Per Share

The Company's potentially dilutive securities, which include stock options, RSUs, and convertible senior notes, have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted-average number of common shares outstanding used to calculate both basic and diluted net loss per share is the same. The Company excluded the following shares from the computation of diluted net loss per share as of September 30, 2026 and 2025 because including them would have had an anti-dilutive effect:

	September 30,	
	2026	2025
Options to purchase common stock	11,667,480	10,507,497
Unvested RSUs	1,350,759	525,350
Shares of common stock underlying convertible senior notes outstanding[1]	8,679,234	—

[1] Represents conversion rate, as of September 30, 2026, of 37.7358 shares of common stock per $1,000 principal amount of notes.

13. Commitments and Contingencies

Other Contracts

The Company has entered into agreements with certain vendors for the provision of services that the Company is not contractually able to terminate for convenience and thereby avoid any and all future obligations to the vendors. Under such agreements, the Company is contractually obligated to make certain minimum payments to the vendors, with the exact amounts in the event of termination to be based on the timing of the termination and the exact terms of the agreement. As of September 30, 2026, the Company's total non-cancellable clinical manufacturing contract payment obligations are $10.1 million of which the full obligation is payable within 12 months.

Indemnification Agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors and certain officers that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or services as directors. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company is not currently aware of any indemnification claims and had not accrued any liabilities related to such obligations in its unaudited condensed consolidated financial statements as of September 30, 2026.

Litigation and Other Proceedings

The Company may periodically become subject to legal proceedings and claims arising in the ordinary course of business. As of September 30, 2026, the Company was not subject to any material legal proceedings which would reasonably be expected to have a material adverse effect on the Company's financial results.

14. Related Party Transactions

Xencor, Inc.

The Company has obtained exclusive, worldwide licenses from Xencor to research, develop, manufacture, market and sell three antibody product candidates pursuant to two license agreements. The Company has concluded that Xencor is a related party, due to the issuance of convertible preferred stock in December 2020 and April 2023. In connection with the completion of the IPO, in September 2024, all outstanding shares of preferred stock converted into shares of common stock. As of September 30, 2026, Xencor held less than 10% of the shares of the Company's outstanding common stock.

Viridian Therapeutics, Inc.

The Company has obtained a license from Viridian to research, develop, manufacture, market and sell an antibody product candidate in China. Prior to May 2026, the Company concluded that Viridian was a related party because although Fairmount Funds Management LLC owns less than 10% of shares of the Company's outstanding common stock, they held a seat on the Board and are also a 10% or greater stockholder of Viridian and have two seats on Viridian's board of directors. Effective May 2026, Fairmount Funds Management LLC no longer holds a seat on the Board and thus, the Company has determined that Viridian is no longer a related party.

Zai Lab (Hong Kong) Limited

The Company has granted a sublicense to Zai to develop, manufacture and commercialize ZB001 and related programs in greater China. The Company has concluded that Zai is a related party, as the Company's CEO and Chairman is a member of Zai's board of directors.

InnoCare Pharma Inc.

The Company has obtained the exclusive rights from InnoCare to develop, manufacture and commercialize three product candidates pursuant to the InnoCare License Agreement. Though InnoCare does not hold any direct controlling interest in the Company, the Company has concluded that InnoCare is a related party, due to the 7,000,000 shares of common stock issued pursuant to the InnoCare License Agreement. As of September 30, 2026, InnoCare held 10.33% of the shares of the Company's outstanding common stock.

For additional information on these arrangements, please see *Note 7, License and Collaboration Revenue* and *Note 8, License Agreements,* to these unaudited condensed consolidated financial statements.

15. Segment Information

The Company manages its operations on a consolidated basis as a single reportable segment focused on the research and development of immunology-based therapies. The accounting policies of the single reportable segment are identical to those described in *Note 2, Summary of Significant Account Policies* to these unaudited condensed consolidated financial statements. When evaluating the Company's financial performance, the Company's chief operating decision-maker (the "CODM"), its Chief Executive Officer regularly reviews consolidated net loss, total expense and direct expenses by program and compared to budget. The CODM allocates resources based on the Company's available cash resources, and forecasted expenditures on a consolidated basis, as well as an assessment of the probability of success of its research and development activities on a program basis. Segment asset information regularly provided to the CODM is consistent with that reported on the consolidated balance sheets with particular emphasis on the Company's available liquidity, including its cash, cash equivalents and investment balances. Revenue is primarily attributed to individual countries based on the entity owning the license. During the three months ended September 30, 2026, the Company recognized $10.0 million of revenue, which was attributed to Zenas BioPharma Inc. During the nine months ended September 30, 2026, the Company recognized $11.0 million of revenue, which $1.0 million was attributed to Zenas HK and $10.0 million was attributed to Zenas BioPharma Inc. During the three months ended September 30, 2025, the Company did not recognize any revenue and for the nine months ended September 30, 2025, the Company recognized $10.0 million of revenue which was attributed to Zenas HK.

The following table presents certain financial data for the Company's reportable segment for the three and nine months ended September 30, 2026 and 2025 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2026	2025	2026	2025
Revenue	$ 10,000	$ —	$ 11,000	$ 10,000
Less:				
Direct research and development expenses:[1]				
Obexelimab	22,589	20,753	83,743	74,006
Orelabrutinib	12,904	—	34,211	—
Other programs (ZB002, ZB004, ZB014, ZB021 & ZB022)	2,037	467	4,063	1,204
Partnered regional programs (ZB001 & ZB005)	—	172	(24)	134
Unallocated research and development[2]	16,676	10,607	48,608	30,902
General and administrative[3]	14,427	8,245	36,227	25,060
Acquired in-process research and development[4]	27,500	5,000	57,500	5,000
Stock-based compensation	17,276	7,336	35,090	18,767
Other segment items[5]	5,514	(1,081)	12,948	(7,778)
Segment net loss	$ (108,923)	$ (51,499)	$ (301,366)	$ (137,295)

[1] Direct research and development expenses primarily consist of direct costs incurred to specific program research and development activities, including costs to conduct clinical trials and to manufacture clinical drug supply.

[2] Unallocated research and development expenses primarily consist of indirect costs incurred in support of overall research and development activities and non-specific programs, including activities that benefit multiple programs, such as personnel costs for employees involved in research and development activities, excluding stock-based compensation, as well as contract services not allocated to specific programs.

[3] General and administrative expenses primarily consist of professional fees, depreciation expense, facilities expenses as well as all other personnel costs, excluding stock-based compensation.

[4] Acquired -in- process research and development expenses consist of milestones achieved pursuant to the Xencor and InnoCare license agreements, for additional details see *Note 8, License Agreements* to these condensed unaudited consolidated financial statements.

[5] Other segment items consist of other (income) expense, net, and income tax (benefit) provision. Other (income) expense, net consists of interest income, interest expense related to the royalty obligation, the senior secured term loan and convertible senior notes as well as realized and unrealized gains and losses on foreign currency transactions.

16. Subsequent Events

Achievement of Regulatory Milestone pursuant to the 2021 Xencor Agreement

In October 2026, the Company submitted its first marketing authorization application in Europe with respect to a licensed asset under the 2021 Xencor Agreement, which triggered an obligation to make a milestone payment of $7.5 million to Xencor under the 2021 Xencor Agreement. The milestone will be recognized as acquired-in-process research and development expense in the fourth quarter of 2026.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with the unaudited financial information and the notes thereto included in this Quarterly Report and the audited financial information and the notes thereto included in our Annual Report on Form 10-K that was filed with the Securities and Exchange Commission, or SEC, on March 16, 2026. This discussion and analysis contain forward-looking statements based upon current beliefs, plans, and expectations related to future events and our future performance that involve risks, uncertainties, and assumptions, such as statements regarding our intentions, plans, objectives, and expectations for our business. Our actual results and the timing of events could differ materially from those discussed in these forward-looking statements as a result of several factors, including those set forth in the section titled "Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025. See also the section titled "Special Note Regarding Forward-Looking Statements."

Overview

We are a clinical-stage global biopharmaceutical company committed to being a leader in the development and commercialization of transformative immunology-based therapies for patients in need. With the evolving understanding of the pathogenesis of autoimmune diseases, along with the expansion of promising immunology-based pharmacologic targets, we are building an immunology and inflammation ("I&I") focused biopharmaceutical company. Our core business strategy combines disciplined product candidate acquisition with strategic deployment of internal expertise and effective use of external resources. We leverage our experienced executive management team and our established networks throughout the biopharmaceutical industry to identify, acquire and develop product candidates that we believe can provide superior clinical benefits to patients living with autoimmune diseases.

Our lead I&I product candidate, obexelimab, is a bifunctional monoclonal antibody designed to bind both CD19 and FcγRIIb, which are broadly present across B cell lineage, in order to inhibit the activity of cells that are implicated in many autoimmune diseases without depleting them. Based on existing clinical data generated to date, we believe that targeting B cell lineage via CD19 and FcγRIIb can inhibit B cells and has been shown to be well-tolerated.

We are developing obexelimab as a potential I&I franchise for patients in several autoimmune diseases, representing substantial commercial opportunities individually and in the aggregate. We are conducting clinical trials in IgG4-RD through a registration-directed Phase 3 trial which reported topline data in January 2026, relapsing multiple sclerosis ("RMS") through an ongoing Phase 2, double-blind, randomized, placebo-controlled trial which reported topline data in October 2025 (the "MoonStone" trial) and systemic lupus erythematosus ("SLE") through an ongoing Phase 2, double-blind, randomized, placebo-controlled trial (the "SunStone" trial), for which we expect to report topline results, including biomarker data, in the fourth quarter of 2026.

In January 2026, we reported positive results from the Phase 3 trial of obexelimab in patients with IgG4-RD ("INDIGO"). Obexelimab met the primary endpoint, demonstrating a highly statistically significant and clinically meaningful 56% reduction in the risk of IgG4-RD flare compared to placebo (Hazard Ratio 0.44, p=0.0005) and also met and demonstrated highly statistically significant activity compared to placebo on all four key secondary endpoints. Obexelimab was well tolerated with a safety profile consistent with that observed in previously completed clinical trials. Based on these results, we submitted the obexelimab Biologics License Application ("BLA") to the U.S. Food and Drug Administration ("FDA") for the treatment of IgG4-RD in May 2026. In August 2026, the FDA accepted our BLA and assigned a Prescription Drug User Fee Act ("PDUFA") target date of May 27, 2027. In October 2026, the European Medicines Agency ("EMA") validated the recently submitted Marketing Authorization Application ("European MAA") for the treatment of IgG4-RD.

In October 2026, we announced interim data from the ongoing INDIGO Open-Label Extension ("OLE"). INDIGO participants who completed the 52-week randomized, controlled period of the trial were eligible to enter the OLE and receive 250 mg of obexelimab subcutaneously once weekly. The OLE evaluates the longer-term flare protection and safety of continued obexelimab treatment in patients with IgG4-RD. The interim OLE data were based on a data cutoff of May

2026 and reported that the 12-month probability of remaining flare-free was 0.93 based upon investigator- and adjudication committee-confirmed flares requiring rescue therapy, and 0.87 based upon investigator-determined flares requiring rescue therapy; adjudication was pending for five patients as of the data cutoff. The median and mean cumulative glucocorticoid rescue doses were 0 mg and 105 mg, respectively. Adverse event rates were comparable to or lower than those observed during the randomized, controlled period.

We also reported initial results from the Influenza and COVID-19 Vaccine Sub-Study conducted during the OLE. The ongoing sub-study assessed the presence of pre-existing influenza and SARS-CoV-2 immunity following a preceding long-term period of obexelimab exposure, and also the immune responses to vaccination during a planned treatment-free window. Pre-existing markers of immunity were observed in 71% of participants for influenza and 50% for COVID-19 (n=7). Vaccination during the treatment-free window resulted in seroimmunity to influenza in 6 of 7 participants (86%) and seroimmunity to COVID-19 in 4 of 4 participants (100%). No disease flares were observed during the treatment-free vaccination window, which lasted an average of 34.6 days.

In addition, we reported a sub-analysis that evaluated glucocorticoid-associated toxicity in patients with IgG4-RD using the Glucocorticoid Toxicity Index ("GTI"). Patients treated with obexelimab had statistically significantly lower cumulative glucocorticoid toxicity than patients receiving placebo at week 52 (GTI Cumulative Worsening Score difference: -11.4; p=0.021). Fewer patients receiving obexelimab reached clinical thresholds for cumulative glucocorticoid toxicity than those receiving placebo.

In August 2026, we announced that bioequivalence was established between obexelimab delivered via prefilled syringe and single-dose prefilled pen. The single-dose prefilled pen has the potential to offer a more convenient delivery option for patients. We intend to submit a supplemental application to obexelimab's IgG4-RD BLA, if approved, and included the bioequivalence data in the European MAA submission.

In April 2026, we completed enrollment in the SunStone trial and expect to report topline results, including biomarker data, in the fourth quarter of 2026. Based on the outcome of the SunStone trial, and considering other factors, we may initiate a Phase 3 program in patients with SLE in the first half of 2027.

In October 2025, we announced topline data from the MoonStone trial. Obexelimab met the primary endpoint, demonstrating a statistically significant 95% relative reduction in the cumulative number of new gadolinium-enhancing T1 hyperintense lesions, which are markers of active inflammation, over week 8 and week 12 compared with placebo (p=0.0009). In February 2026, we reported the 24-week data from the MoonStone trial which confirmed the reductions in new gadolinium enhancing ("GdE") T1 hyperintense lesions observed with obexelimab over weeks 8 and 12 were maintained through week 24; unadjusted mean of new lesions per scan were 0.87 at baseline, 0.08 at week 12 and 0.04 at week 24 for obexelimab indicating a 95% reduction. The 24-week data from additional secondary and exploratory endpoints may inform obexelimab's potential impact on disability progression and help the Company determine next steps for future development of obexelimab in RMS. As we continue to evaluate the MoonStone data and consider next steps for clinical development in this indication, we will consider, among other items, the evolving treatment landscape in RMS, including existing therapies, current pivotal trial endpoints and prioritization of capital.

In October 2025, we entered into a License Agreement (the "InnoCare License Agreement") with InnoCare Pharma Inc. ("InnoCare"), pursuant to which we were granted exclusive rights to develop, manufacture, and commercialize orelabrutinib, a Bruton's Tyrosine Kinase ("BTK") inhibitor, for multiple sclerosis ("MS") worldwide, and in all non-oncology indications worldwide excluding mainland China, Hong Kong, Macau and Taiwan ("greater China"), and Brunei, Burma, Cambodia, Timor-Leste, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam ("Southeast Asia"), as well as two early-development product candidates: ZB021, an IL-17AA/AF inhibitor, in all fields of use worldwide excluding greater China and Southeast Asia, and ZB022, a TYK2 inhibitor, in all fields of use worldwide.

Orelabrutinib is a highly selective and central nervous system ("CNS") penetrant, oral small molecule BTK inhibitor. Orelabrutinib is designed to bind irreversibly to BTK with minimal off-target effects, which may reduce certain side effects. Orelabrutinib was designed to efficiently cross the blood-brain barrier, which may allow it to reach therapeutic levels within the CNS to directly target inflammation in diseases like MS.

In September 2025, the Phase 3 PriMroSe trial of orelabrutinib in patients with primary progressive multiple sclerosis ("PPMS") was initiated. The PriMroSe trial is a global, multicenter, randomized, double-blind, placebo-controlled clinical trial evaluating the safety and efficacy of orelabrutinib dosed 80 mg once daily ("QD") compared to placebo in patients with PPMS, with a primary endpoint of time to onset of 12-week composite confirmed disability progression ("CDP"). In March of 2026, we initiated a second global, Phase 3, multicenter, randomized, double-blind, placebo-controlled clinical trial evaluating orelabrutinib dosed 80 mg QD compared to placebo in patients with non-active secondary progressive multiple sclerosis ("naSPMS"), with a primary endpoint of time to onset of 24-week CDP.

ZB021 is an oral IL-17AA/AF inhibitor designed to block both IL-17AA homodimer and IL-17AF heterodimer signaling. Preclinical studies for ZB021 have shown favorable PK and ADME properties. ZB021 achieved comparable activity in vivo to a reference anti-IL-17 biologic in a rat CIA model. We, along with our partner, InnoCare, initiated a Phase 1 clinical study in the second quarter of 2026.

ZB022 is an oral, brain-penetrant TYK2-JH2 inhibitor, currently in Investigational New Drug ("IND") enabling studies. Subject to the results of IND-enabling studies, we expect to initiate a Phase 1 clinical study in 2027.

We are also advancing ZB014, a half-life extended anti-CD-19 and FcγRIIb monoclonal antibody, currently in IND-enabling studies. Subject to the results of IND-enabling studies, we expect to initiate a Phase 1 clinical study in 2027.

In addition, we have two other programs for the potential treatment of other I&I indications that we may continue to advance and ultimately commercialize with partners. These consist of ZB002 and ZB004. We retain global rights for both assets. In addition, we hold the development and commercialization rights to one regional program, ZB001, and related programs, which were exclusively sublicensed to a partner in China, as discussed below.

In September 2024, we completed our initial public offering ("IPO") in which we issued and sold an aggregate of 15,220,588 shares of our common stock, including 1,985,294 shares of common stock sold pursuant to the full exercise of the underwriters' option to purchase additional shares, at a public offering price of $17.00 per share, for aggregate gross proceeds of $258.7 million. We received $234.3 million in net proceeds after deducting underwriting discounts, commissions and other offering costs.

In October 2024, we entered into the Novation Agreement with Tenacia Biotechnology (Hong Kong) Limited ("Tenacia"), under which we transferred our rights and obligations under our agreements with Dianthus Therapeutics, Inc. ("Dianthus") to Tenacia for ZB005. As partial consideration for the Tenacia Agreement, we received a non-creditable, non-refundable upfront fee of $5.0 million from Tenacia. In June 2026, we recorded license and collaboration revenue of $1.0 million upon successful achievement of a development milestone. In addition, we are eligible to receive up to an additional $85.0 million upon the achievement of certain future development, regulatory and commercial milestones.

In January 2025, we entered into a license agreement (the "Zai License Agreement"), with Zai Lab (Hong Kong) Limited ("Zai"), under which we granted to Zai an exclusive sublicense to develop, manufacture and commercialize ZB001 and related programs in greater China. As partial consideration for the Zai License Agreement, we received an upfront fee of $10.0 million from Zai. In addition, we are eligible to receive up to $96.0 million, upon the achievement of certain future development and commercial milestones and royalty percentage rates from the low to mid-single digits, net of pass-through obligations due to Viridian Therapeutics, Inc. ("Viridian").

In September 2025, we entered into the Revenue Participation Right Purchase and Sale Agreement (the "Royalty Purchase Agreement"), with Royalty Pharma Investments 2019 ICAV ("Royalty Pharma"), pursuant to which Royalty Pharma purchased the right to receive, for each calendar quarter, (i) 5.5% of net sales of obexelimab products sold by us and our affiliates worldwide, (ii) 5.5% of net sales of obexelimab products sold by licensees of us and our affiliates in the U.S., the United Kingdom and the European Union, (iii) 25% of royalty income payable to us or any of our affiliates on sales of obexelimab products in countries other than the U.S., the United Kingdom, and in the European Union by its licensees pursuant to out-licenses less royalty payments payable by us to Xencor Inc. and (iv) 25% of non-royalty income attributable to obexelimab products payable to us or any of our affiliates by its licensees (other than certain milestone payments payable by Bristol-Myers Squibb) pursuant to out-licenses and allocated to countries other than the U.S., the United Kingdom and in the European Union.

In October 2025, we entered into a License Agreement (the "InnoCare License Agreement") with InnoCare Pharma Inc. ("InnoCare"), under which InnoCare granted to us the exclusive rights to develop, manufacture, and commercialize: i) orelabrutinib, in the MS field worldwide, and in all non-oncology indications outside greater China and Southeast Asia, ii) ZB021 in all fields of use worldwide, excluding greater China and Southeast Asia and iii) ZB022 in all fields of use worldwide. We also obtained certain non-exclusive rights to perform development and manufacturing activities in greater China and Southeast Asia. As consideration for the InnoCare License Agreement, we made a non-refundable upfront payment of $35.0 million. We also issued 5,000,000 shares of common stock to InnoCare in a private placement. In August 2026, upon achievement of a specified development milestone (the "Near-Term Milestone"), we made a milestone payment of $25.0 million and issued an additional 2,000,000 shares of common stock to InnoCare in a private placement. We are further obligated to pay future regulatory and commercial milestones of up to $723.0 million related to orelabrutinib and future development, regulatory, and commercial milestones of up to $636.0 million for ZB021, and $656.0 million for ZB022. In addition, we may be obligated to pay royalties on net sales at rates ranging from high-single digits to high-teens for orelabrutinib, and mid-single digits to mid-teens for the preclinical compounds.

Since inception, our operations have focused on research and development activities with respect to our product candidates as described above, as well as raising capital, business planning, organizing and staffing our company, establishing our intellectual property portfolio, establishing arrangements with third parties for the manufacture of our product candidates and related raw materials, and providing general and administrative support for these operations. We have financed our operations to date primarily with the proceeds from the issuance of convertible preferred stock, convertible senior notes, from the sale of common stock in our IPO completed in September 2024, private and public equity offerings, as well as from payments received under our license, collaboration and royalty purchase agreements and the senior secured term loan with Pharmakon Advisors, LP ("Pharmakon"). In October 2025, we closed our private investment in public equity ("PIPE") of 6,311,030 shares of common stock for net proceeds of approximately $111.8 million, after deducting agent fees and other offering costs. Additionally, in October 2025, we entered into a sales agreement with Jefferies LLC ("Jefferies") under which we may, from time to time, issue and sell shares of our common stock having aggregate sales proceeds of up to $200.0 million, in a series of one or more at-the-market ("ATM") equity offerings ("2025 ATM Program"). During the nine months ended September 30, 2026, we sold 4,645,904 shares of common stock under the 2025 ATM Program, with proceeds of $120.3 million, net of commissions. As of September 30, 2026, $46.8 million remained available under the 2025 ATM Program. Further in March 2026, we entered into the Loan Agreement with the Collateral Agent, BPCR Limited Partnership and BioPharma Credit Investments V (Master) LP, which are funds managed by Pharmakon, providing for up to a $250.0 million term loan facility consisting of several tranches of loans that will become available upon the achievement of certain milestones.

We have incurred significant operating losses and negative cash flows since inception. Our ability to generate product revenue sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of one or more of our product candidates. Our net losses for the three and nine months ended September 30, 2026 were $108.9 million and $301.4 million, respectively, and we recorded net loss of $51.5 million and $137.3 million, for the three and nine months ended September 30, 2025. As of September 30, 2026, we had an accumulated deficit of $1.1 billion. We expect to continue to incur significant and increasing losses for the foreseeable future. We expect that our expenses and capital requirements will increase substantially in connection with our ongoing activities, particularly if and as we:

- continue clinical development of obexelimab, orelabrutinib and our other programs;
- advance our obexelimab and orelabrutinib programs and our other product candidates through preclinical development and clinical trials;
- identify additional product candidates and acquire rights from third parties to those product candidates through licenses or acquisitions and conduct development activities, including preclinical studies and clinical trials;
- make royalty, milestone or other payments under current, and any future, license, synthetic royalty or collaboration agreements;

- make payments under current, and any future, secured term loans and convertible senior notes;
- procure the manufacturing of preclinical, clinical and commercial supply of our current or any future product candidates;
- seek marketing regulatory approvals for our current or any future product candidates that successfully complete clinical trials;
- commercialize our current or any future product candidates, if approved;
- take steps toward our goal of being an integrated biopharma company capable of supporting commercial activities, including establishing sales, marketing and distribution infrastructure;
- continue to develop, maintain and defend our intellectual property portfolio, including against third-party interference, infringement and other intellectual property claims, if any;
- seek to attract, hire and retain qualified clinical, scientific, operations and management personnel;
- add and maintain operational, financial and information management systems;
- attempt to address any competing therapies and market developments;
- experience delays in our preclinical studies, clinical trials or regulatory approval for our current or any future product candidates, including with respect to failed studies, inconclusive results, safety issues or other regulatory challenges;
- establish agreements with contract research organizations ("CROs") and contract manufacturing organizations ("CMOs"); and
- incur additional costs associated with being a public company, including audit, legal, regulatory, and tax-related services associated with maintaining compliance with an exchange listing and SEC requirements, director and officer insurance premiums and investor relations costs.

We will not generate revenue from product sales unless and until we successfully complete clinical development and obtain regulatory approval for a product candidate, and we cannot assure investors that we will ever generate significant revenue or profits. In addition, if we obtain regulatory approval for a product candidate and do not enter into a third-party commercialization partnership, we expect to incur significant expenses related to developing our commercialization capability to support product sales, marketing, manufacturing and distribution activities. We expect to continue to incur significant losses for the foreseeable future as we continue to advance the development of our product candidates and incur additional costs associated with being a public company. Our net losses may fluctuate significantly from period to period, depending on the timing of our planned clinical studies and expenditures related to our research and development activities. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our accounts payable and accrued research and development and other current liabilities.

We will need to continue to raise substantial additional capital to support our continuing operations and pursue our growth strategy as a public company. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of public or private equity financings, debt financings or other capital sources, which could include collaborations with other companies, or other strategic transactions and licensing agreements. We may be unable to obtain financing on acceptable terms, or at all, and we may be unable to enter into collaborations or other arrangements. Our failure to raise capital or enter into such agreements as, and when, needed, could have a material adverse effect on our business, prospects, results of operations, and financial condition, including requiring us to have to delay, reduce or eliminate product development or future commercialization efforts, or grant rights to develop and market potential future product candidates that we would otherwise prefer to develop and market ourselves.

As there are numerous risks and uncertainties associated with development of I&I therapeutics, we are unable to predict the timing or amount of increased expenses, or when or if we will be able to achieve or maintain profitability. Even if we are able to generate product sales, we may not become profitable. We will need to generate significant revenue to achieve profitability, and we may never do so. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce or terminate our operations.

As of September 30, 2026, we had $647.1 million in cash, cash equivalents and investments. We expect that our existing cash, cash equivalents and investments will be sufficient to fund our capital and operating expenditures for at least twelve months from the date of the issuance of the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. We estimate that our existing cash, cash equivalents and investments will be sufficient to fund our projected operations and capital expenditure requirements into 2029. Assuming receipt of the potential $75 million milestone payment from Royalty Pharma combined with the potential $75 million from the senior secured term loan with Pharmakon associated with achieving FDA marketing approval of obexelimab for IgG4-RD, we expect our cash, cash equivalents and investments will fund our operating expenses and capital expenditure requirements at least through the second quarter of 2029. We have based this estimate on our current assumptions, which may prove to be wrong, and we may exhaust our available capital resources sooner than we expect. See section titled “Liquidity and Capital Resources.”

Significant Risks and Uncertainties

The current geopolitical, trade, regulatory and economic environment, including, but not limited to imposition of new tariffs or increases in tariff rates and other trade measures, may materially affect our business and operating results by increasing the costs of our clinical trial materials and supplies, which in turn increase our overhead costs. Additionally, the ongoing recession risk together with the foregoing, could result in further economic uncertainty and volatility in the capital markets in the near term and, as a result could negatively affect our operations. Furthermore, such economic conditions have produced downward pressure on share prices. Such economic conditions could increase our operating costs, including our labor costs and research and development costs. For example, we import drug products and other components from China for use in the manufacturing process and in our clinical studies, and such components and products are subject to tariffs, which we anticipate will result in increased costs. Our operating and labor costs and research and development costs may also be negatively impacted due to supply chain constraints, global geopolitical tensions, worsening macroeconomic conditions and employee availability and wage increases, which may result in additional stress on our working capital.

Additionally, we are subject to other challenges and risks specific to our business and our ability to execute on our strategy, as well as risks and uncertainties common to companies in the clinical stage biopharmaceutical industry.

Components of Our Results of Operations

Revenue

To date, we have no product candidates approved for commercial sale in any country, and we have not generated any revenues from the sale of products. Our revenue has been derived from collaboration arrangements and license fees.

License and Collaboration Revenue

License and collaboration revenue may be generated from milestones achieved under our BMS Agreement, our Tenacia Agreement and our Zai License Agreement, as well as from the supply of drug substance (“DS”) and drug product (“DP”) batches to BMS under the BMS Agreement.

Pursuant to the BMS Agreement, we sublicensed the rights to develop and commercialize obexelimab in Japan, South Korea, Taiwan, Singapore, Hong Kong and Australia (the “BMS Territory”). We retain exclusive rights to commercialize the licensed products containing obexelimab outside of the BMS Territory. The revenue recognized to date pursuant to this arrangement relates to the license of obexelimab and the related technology transfer, which was recognized

upon delivery of the license. This arrangement includes the participation by BMS in certain joint global studies of obexelimab. BMS will reimburse us for its share of the related study costs. Such reimbursements will be classified as a reduction to research and development expense in the period such costs are incurred. We will recognize development and regulatory milestones defined in the BMS Agreement when the achievement of the underlying milestone events is deemed probable, which is expected to be upon achievement. Sales milestones and royalties on future sales will be recognized in the period the related sales occur.

Pursuant to the Tenacia Agreement, we transferred our rights, title, interest, liabilities, duties and obligations under the Option and License Agreements with Dianthus to Tenacia for ZB005. The revenue recognized to date pursuant to this arrangement relates to the novation of the ZB005 license, asset transfer and technology transfer, which was recognized upon delivery of the license, related assets and technology transfer as well as revenue related to a certain development milestone which was recognized upon achievement of such milestone. We will recognize additional development and regulatory milestones as defined in the Tenacia Agreement when the achievement of the underlying milestone events is deemed probable, which is expected to be upon achievement. Sales milestones and royalties on future sales will be recognized in the period the related sales occur.

Pursuant to the Zai License Agreement, we granted Zai an exclusive sublicense to develop and commercialize ZB001 and related programs in greater China. The revenue recognized to date pursuant to this arrangement relates to the upfront fee. We will recognize additional development and commercial milestones as defined in the Zai License Agreement when the achievement of the underlying milestone event is deemed probable, which is expected to be upon achievement. Royalites on future sales will be recognized in the period the related sales occur.

For a more detailed description of these agreements, see *Note 7, License and Collaboration Revenue,* to our unaudited condensed consolidated financial statements in this Quarterly Report.

Operating Expenses

Our operating expenses consist of (i) research and development expenses, (ii) general and administrative expenses and (iii) acquired in-process research and development expenses.

Research and Development Expenses

Research and development expenses account for a significant portion of our operating expenses and consist primarily of external and internal costs incurred in connection with the preclinical and clinical development of our product candidates, and include:

Direct Costs:

- external research and development expenses incurred under agreements with CROs and consultants that conduct our clinical studies and other scientific development services;
- costs incurred under agreements with CMOs for manufacturing material for our preclinical studies and clinical trials;
- costs to obtain and maintain licenses to intellectual property, and related future payments should milestones described in those agreements be achieved; and
- costs related to compliance with regulatory requirements.

Indirect Costs:

- employee-related expenses including salaries, bonuses, benefits, stock-based compensation and other related costs for those employees involved in research and development activities; and

- costs of outside consultants, including their fees, stock-based compensation and related travel expenses.

We expense research and development costs as incurred. We recognize external development costs based on an evaluation of the progress to completion of specific tasks using information provided to us by our vendors or our estimate of the level of service that has been performed at each reporting date. Payments for these external development activities are based on the terms of the individual agreements, which may differ from the pattern of costs incurred, and are reflected in our condensed consolidated financial statements as prepaid expenses or accrued expenses. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are deferred and capitalized, even when there is no alternative future use for the research and development. The capitalized amounts are expensed as the related goods are delivered or the services are performed.

A significant portion of our research and development costs have been external costs, which we track on an individual product candidate basis after a clinical product candidate has been identified. We utilize third party contractors for our research and development activities and CMOs for our manufacturing activities and we do not have our own laboratory or manufacturing facilities. Therefore, we have no material facilities expenses attributed to research and development. Our internal research and development costs are primarily personnel-related costs and other indirect costs. We do not track internal costs on a program specific or stage of program basis because these costs are deployed across multiple programs and, as such, are not separately classified.

Where we share costs with our collaboration partners, such as in our BMS Agreement, research and development expenses may include cost sharing reimbursements from our partners.

Research and development activities are central to our business model. We expect that our research and development expenses will continue to increase for the foreseeable future as we advance clinical trials for our product candidates, pursue additional indications, continue to develop additional product candidates, expand our headcount and maintain, expand and enforce our intellectual property portfolio. We also expect our manufacturing costs to increase with our CMOs as we scale up our processes for commercial manufacturing. Product candidates in later stages of clinical development will generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials and additional manufacturing activities. There are numerous factors associated with the successful development and commercialization of any product candidates we may develop, including the safety and efficacy of our product candidates, investment in our clinical programs, manufacturing capability and competition with other products, and future commercial and regulatory factors beyond our control that will impact our clinical development program and plans.

The successful development of our current product candidates, or any product candidates we may develop in the future is highly uncertain. Therefore, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the development and commercialization of our product candidates, if approved, and any other product candidates that we may develop. We are also unable to predict when, if ever, material net cash inflows will commence from the sale of any current or future product candidate, if approved. This is due to the numerous risks and uncertainties associated with product development, including the uncertainty of:

- the scope, timing and progress of our ongoing clinical studies and other research and development activities associated with the development of our current and future product candidates;
- the number and scope of preclinical and clinical programs we decide to pursue;
- our ability to maintain our current research and development programs and to establish new programs;
- the timing of and successful patient enrollment in, and the initiation and completion of, clinical trials;
- the successful completion of clinical trials with safety, tolerability and efficacy profiles that are satisfactory to the FDA, or any comparable foreign regulatory authority;

- the timing, receipt and terms of any marketing approvals from applicable regulatory authorities;
- our ability to establish new licensing or collaboration arrangements;
- the performance of our future collaborators, if any;
- our ability to establish and maintain arrangements with third-party manufacturers for the commercial supply of products that receive marketing approval, if any;
- development and timely delivery of commercial-grade drug formulations that can be used in our planned clinical trials and for commercialization;
- obtaining, maintaining, defending and enforcing patent claims and other intellectual property rights;
- our ability to hire additional personnel and consultants as our business grows, including additional executive officers and clinical development, regulatory, chemistry, manufacturing, and controls, quality and commercial personnel;
- commercializing product candidates, if approved, whether alone or in collaboration with others;
- the costs and timing of establishing or securing sales and marketing capabilities for our product candidates if approved;
- the imposition of new laws and regulations, including those relating to labor conditions and safety standards, information and data transfer, imports, duties, taxes, and other charges on imports, as well as trade restrictions and restrictions on currency exchange or the transfer of funds, particularly new or increased tariffs imposed on imports, and as a result supply-related costs, from countries where our suppliers operate, as well as tariffs that impact the biopharmaceutical industry generally;
- our ability to achieve sufficient market acceptance, coverage and adequate reimbursement from third-party payors and adequate market share and revenue for any approved products; and
- maintaining a continued acceptable safety profile of the product candidates following approval.

Any changes in the outcome of any of these variables with respect to the development of our current product candidates or any future product candidates in preclinical and clinical development could mean a significant change in the costs and timing associated with the development of these product candidates. For example, if the FDA or another regulatory authority were to delay our planned start of clinical trials or require us to conduct clinical trials or other testing beyond those that we currently anticipate would be required for the completion of clinical development, or if we experience significant delays in enrollment in any clinical trials following the FDA's acceptance and clearance of an IND, we could be required to expend significant additional financial resources and time to complete clinical development than we currently expect. We may never obtain regulatory approval for any product candidates that we develop.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related expenses, including salaries, bonuses, benefits, and stock-based compensation expenses for personnel in executive, finance, accounting, human resources and other administrative functions. Other significant general and administrative expenses include legal fees relating to intellectual property and corporate matters, professional fees paid for accounting, auditing, tax and consulting and other professional services, and expenses for rent, insurance and other operating costs not otherwise classified as research and development expenses.

We anticipate that our general and administrative expenses will increase in the next few years as we increase our headcount to support our continued research and development activities of our product candidates. These increases will likely include increased costs related to the hiring of additional personnel and fees to outside consultants, among other expenses. We also anticipate increased expenses associated with being a public company, including costs for accounting, audit, legal, regulatory and tax-related services associated with maintaining compliance with the rules and regulations of the SEC, listing standards applicable to companies listed on a national securities exchange, director and officer insurance costs, and investor and public relations costs. In addition, if we obtain regulatory approval for our current product candidates or any product candidates we may develop in the future and do not enter into a third-party commercialization collaboration, we expect to incur significant expenses related to building a sales and marketing team to support product sales, marketing and distribution activities. We will also incur pre-commercialization expenses to facilitate commercial readiness, as we prepare for a potential product candidate approval.

Acquired In-Process Research and Development Expenses

We expense acquisition costs for assets purchased for use in research and development activities that have no alternative future use as in-process research and development ("IPR&D") expenses as of the acquisition date. When we become obligated to make contingent milestone payments under the terms of the agreements by which we acquired the IPR&D assets, we will recognize additional IPR&D expense. We measure and recognize contingent consideration in the period in which the related milestone is achieved and becomes payable. Certain agreements may require the payment of milestones in shares of our common stock, which if determined not to be a derivative or liability are recognized as acquired IPR&D expense and a component of equity based on the fair value of the shares at execution.

Total Other Income (Expense), Net

Other Income (Expense), Net

Other income (expense), net primarily consists of interest expense related to our royalty obligation, our senior secured term loan and our convertible senior notes, income generated from cash equivalents and investments as well as realized and unrealized gains and losses on foreign currency transactions.

Income Taxes

Since our inception, we have not recorded income tax benefits for any of our deferred tax assets, including the net operating losses ("NOLs") incurred or the research and development tax credits generated in each year, as we have concluded that it is more likely than not that these deferred tax assets will not be realized.

Results of Operations

Comparison of the Three Months Ended September 30, 2026 and 2025

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

	Three Months Ended September 30,		
	2026	2025	Increase (Decrease)
Revenue:			
License and collaboration revenue	$ 10,000	$ —	$ 10,000
Total revenue	10,000	—	10,000
Operating expenses:			
Research and development	$ 58,474	$ 34,402	$ 24,072
General and administrative	27,435	13,178	14,257
Acquired in-process research and development	27,500	5,000	22,500
Total operating expenses	113,409	52,580	60,829
Loss from operations	(103,409)	(52,580)	(50,829)
Other income (expense), net:			
Interest expense on royalty obligation	(7,453)	(1,679)	(5,774)
Interest expense on senior secured term loan	(2,058)	—	(2,058)
Interest expense on convertible note	(1,709)	—	(1,709)
Interest income	5,795	2,766	3,029
Other (expense) income , net	(40)	(6)	(34)
Total other income (expense), net	(5,465)	1,081	(6,546)
Loss before income taxes	(108,874)	(51,499)	(57,375)
Income tax provision (benefit)	49	—	49
Net loss	$ (108,923)	$ (51,499)	$ (57,424)

Revenue

For the three months ended September 30, 2026, we recognized license and collaboration revenue of $10.0 million, related to the achievement of a development and regulatory milestone under the BMS Agreement. For the three months ended September 30, 2025, we did not recognize any license and collaboration revenue.

Research and Development Expenses

The following table summarizes our research and development expenses for each of the periods presented (in thousands):

	Three Months Ended September 30,		
	2026	2025	Increase (Decrease)
Direct research and development expenses by program:			
Obexelimab	$ 22,589	$ 20,753	$ 1,836
Orelabrutinib	12,904	—	12,904
Other programs (ZB002, ZB004, ZB014, ZB021 & ZB022)	2,037	467	1,570
Partnered regional programs (ZB001 & ZB005)	—	172	(172)
Unallocated research and development expenses:			
Personnel related expenses (including stock-based compensation)	18,455	12,467	5,988
Other expenses	2,489	543	1,946
Total research and development expenses	$ 58,474	$ 34,402	$ 24,072

Research and development expenses were $58.5 million for the three months ended September 30, 2026, compared to $34.4 million for the three months ended September 30, 2025. The increase of $24.1 million was primarily attributable to the following:

- a $1.8 million increase in costs related to the development of obexelimab, our lead product candidate, driven by a $6.4 million increase in manufacturing costs for clinical trial materials, partially offset by a $4.6 million decrease in clinical trial, development and regulatory costs;
- a $12.9 million increase in costs related to the development of orelabrutinib, driven by clinical trial and regulatory costs; and
- a $6.0 million increase in personnel costs, including a $3.9 million increase in salary and benefit related expense, due to an increase in headcount, a $1.9 million increase in stock-based compensation expense, and a $0.2 million increase in external contractor expenses and other personnel costs.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for each of the periods presented (in thousands):

	Three Months Ended September 30,		
	2026	2025	Increase (Decrease)
Personnel related expenses (including stock-based compensation)	$ 20,606	$ 9,035	$ 11,571
Legal and professional fees	6,184	2,608	3,576
Facilities and other expenses	645	1,535	(890)
Total general and administrative expenses	$ 27,435	$ 13,178	$ 14,257

General and administrative expenses were $27.4 million for the three months ended September 30, 2026, compared to $13.2 million for the three months ended September 30, 2025. The increase of $14.3 million was primarily attributable to the following:

- an $11.6 million increase in personnel costs, including an $8.1 million increase in stock-based compensation expense, primarily due to modifications of equity awards related to the transition and separation of certain employees from the company, $3.0 million increase in salary and benefit related expense, primarily due to an increase in headcount to support pre-commercialization efforts, a $0.3 million increase in external contractor

expense and other personnel costs, and a $0.2 million increase in recruiting expense; and

- a $3.6 million increase in legal and professional fees, including consulting, pre-commercialization efforts, audit and tax expenses, primarily attributable to company growth and continued operations as a public company.

Acquired In-Process Research and Development Expenses

For the three months ended September 30, 2026, acquired IPR&D expenses were $27.5 million, which included $25.0 million related to the achievement of the Near-Term Milestone under the InnoCare License Agreement and $2.5 million, related to the achievement of a regulatory milestone under the 2021 Xencor Agreement. Acquired IPR&D expense was $5.0 million for the three months ended September 30, 2025, related to a deposit paid toward the $35.0 million upfront payment for the exclusive rights to develop and manufacture product candidates under the License Agreement with InnoCare.

Total Other Income (Expense), Net

For the three months ended September 30, 2026, total other income (expense), net was $5.5 million of expense, compared to $1.1 million of income for the three months ended September 30, 2025. The change of $6.5 million is primarily related to an increase in interest expense of $9.5 million related to our royalty obligation, senior secured term loan and convertible senior notes, partially offset by an increase in interest income of $3.0 million related to higher cash, cash equivalents and investments balances.

Comparison of the Nine Months Ended September 30, 2026 and 2025

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

	Nine Months Ended September 30,		
	2026	2025	Increase (Decrease)
Revenue:			
License and collaboration revenue	$ 11,000	$ 10,000	$ 1,000
Total revenue	11,000	10,000	1,000
Operating expenses:			
Research and development	$ 181,826	$ 112,343	$ 69,483
General and administrative	60,092	37,730	22,362
Acquired in-process research and development	57,500	5,000	52,500
Total operating expenses	299,418	155,073	144,345
Loss from operations	(288,418)	(145,073)	(143,345)
Other income (expense), net:			
Interest expense on royalty obligation	(20,553)	(1,679)	(18,874)
Interest expense on senior secured term loan	(4,146)	—	(4,146)
Interest expense on convertible note	(3,454)	—	(3,454)
Interest income	15,416	8,902	6,514
Other (expense) income, net	(48)	370	(418)
Total other income (expense), net	(12,785)	7,593	(20,378)
Loss before income taxes	(301,203)	(137,480)	(163,723)
Income tax provision (benefit)	163	(185)	348
Net loss	$ (301,366)	$ (137,295)	$ (164,071)

Revenue

For the nine months ended September 30, 2026, we recognized license and collaboration revenue of $11.0 million, including $10.0 million, related to the achievement of a development and regulatory milestone under the BMS Agreement and $1.0 million, related to the achievement of a development milestone under the Tenacia Agreement. For the nine months

ended September 30, 2025, we recognized revenue of $10.0 million related to the one-time non-refundable upfront cash payment under the Zai License Agreement that was recognized upon delivery of the license and related technology transfer.

Research and Development Expenses

The following table summarizes our research and development expenses for each of the periods presented (in thousands):

	Nine Months Ended September 30,		
	2026	2025	Increase (Decrease)
Direct research and development expenses by program:			
Obexelimab	$ 83,743	$ 74,006	$ 9,737
Orelabrutinib	34,211	—	34,211
Other programs (ZB002, ZB004, ZB014, ZB021 & ZB022)	4,063	1,204	2,859
Partnered regional programs (ZB001 & ZB005)	(24)	134	(158)
Unallocated research and development expenses:			
Personnel related expenses (including stock-based compensation)	53,495	35,548	17,947
Other expenses	6,338	1,451	4,887
Total research and development expenses	$ 181,826	$ 112,343	$ 69,483

Research and development expenses were $181.8 million for the nine months ended September 30, 2026, compared to $112.3 million for the nine months ended September 30, 2025. The increase of $69.5 million was primarily attributable to the following:

- a $9.7 million increase in costs related to the development of obexelimab, our lead product candidate, driven by a $10.1 million increase in manufacturing costs for clinical trial materials, offset by a $0.4 million decrease in clinical trial, development and regulatory costs;
- a $34.2 million increase in costs related to the development of orelabrutinib, driven by clinical trial and regulatory costs; and
- a $17.9 million increase in personnel costs, including a $12.1 million increase in salary and benefit related expense, due to an increase in headcount, a $5.1 million increase in stock-based compensation expense, and a $0.7 million increase in external contractor expenses and other personnel costs.

General and Administrative Expenses

The following table summarizes our general and administrative expenses for each of the periods presented (in thousands):

	Nine Months Ended September 30,		
	2026	2025	Increase (Decrease)
Personnel related expenses (including stock-based compensation)	$ 44,019	$ 26,252	$ 17,767
Legal and professional fees	14,324	6,834	7,490
Facilities and other expenses	1,749	4,644	(2,895)
Total general and administrative expenses	$ 60,092	$ 37,730	$ 22,362

General and administrative expenses were $60.1 million for the nine months ended September 30, 2026, compared to $37.7 million for the nine months ended September 30, 2025. The increase of $22.4 million was primarily attributable to

the following:

- a $17.8 million increase in personnel costs, including a $11.2 million increase in stock-based compensation expense, primarily due to modifications of equity awards related to the transition and separation of certain employees from the company, a $6.4 million increase in salary and benefit related expense, primarily due to an increase in headcount to support pre-commercialization efforts, a $0.3 million increase in external contractor expenses and other personnel costs, offset by a $0.2 million decrease in recruiting expense; and

- a $7.5 million increase in legal and professional fees, including consulting, pre-commercialization efforts, audit and tax expenses, primarily attributable to company growth and continued operations as a public company.

Acquired In-Process Research and Development Expenses

For the nine months ended September 30, 2026, acquired IPR&D expenses were $57.5 million, which included $12.5 million, related to the achievement of two regulatory milestones under the 2021 Xencor Agreement and $20.0 million related to the achievement of the Regulatory Milestone for ZB021 and $25.0 million related to the Near-Term Milestone under the InnoCare License Agreement. For the nine months ended September 30, 2025, acquired IPR&D expenses were $5.0 million, related to a deposit paid toward the $35.0 million upfront payment for the exclusive rights to develop and manufacture product candidates under the InnoCare License Agreement.

Total Other Income (Expense), Net

For the nine months ended September 30, 2026, total other income (expense), net was $12.8 million of expense, compared to $7.6 million of income for the nine months ended September 30, 2025. The change of $20.4 million is primarily related to an increase in interest expense of $26.5 million related to our royalty obligation, senior secured term loan and convertible senior notes, partially offset by an increase in interest income of $6.5 million related to higher cash, cash equivalents and investments balances.

Liquidity and Capital Resources

Overview

We have incurred significant operating losses since inception. We have not yet commercialized any product candidates, and we do not expect to generate revenue from sales of any product candidates or from other sources until 2027 at the earliest, if at all. As of September 30, 2026, we had $647.1 million in cash, cash equivalents, and investments and we had an accumulated deficit of $1.1 billion. Through September 30, 2026, we have funded our operations primarily with gross proceeds of $358.0 million through the sale and issuance of preferred stock and convertible notes, net proceeds from the sale of common stock of $234.3 million after deducting underwriting discounts, commissions and other offering costs from our IPO, $111.8 million, after deducting placement fees and other offering costs from our PIPE offering, $148.9 million, after deducting commissions and other offering costs from our 2025 ATM Program, $330.4 million, after deducting commissions and issuance costs from our current convertible notes and equity offering inclusive of the underwriters' exercise of the overallotment option in full, as well as $76.0 million from our BMS Agreement, Tenacia Agreement and Zai License Agreement, collectively, $71.3 million from our Royalty Purchase Agreement, after deducting issuance costs and $72.0 million from the first tranche under our debt arrangement with Pharmakon after deducting discounts and issuance costs.

Future Funding Requirements:

We expect that our available cash, cash equivalents and investments, as of September 30, 2026, will be sufficient to fund our capital and operating expenditures for at least the next twelve months from the date of the issuance of this Quarterly Report on Form 10-Q. We estimate that our existing cash, cash equivalents and investments will be sufficient to fund our projected operations and capital expenditure requirements into 2029. Assuming receipt of the potential $75 million milestone payment from Royalty Pharma combined with the potential $75 million from the senior secured term loan with Pharmakon associated with achieving FDA marketing approval of obexelimab for IgG4-RD, we expect that our cash, cash

equivalents and investments will fund our operating expenses and capital expenditure requirements at least through the second quarter of 2029.

Our primary uses of capital are, and we expect to continue to be, third-party clinical research and development services, manufacturing costs, pre-commercialization expenses, compensation and related expenses, legal and other regulatory expenses and general overhead costs. We have based our estimates on assumptions that may prove to be incorrect, and we could use our capital resources sooner than we currently expect.

Additionally, the process of testing drug candidates in clinical trials is costly, and the timing of progress in these trials is uncertain. We cannot estimate the actual amounts necessary to successfully complete the development and commercialization of our product candidates or whether, or when, we may achieve profitability. Our future funding requirements will depend on, and could increase significantly as a result of, many factors, including:

- the scope, timing, progress results and costs of our ongoing clinical studies and other research and development activities associated with the development of our other and future product candidates;
- the costs, timing and outcome of regulatory review of product candidates;
- the costs of future activities, including product sales, medical affairs, marketing, manufacturing, and distribution, for any product candidates for which we receive marketing approval;
- the costs of establishing and maintaining arrangements with third-party manufacturers for the commercial supply of products that receive marketing approval, if any;
- the costs and timing of manufacturing for obexelimab, orelabrutinib and other product candidates, including commercial manufacturing at sufficient scale, if any product candidate is approved, including as a result of inflation, any supply chain issues or component shortages;
- the revenue, if any, received from commercial sale of our products, should any product candidates receive marketing approval;
- the cash requirements of any future acquisitions or discovery of product candidates;
- the cost and timing of attracting, hiring and retaining skilled personnel to support our operations and continued growth;
- the cost of implementing operational, financial and management systems;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- our ability to establish and maintain collaborations, strategic partnerships or marketing, distribution, licensing or other strategic arrangements with third parties on favorable terms, if at all;
- our ability to achieve sufficient market acceptance, coverage and adequate reimbursement from third-party payors and adequate market share and revenue for any approved products;
- the timing, receipt and amount of sales of, or milestone payments related to or royalties on, current or future product candidates, if any; and
- the costs associated with operating as a public company, including legal, accounting or other expenses in operating our business.

A change in the outcome of any of these or other variables with respect to the development of obexelimab, orelabrutinib or any other product candidate could significantly change the costs and timing associated with our operating plans. Further, our operating plans may change in the future, and we may need additional funds to meet operational needs and capital requirements associated with such operating plans.

We have no products approved for commercial sale and have not generated any revenues from product sales to date. Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financing and additional funding from licenses, strategic alliances and collaboration arrangements. Except for any obligations of our collaborators to reimburse us for research and development expenses or make milestone or royalty payments under our agreements with them, we will not have any committed external source of liquidity.

We have incurred losses and cumulative negative cash flows from operations since our inception. We anticipate that we will continue to incur significant losses for at least the next several years. We expect our research and development, and general and administrative expenses will continue to increase. As a result, we will need additional capital to fund our operations, which we may raise through a combination of the sale of our equity, debt financings, or other sources, including potential collaborations. To the extent that we raise capital through the future 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 our existing common stockholders. If we enter into debt financing arrangements, if available, they may involve restrictive covenants that limit our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends, which could adversely impact our ability to conduct our business.

If we raise additional funds through licenses, strategic alliances or collaboration arrangements in the future, we may have to relinquish valuable rights to our technologies, future revenue streams or drug candidates, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market drug candidates that we would otherwise prefer to develop and market ourselves.

Senior Secured Term Loan

In March 2026, the Company entered into the Loan Agreement with the Collateral Agent, BPCR Limited Partnership and BioPharma Credit Investments V (Master) LP, which are funds managed by Pharmakon and the guarantors party thereto. The Loan Agreement provides for up to a $250.0 million Term Loan that matures on March 27, 2031 and consists of five tranches including (i) a Tranche A Loan of $75.0 million drawn March 27, 2026, (ii) a Tranche B Loan of $50.0 million which will be required to be drawn (and up to an additional $25.0 million that the Company may elect to draw) by no later than November 1, 2027, subject to the occurrence of the Tranche B/C Approval Condition, (iii) a Tranche C Loan of $25.0 million (less any amounts elected to be (and actually) drawn under the Tranche B Loan in excess of $50.0 million) which will be available at the Company's election, subject to the occurrence of the Tranche B/C Approval Condition, no later than April 28, 2028, (iv) a Tranche D Loan of $50.0 million which will be available at the Company's election no later than October 30, 2028, subject to the occurrence of the Tranche B/C Approval Condition and achievement of certain milestones in respect of certain net sales levels and (v) a Tranche E Loan of $50.0 million which will be available at the Company's election no later than April 30, 2029, subject to the occurrence of the Tranche B/C Approval Condition and achievement of certain milestones in respect of net sales levels. We received net proceeds of $73.0 million from the draw of the Tranche A Loan after deducting the 2.00% funding fee. As of September 30, 2026, we are in compliance with all covenants under the Loan Agreement.

The Term Loan bears interest at a rate based upon an annual interest rate of 3-month secured overnight financing rate (subject to a 3.25% floor) plus 5.75% payable quarterly in arrears; provided that the Company may elect for 100% of the interest for the first 24 months following the Tranche A Loan funding date may be paid-in-kind without an increase in the interest rate.

The Company is required to pay a funding fee equal to (i) 2.00% of $50,000,000 of the funding amount of the Tranche B Loan on the funding date for such loan, (ii) 1.00% of any amounts in excess of $50,000,000 of the funding amount for the

Tranche B Loan on the funding date for such loan, and (iii) 1.00% of each of the funding amount of the Tranche C Loan, Tranche D Loan, and Tranche E Loan on each respective funding date.

The Company may elect to prepay the Term Loans in whole or, subject to certain conditions, in part prior to the Term Loan Maturity Date with such prepayments being subject to certain prepayment, make-whole and exit fees. The Term Loans are subject to certain mandatory prepayments, including a repayment in full of all term loans in four equal payments commencing on September 30, 2028 to the extent the Tranche B/C Approval Condition is not met on or prior to June 30, 2028.

The Loan Agreement contains customary affirmative and restrictive covenants, representations and warranties and events of default. We and our subsidiaries are bound by certain affirmative covenants setting forth actions that are required during the term of the Loan Agreement, including, without limitation, certain information delivery requirements (including that consolidated financial statements delivered for and after the fiscal year ending December 31, 2026 are not subject to any qualification as to "going concern" or "scope of audit"), obligations to maintain certain insurance, and certain notice requirements. The Loan Agreement contains customary financial covenants, including (i) at all times prior to the satisfaction of the Tranche B/C Approval Condition, a minimum liquidity requirement and (ii) subject to the outstanding aggregate principal amount of Term Loans advanced under the Loan Agreement being equal to or greater than $200.0 million, a minimum trailing twelve months consolidated net revenue covenant. Additionally, we and our subsidiaries are bound by certain restrictive covenants setting forth actions that are not permitted to be taken during the term of the Loan Agreement, including, without limitation, (i) selling or disposing of assets, (ii) amending, modifying or waiving our rights under material agreements, (iii) consummating change in control transactions unless all amounts becoming due under the Loan Agreement are paid in full immediately upon (and concurrent with) the consummation of any such change in control transaction, (iv) incurring additional indebtedness, (v) incurring non-permitted liens or encumbrances on our or our subsidiaries' assets, (vi) paying dividends or making any distribution or payment on or redeeming, retiring or purchasing any equity interests, (vii) making payments on subordinated indebtedness and (viii) making investments other than permitted acquisitions and permitted investments, in each case, subject to specified exceptions including, in the case of restrictions on incurrence of additional indebtedness, the ability to incur certain convertible indebtedness and enter into certain permitted royalty financing agreements. The Loan Agreement also contains certain events of default, including the following: (i) failure to pay principal, interest and other amounts when due, (ii) the breach of the covenants under the Loan Agreement, (iii) the occurrence of a material adverse change or a withdrawal event in respect of obexelimab or orelabrutinib, (iv) certain attachments of the credit parties assets and restraints on their business, (v) certain insolvency, liquidation, bankruptcy or similar events, (vi) certain cross-default of third-party indebtedness and royalty revenue contracts, (vii) the failure to pay certain judgments, (viii) material misrepresentations, (ix) the loan documents ceasing to create a valid security interest in a material portion of the collateral, (x) the occurrence of certain ERISA events and (xi) the occurrence of a default under any intercreditor agreement, in each case subject to the grace periods, cure period and thresholds as specified in the Loan Agreement. Upon the occurrence of an event of default, the Lenders may, among other things, accelerate our obligations under the Loan Agreement (including all obligations for principal, interest and any applicable make-whole and prepayment premiums); provided that upon an event of default relating to certain insolvency, liquidation, bankruptcy or similar events, all outstanding obligations will be automatically accelerated.

Our obligations under the Loan Agreement are secured by substantially all of our assets, including our intellectual property. Certain of our subsidiaries may, from time to time after the Tranche A Closing Date, be required to guarantee our obligations under the Loan Agreement and, in connection with such guarantee, pledge substantially all of their assets, including intellectual property, to secure such guarantee.

Convertible Senior Notes and Equity Follow-on Offering

In March 2026, the Company issued an aggregate principal amount of $200.0 million of 2.50% convertible senior notes due 2032 (the "Convertible Notes") in an underwritten public offering. The Convertible Notes were issued pursuant to, and are governed by, the Base Indenture, dated March 31, 2026, between the Company and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Concurrently, the Company issued 5,000,000 shares of common stock at a public offering price of $20.00 per share, with gross proceeds of $100.0 million. Additionally, in April 2026, the Company issued (i) an additional $30.0 million of Convertible Notes upon the underwriters' exercise in full of their over-

allotment option for gross proceeds of $30.0 million and (ii) an additional 750,000 shares of common stock upon the exercise in full of the underwriters' over-allotment option to purchase additional shares for gross proceeds of $15.0 million.

The Convertible Notes are general, unsecured, senior obligations of the Company. The Convertible Notes will accrue interest payable semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2026, at a rate equal to 2.50% per year. The Convertible Notes will mature on April 1, 2032, unless earlier converted, redeemed or repurchased by us. Holders of Convertible Notes will have the right to convert their Convertible Notes in certain circumstances and during specified periods. See *Note 6, Long-Term Obligations* within the notes to the unaudited condensed consolidated financial statements for additional information.

At-the-Market Program

In October 2025, we entered into a sales agreement with Jefferies under which we could, from time to time, issue and sell shares of our common stock having aggregate sales proceeds of up to $200.0 million, under the 2025 ATM Program. Pursuant to the sales agreement, shares will be sold under the shelf registration statement on Form S-3 ASR (Registration No. 333-290777), which became automatically effective upon filing on October 8, 2025. Our common stock will be sold at prevailing market prices at the time of the sale; and as a result, prices may vary. For the three and nine months ended September 30, 2026, the Company sold 1,818,181 and 4,645,904 shares of common stock, respectively, under the 2025 ATM Program. As of September 30, 2026, $46.8 million remained available under the 2025 ATM Program.

Royalty Pharma Agreement

In September 2025, the Company and Royalty Pharma entered into the Royalty Purchase Agreement. Pursuant to the Royalty Purchase Agreement, the Company received a $75.0 million upfront payment in exchange for which Royalty Pharma purchased the right to receive, for each calendar quarter, (i) 5.5% of net sales of obexelimab products sold by the Company and its affiliates worldwide, (ii) 5.5% of net sales of obexelimab products sold by licensees of Zenas and its affiliates in the U.S., the United Kingdom and the European Union, (iii) 25% of royalty income payable to Zenas or any of its affiliates on sales of obexelimab products in countries other than the U.S., the United Kingdom, and in the European Union by its licensees pursuant to out-licenses less royalty payments payable by Zenas to Xencor Inc. and (iv) 25% of non-royalty income attributable to obexelimab products payable to Zenas or any of its affiliates by its licensees (other than certain milestone payments payable by Bristol-Myers Squibb) pursuant to out-licenses and allocated to countries other than the U.S., the United Kingdom and in the European Union.

The Royalty Purchase Agreement provides for an additional $225.0 million of payments to be paid to the Company by Royalty Pharma upon the occurrence of certain triggering events which includes (i) $75.0 million payable upon the achievement of certain milestones with respect to Zenas' INDIGO Phase 3 Trial, noting the Company is not eligible for this milestone, (ii) $75.0 million payable following receipt of marketing approval for obexelimab from the FDA for the treatment of IgG4-Related Disease on or before a specified date and (iii) $75.0 million payable following receipt of marketing approval for obexelimab from the FDA for the treatment of systemic lupus erythematosus on or before a specified date.

Cash Flows

The following table provides information regarding our cash flows for each of the periods presented (in thousands):

	Nine Months Ended September 30,	
	2026	**2025**
Net cash used in operating activities	$ (190,417)	$ (119,919)
Net cash used in investing activities	(275,302)	(158,522)
Net cash provided by financing activities	532,748	74,437
Effect of exchange rate changes on cash and cash equivalents	108	(263)
Net increase (decrease) in cash and cash equivalents	$ 67,137	$ (204,267)

Net Cash Used in Operating Activities

Net cash used in operating activities for the nine months ended September 30, 2026 was $190.4 million, and was primarily due to our net loss of $301.4 million, which included non-cash charges principally related to stock-based compensation and interest charges on our agreement with Royalty Pharma. Net changes in our working capital during the nine months resulted in a $4.7 million cash outflow.

Net cash used in operating activities for the nine months ended September 30, 2025 was $119.9 million, and was primarily due to our net loss of $137.3 million, which included non-cash charges principally related to stock-based compensation. Net changes in our working capital during the nine months resulted in a $7.4 million cash outflow.

Net Cash Used in Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2026 was $275.3 million and consisted primarily of purchases of investments of $545.8 million and $57.5 million of milestone payments, which included $12.5 million related to the achievement of two regulatory milestones under the 2021 Xencor Agreement and $45.0 million related to the achievement of the Regulatory Milestone for ZB021 and the Near-Term Milestone under the InnoCare License Agreement, partially offset by proceeds from sales and maturities of investments of $328.0 million.

Net cash used in investing activities for the nine months ended September 30, 2025 was $158.5 million and consisted primarily of purchases of investments of $284.9 million and $5.0 million payment as a deposit toward the $35.0 million upfront payment under the License Agreement with InnoCare, partially offset by proceeds from sales and maturities of investments of $131.4 million.

Net Cash Provided by Financing Activities

Net cash provided by financing activities for the nine months ended September 30, 2026 was $532.7 million, resulting primarily from $223.1 million in net proceeds received in connection with the convertible senior notes offering inclusive of the underwriters' exercise of the overallotment option in full, $108.1 million and $120.3 million received in net proceeds from the sale and issuance of common stock under a follow-on equity offering inclusive of the underwriters' exercise of the overallotment option in full and the 2025 ATM Program, net of commissions, respectively, and $73.5 million in net proceeds received in connection with the senior secured term loan, net of discounts, $9.1 million in net proceeds received from the exercise of stock options, offset by $2.5 million of payments related to deferred offering costs and debt issuance costs.

Net cash provided by financing activities for the nine months ended September 30, 2025 was $74.4 million, resulting from $75.0 million in gross proceeds received in connection with the royalty obligation and $2.5 million in net proceeds received from the exercise of stock options, offset by $3.3 million of payments related to deferred offering costs.

Material Cash Requirements for Known Contractual and Other Obligations

During the nine months ended September 30, 2026, except as disclosed in *Note 6 – Long-Term Obligations* and *Note 13 – Commitments and Contingencies* of the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, there were no material changes to our contractual obligations and commitments from those described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations-Contractual Obligations and Commitments" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Critical Accounting Policies and Significant Judgments and Estimates

Management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of these condensed consolidated financial statements requires us to make

judgments, assumptions and estimates that may affect the reported amounts of assets and liabilities, equity, and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of expenses during the reported periods. On an ongoing basis, we evaluate our judgments, assumptions and estimates in light of changes in circumstances, facts and experiences. We base our estimates on historical experience, known trends and events, and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The effects of material revisions in estimates, if any, will be reflected in the condensed consolidated financial statements prospectively from the date of change in estimates.

During the nine months ended September 30, 2026, there were no material changes in our critical accounting policies from those described under our "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Significant Judgments and Estimates" included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, except for the following:

Embedded Derivative Financial Instruments

In March 2026, we entered into a senior secured term loan and issued convertible senior notes, see *Note 6, Long – Term Obligations*, in our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. Our evaluation of our debt and equity transactions, consider whether the transaction includes embedded derivatives and whether any embedded derivatives require bifurcation. The evaluation of such features consider whether (i) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (ii) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not -remeasured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur, and (iii) a separate instrument with the same terms as the embedded derivative would be considered a derivative instrument. We exercise judgment in the evaluation of whether embedded features require bifurcation and the fair value of any features that are bifurcated. Should there be changes in our judgments and related conclusions, it could impact the effective interest expense recorded on our debt obligations, which could materially affect our financial statements.

Recent Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in *Note 2, Summary of Significant Accounting Policies*, in our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Implications of Being an Emerging Growth Company and Smaller Reporting Company

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act"). As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies, including reduced disclosure about our executive compensation arrangements, exemption from the requirements to hold nonbinding advisory votes on executive compensation and golden parachute payments and exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to "opt out" of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we will adopt the new or revised standard at the time private companies adopt the new or revised standard and will do so until such time that we either (i) irrevocably elect to "opt out" of such extended transition period or (ii) no longer qualify as an emerging growth company. We may choose to early adopt any new or revised accounting standards whenever such early adoption is permitted. Therefore, the reported results of operations contained in our financial statements may not be directly comparable to those of other public companies.

We will cease to qualify as an emerging growth company on the date that is the earliest of: (i) December 31, 2029, (ii) the last day of the fiscal year in which we have more than $1.235 billion in total annual gross revenues, (iii) the date on which we are deemed to be a "large accelerated filer" under the rules of the SEC or (iv) the date on which we have issued more than $1.0 billion of non-convertible debt over the prior three-year period. Whether we are a large accelerated filer is determined as of the last day of each fiscal year and depends on, among other things, whether the market value of our common stock held by non-affiliates was $700.0 million or more as of the last business day of our most recently completed second fiscal quarter. Although the market value of our common stock held by non-affiliates exceeded $700.0 million as of June 30, 2026, because we remain eligible to use the requirements for smaller reporting companies under the revenue test through the end of fiscal year 2026 and until our Quarterly Report on Form 10-Q for the first quarter of 2027, we will not be a large accelerated filer as of December 31, 2026. Accordingly, we will be a non-accelerated filer for filings due in fiscal year 2027, and we expect to remain an emerging growth company through at least December 31, 2027, unless we earlier cease to qualify for another reason described above. If the market value of our common stock held by non-affiliates is $700.0 million or more as of the last business day of our second fiscal quarter in 2027, we expect that we will become a large accelerated filer, and will cease to be an emerging growth company, as of December 31, 2027.

We are also a "smaller reporting company," as defined in the Exchange Act. However, we determined as of June 30, 2026, the last business day of our second fiscal quarter in 2026, that we will no longer be eligible to take advantage of the scaled disclosures available to smaller reporting companies beginning with our Quarterly Report on Form 10-Q for the first quarter of 2027. However, as we are and expect to continue to be an emerging growth company through our fiscal year ended December 31, 2027, we are eligible to take advantage of many of the same scaled disclosure requirements available to smaller reporting companies, and we anticipate that we will continue to utilize these accommodations until such time as we no longer qualify as an emerging growth company.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are exposed to interest rate risk in the ordinary course of our business. As of September 30, 2026, we had cash, cash equivalents and investments of $647.1 million.

We also have exposure to market risk on our Loan Agreement with Pharmakon. Our Loan Agreement accrues interest from its date of issuance at a variable interest rate equal to 3-month SOFR subject to a 3.25% floor, plus 5.75%. As of September 30, 2026, $75.0 million was outstanding under the Loan Agreement. The effect of a 100 basis points adverse change in market interest rates on our loan payable, in excess of applicable minimum floors, on our interest expense would be approximately $0.8 million.

Foreign Currency Exchange Risk

Our reporting currency is the U.S. dollar ("USD"). Our functional currency for Zenas BioPharma (HK) Limited, our wholly owned subsidiary in Hong Kong, is the USD, and our functional currency for Shanghai Zenas Biotechnology Co. Limited, our wholly-owned subsidiary in China, is the Chinese Yuan. Our functional currency for Zenas BioPharma GmbH, our wholly-owned subsidiary in Switzerland, is the Swiss Franc. Our functional currency of our wholly-owned subsidiaries, Zenas BioPharma B.V., in the Netherlands and Zenas BioPharma GmbH (Germany), is the Euro. Our functional currency of our wholly-owned U.S. subsidiaries, Zenas BioPharma (USA) LLC and Zenas BioPharma Securities Corp., is the USD. Adjustments that arise from exchange rate changes on transactions denominated in a currency other than the functional currency are included in other income (expense), net in the unaudited condensed consolidated statements of operations and comprehensive loss as incurred. Realized foreign currency transaction gains (losses) were immaterial for the three and nine months ended September 30, 2026.

We do not currently engage in currency hedging activities in order to reduce our currency exposure, but we may begin to do so in the future. Instruments that may be used to hedge future risks may include foreign currency forward and swap contracts. These instruments may be used to selectively manage risks, but there can be no assurance that we will be fully protected against material foreign currency fluctuations. We do not believe that a hypothetical 10% increase or decrease

in exchange rates during any of the periods presented would have had a material impact on our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Effects of Inflation

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We believe that inflation has not had a material effect on our business, or on our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of September 30, 2026. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure 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. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, or person performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgement in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of September 30, 2026, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting for the quarter ended September 30, 2026, 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

From time to time, we may be involved in legal proceedings arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, in the opinion of management, would have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity and reputational harm and other factors.

Item 1A. Risk Factors

Investors should carefully consider the risks, uncertainties and other factors, contained in the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025, together with the other information contained in this Quarterly Report, including in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in our unaudited condensed consolidated financial statements and related notes contained in this Quarterly Report on Form 10-Q. The events discussed below may occur and adversely impact our business, financial condition, results of operations and prospects, which may cause the trading price of our common stock to decline. These risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties

not presently known to us or that we currently believe to be immaterial may also affect our business. See "Special Note Regarding Forward-Looking Statements."

Risks Related to Government Regulation

Significant political, trade, regulatory developments, including changes in relations between the U.S. and China, and other circumstances beyond our control, may adversely impact our business, financial condition, and results of operations.

Various political, trade, or regulatory developments have, and could further, adversely affect our business and the results of our operations and financial condition. For example, recent actions and statements by the governments of the U.S. and China, including those relating to the imposition or threatened imposition of tariffs (including tariffs on patented pharmaceutical products), affecting (among others) certain products manufactured in China, have impacted, and may continue to impact, companies like us who import materials and rely on suppliers and other commercial partners with significant operations in China. For example, while we have selected new CMOs in the U.S. to establish additional sources of supply for obexelimab, currently we import from China certain drug substance, drug product and other components, and such imports are subject to existing tariffs and may be impacted by additional tariffs. Currently, many of our suppliers primarily operate outside of the U.S., including our current sole CMO for obexelimab, WuXi Biologics, and our collaboration partner InnoCare for supply of orelabrutinib, which provide services to us from facilities located in China, and increases in tariffs could result in increased costs. As a result, we are subject to risks associated with political, trade, regulatory developments with respect to such countries, and between the U.S. and such countries. Any unfavorable legislation, regulations, executive orders, government policies on cross-border relations and/or international trade, including increased scrutiny on certain of our suppliers with significant China-based operations, capital controls, or tariffs, may have an adverse effect on our business, financial condition, and results of operations. For example, in March and April 2025, the U.S. imposed tariffs on, or increased the tariff rates applicable to, imports from many foreign countries. In response to these tariffs, a number of other countries have threatened or implemented retaliatory tariffs on U.S. goods. Political tensions resulting from trade policies could reduce trade volume, investment, technological exchange and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. In April 2026, the U.S. announced the imposition of tariffs on patented pharmaceutical products, and there can be no guarantee that further retaliatory tariffs will not be forthcoming. Further, supply chain disruptions and delays as a result of tariff policies or trade restrictions could also negatively impact our cost of materials and processes. Such changes in political, trade, regulatory, and economic conditions, including U.S. trade policies, could have a material adverse effect on our financial condition or results of operations.

Risks Related to our Indebtedness

Servicing our Loan Agreement and the Convertible Notes will require a significant amount of cash, and we may not have sufficient cash flow to pay our indebtedness.

Our ability to make scheduled payments of the principal of, to pay interest on, or to refinance our indebtedness, including the Loan Agreement and the Convertible Notes, depends on our future performance, which is subject to many factors, including, economic, financial, competitive and others, beyond our control. Additionally, we are liable for the secured obligations pursuant to the Royalty Purchase Agreement. We do not expect our business to be able to generate cash flow from operations in the foreseeable future sufficient to service our debt and make necessary capital expenditures and we may therefore be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance the Loan Agreement, which matures in 2031, as well as the Convertible Notes, will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations and limit our flexibility in planning for and reacting to changes in our business.

Our indebtedness and liabilities could have significant negative consequences for our security holders and our business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;

- limiting our ability to obtain additional financing on acceptable terms or at all;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our business;
- diluting the interests of our existing stockholders as a result of issuing shares of our common stock upon conversion of the Convertible Notes; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

Any of these factors could harm our business, prospects, operating results and financial condition. In addition, if we incur additional indebtedness, the risks related to our business and our ability to service or repay our indebtedness and secured obligations will increase.

We may be unable to raise the funds necessary to repurchase the Convertible Notes for cash following a fundamental change or to pay any cash amounts due upon maturity or conversion of the Convertible Notes, and our other indebtedness may limit our ability to repurchase the Convertible Notes or to pay any cash amounts due upon their maturity or conversion.

Noteholders may, subject to certain limited exceptions, require us to repurchase their Convertible Notes following a fundamental change at a cash repurchase price generally equal to the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date. Upon maturity of the Convertible Notes, we must pay their principal amount and accrued and unpaid interest in cash, unless they have been previously converted, redeemed or repurchased. In addition, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), all conversions of Convertible Notes will be settled partially or entirely in cash. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the Convertible Notes or pay any cash amounts due upon their maturity or conversion. In addition, applicable law, regulatory authorities and the agreements governing our other indebtedness, including the Loan Agreement, may restrict our ability to repurchase the Convertible Notes or to pay any cash amounts due upon their maturity or conversion. Our failure to repurchase Convertible Notes or to pay any cash amounts due upon their maturity or conversion when required will constitute a default under the indenture. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our other indebtedness, including under the Loan Agreement, which may result in that other indebtedness becoming immediately payable in full after any applicable notice or grace periods. We may not have sufficient funds to satisfy all amounts due under the other indebtedness and the Convertible Notes.

The conditional conversion feature of the Convertible Notes, if triggered, may adversely affect our financial condition and results of operations.

In the event the conditional conversion feature of the Convertible Notes is triggered, noteholders will be entitled to convert the Convertible Notes at any time during specified periods at their option. If one or more noteholders elect to convert their notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if noteholders do not elect to convert their notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Convertible Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

The accounting method for the Convertible Notes could adversely affect our reported financial condition and results.

The accounting method for reflecting the Convertible Notes on our balance sheet, accruing interest expense for the Convertible Notes and reflecting the underlying shares of our common stock in our reported diluted earnings per share may adversely affect our reported earnings and financial condition.

In accordance with applicable accounting standards, the Convertible Notes are reflected as a liability on our balance sheets, with the initial carrying amount equal to the principal amount of the Convertible Notes, net of issuance costs. The issuance costs will be treated as a debt discount for accounting purposes, which will be amortized into interest expense over the term of the Convertible Notes. As a result of this amortization, the interest expense to recognize for the Convertible Notes for accounting purposes will be greater than the cash interest payments we will pay on the Convertible Notes, which will result in lower reported income.

In addition, the shares of our common stock underlying the Convertible Notes are reflected in our diluted earnings per share using the "if converted" method. Under that method, if the conversion value of the Convertible Notes exceeds their principal amount for a reporting period, then we will calculate our diluted earnings per share assuming that all of the Convertible Notes were converted at the beginning of the reporting period and that we issued shares of our common stock to settle the excess. The after-tax interest expense associated with the Convertible Notes will not be added back to the numerator of the diluted earnings per share calculation for these purposes. However, if reflecting the Convertible Notes in diluted earnings per share in this manner is anti-dilutive, or if the conversion value of the Convertible Notes does not exceed their principal amount for a reporting period, then the shares of our common stock underlying the Convertible Notes will not be reflected in our diluted earnings per share. The application of the if-converted method may reduce our reported diluted earnings per share, and accounting standards may change in the future in a manner that may adversely affect our diluted earnings per share.

Furthermore, if any of the conditions to the convertibility of the Convertible Notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the Convertible Notes as a current, rather than a long-term, liability. This reclassification could be required even if no holders of Convertible Notes convert their Convertible Notes and could materially reduce our reported working capital.

Conversions of the Convertible Notes could impair our financial position and liquidity.

Unless we elect to deliver solely shares of our common stock to settle conversions of the Convertible Notes (other than paying cash in lieu of delivering any fractional share), we must settle at least a portion of our conversion obligation in cash, and therefore, conversions of the Convertible Notes could materially and adversely affect our financial position and liquidity. Before January 1, 2032, noteholders will have the right to convert their notes only upon the occurrence of certain events. From and after January 1, 2032, noteholders may convert their notes at any time at their election until the close of business on the scheduled trading day immediately before the maturity date. However, many of the conditions that permit the conversion of notes before January 1, 2032 are beyond our control. We could be required to expend a significant amount of cash to settle conversions, which could significantly harm our financial position and liquidity.

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

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During our fiscal quarter ended September 30, 2026, no director or "officer" (as defined in Rule 16a-1(f) under the Exchange Act) of the Company entered into, modified or terminated contracts, instructions or written plans for the purchase or sale of our common stock that are intended to satisfy the affirmative defense conditions specified in Rule 10b5-1(c) under the Exchange Act.

Item 6. Exhibits

See Exhibit Index.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Second Restated Certificate of Incorporation of Zenas BioPharma, Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed on September 16, 2024, File No. 001-42270)
3.2	Amended and Restated Bylaws of Zenas BioPharma, Inc. (incorporated by reference to Exhibit 3.2 to the Form 8-K filed on September 16, 2024, File No. 001-42270)
10.1	First Amendment to Zenas BioPharma, Inc. 2026 Inducement Plan, dated August 5, 2026 (incorporated by reference to Exhibit 4.4 to the Form S-8 filed on September 11, 2026, File No. 333-298894)
10.2†	Letter Agreement, dated August 12, 2026, by and between Zenas BioPharma (USA) LLC and Jennifer Fox
10.3†	Consulting Agreement, dated August 12, 2026, by and between Zenas BioPharma (USA) LLC and Jennifer Fox
31.1†	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2†	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1†*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2†*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS†	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are 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 Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document
104†	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

† Filed herewith.

+ Portions of this exhibit (indicated by asterisks) have been redacted pursuant to Item 601 of Regulation S-K because they are both not material and the registrant customarily and actually treats such information as private or confidential.

* This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent specifically incorporated by reference into such filing.

SIGNATURES

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

Date: November 5, 2026

ZENAS BIOPHARMA, INC.

By: /s/ Leon O. Moulder, Jr.
Name: Leon O. Moulder, Jr.
Title: Chief Executive Officer
(Principal Executive Officer)

By: /s/ Joseph L. Farmer
Name: Joseph L. Farmer
Title: President and Chief Operating Officer
(Principal Financial and Accounting Officer)

CONFIDENTIAL

August 12, 2026

Personal and Confidential

Jennifer Fox
201 E. 87th Street, PHP
NY, NY 10128

Re: Transition Agreement

Dear Jen,

This letter agreement (this "Agreement") confirms our agreement regarding your transition from the role of Chief Financial Officer and Chief Business Officer of Zenas BioPharma (USA) LLC ("Zenas" or the "Company") and your future services as a Strategic Advisor as described below. I appreciate your substantial contributions to the Company, and look forward to your support as a Strategic Advisor.

If this Agreement becomes effective, it will fully supersede all other agreements or understandings between you and the Company relating to your employment, compensation, severance pay, benefits, and equity, including, without limitation, the letter agreement between you and the Company dated September 4, 2024 (the "EA" or "Employment Agreement") except for Sections 9 – 14 of the EA and the definition of "Cause" in the EA (the "Saved Provisions").

Notwithstanding the foregoing, (i) the Confidentiality, Proprietary Rights and Non-Solicitation Agreement dated September 12, 2024 ("CA" or "Confidentiality Agreement"); (ii) any stock option agreements, RSU grant agreements, or other equity award agreements entered into in connection with each of your outstanding equity awards as of the date hereof (collectively, along with the Company's equity incentive plan as may be amended from time to time, the "Equity Documents"); and (iii) the Zenas BioPharma, Inc. form of Indemnification Agreement dated September 12, 2024 (the "Indemnification Agreement") all shall remain in full force and effect in accordance with their terms both during and after your employment with the Company, subject to this Agreement (collectively, along with the Saved Provisions, referred to as the "Preserved Agreements"). This Agreement and the Preserved Agreements set forth all of the contractual rights and obligations between you and the Company, and you shall not be entitled to any other payments, benefits or equity rights except as specifically set forth in said documents.

With those understandings, you and the Company agree as follows:

1. Employment Status; Interim Period; Transition Period; Final Payments; Benefits Cessation:

(a) Employment Status: As discussed, your employment with the Company shall extend until **June 30, 2027**, or such earlier date as your employment ends due to your resignation or a termination for Cause (the "Expiration Date").

(b) Interim Period: Between August 13, 2026 and September 30, 2026 (the "Interim Period"), you agree to continue performing your regular employment responsibilities, transition your working knowledge to others within the Company as further set forth in Section 9 below, and to perform any other duties as the Company's Chief Executive Officer may reasonably request ("Transition Responsibilities"). Your compensation and benefits during the Interim Period shall be the same as they are on August 12, 2026. You acknowledge and agree that, at the end of the Interim Period, you shall be deemed to have resigned from all officer and principal financial and accounting officer positions (and you will be deemed to have resigned from any subsidiary boards).

(c) Transition Period: You shall serve as a Strategic Advisor to the Chairperson of the Board of Directors of Zenas BioPharma, Inc. ("Chair") as of the first business day after the expiration of the Interim Period through the Expiration Date (the "Transition Period"). You shall provide services to the Chair as the Chair may reasonably request and transition your working knowledge as the Company may reasonably request through the Transition Period. As a Strategic Advisor, it is expected that you will collaborate directly with the Chair, respond to phone and email inquiries, join meetings (Zoom/Teams or in person, as reasonably requested by the Company), and engage in other transitional duties as reasonably requested or directed by the Chair. During the Transition Period, (i) you shall continue to be eligible to receive your current base salary, vest in your outstanding equity awards and remain eligible for currently provided Company benefits, provided that (i) you shall cease to accrue any further vacation pay beginning on the first day of the Transition Period and (ii) you shall remain subject to all applicable Company policies. If you resign your employment before June 30, 2027 without the express written agreement of an authorized Company executive, you shall not be eligible for any remaining benefits or payments as set forth herein. For avoidance of doubt, the Company shall have no right to terminate your employment prior to June 30, 2027 except for Cause (as defined in your Employment Agreement).

(d) Final Wage Payments: As of the Expiration Date, your salary shall cease and you will no longer be entitled to the payment of a base salary, bonus or any other form of compensation, except as set forth in this Agreement. On the Expiration Date, the Company shall pay to you all earned but unpaid base salary and accrued but unused vacation up to the Expiration Date. For the sake of clarity, you will not be eligible for a pro rata bonus for 2026 for the period of your employment through the Interim Period, nor for any future performance period.

(e) Expense Reimbursement: The Company will reimburse you for appropriately documented business expenses per Company policy (and approved by the Chair for periods after the date of this Agreement) that you have incurred up to the Expiration Date (unless your employment ends earlier), provided that you submit all documentation of any such expenses within five days of the Expiration Date and in accordance with applicable Company policy (regardless of whether you sign this Agreement).

(f) Benefits Cessation: As of the Expiration Date, any entitlement you have or might have to accrue additional benefits under a Company-provided employee benefit plan, program or practice shall terminate, except as required by law or as otherwise described below. Your rights to benefits, if any, are governed by the terms of the respective benefit plans and programs. The Expiration Date shall be the date of the "qualifying event" under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"). You may, upon timely completion of the required forms, continue your medical and dental insurance coverage to the extent permitted by COBRA (and will receive COBRA information under separate cover).

(g) Unemployment: The Company agrees that if you decide to apply for unemployment compensation benefits, it will not contest your application for such benefit, though it is not the arbiter with respect to same.

(h) Equity: The terms of your equity awards remain governed by the Equity Documents. Your equity awards will continue to vest by providing services under this Agreement, including the Consulting Agreement as described in Section 2(b) below, and shall be eligible to vest on a change in control (subject to and as defined in the Equity Documents) if you are then continuing to provide such services.

2. Consideration; Consulting Agreement: In exchange for, and in consideration of, your execution of and compliance with this Agreement, including the Affirmation attached as Exhibit A (the "Affirmation"), and the Preserved Agreements with the Company, and provided this Agreement becomes effective no later than the Effective Date (as defined in Section 11 below), the Company will (a) provide you with the compensation and benefits set forth in Section 1 above, (b) allow you to look for new employment, including doing so during normal business hours, from and after the date of this Agreement and (c) offer you the Consulting Agreement in the form of Exhibit B contemporaneous with your execution of this Agreement. The effectiveness of the Consulting Agreement shall be subject to the Affirmation becoming effective no later than the Affirmation Effective Date (as defined in Section 5 of the Affirmation set forth in Exhibit A hereof) and also to your continued employment with the Company to June 30, 2027 in accordance with the terms and conditions of this Agreement. Your immediate commencement of your service to the Company as a Consultant pursuant to the Consulting Agreement following the termination of your employment on June 30, 2027 shall result in the continuation of your service relationship with the Company pursuant to the Equity Documents (as defined below) and therefore equity rights previously granted to you pursuant to the Equity Documents shall continue to vest during the period where you serve as a Consultant pursuant to the Consulting Agreement. The Consulting Agreement specifies

your continued duties as a Strategic Advisor to the Chairperson of the Board of Directors of Zenas BioPharma, Inc. and a term from July 1, 2027 through December 31, 2027, to be automatically extended for one year to December 31, 2028 unless either party provides prior written notice of termination per the terms of the Consulting Agreement.

You expressly acknowledge and agree that you are not otherwise entitled to the payments and benefits provided to you in Section 2 and such payments and benefits are being given to you solely in exchange for your promise to be bound by the terms of this Agreement. For the avoidance of doubt, the Consideration in this Agreement supersedes the post-employment payments and benefits provided in your EA, including any right to salary and benefits continuation.

3. Taxes; Code Section 409A:

(a) Except as noted herein, all payments set forth in this Agreement shall be subject to all applicable federal, state and/or local withholding and/or payroll taxes, and the Company may withhold from any amounts payable to you (including any amounts payable pursuant to this Agreement) in order to comply with such withholding obligations. The Company shall undertake to make deductions, withholdings and tax reports with respect to the payments and benefits under this Agreement to the extent that it reasonably and in good faith determines that it is required to make such deductions, withholdings and tax reports. Payments under this Agreement shall be in amounts net of any such deductions or withholdings. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate you for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

(b) Neither the Company nor you shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A of the Internal Revenue Code of 1986, as amended. The Company makes no representation or warranty and shall have no liability to you or any other person if any provision of this Agreement is determined to constitute deferred compensation subject to Section 409A, but do not satisfy an exemption from, or the conditions of, Section 409A.

4. General Release of Claims; Accord and Satisfaction:

(a) General Release: In exchange for the amounts described in Section 2, and other good and valuable consideration, the receipt of which you hereby acknowledge, you and your representatives, agents, estate, heirs, successors and assigns ("You"), absolutely and unconditionally hereby release, discharge, and hold harmless the Released Parties (defined in Section 4(g) below), from any and all actions or causes of action, suits, claims, complaints, contracts, liabilities, agreements, promises, torts, debts, damages, controversies, judgments, rights and demands, whether existing or contingent, known or unknown, suspected or unsuspected, arising on or before the Effective Date (the "Claims").

This general release includes, without limitation, any and all Claims arising out of or in connection with:

(i) your employment, your EA, the change in employment status, and/or scheduled termination of employment with the Company. In this regard, you specifically waive all rights to severance payments and benefits as set forth in Section 8 of your EA;

(ii) any federal, state or local law, constitution or regulation regarding either employment, employment benefits, or employment discrimination and/or retaliation including, without limitation, the National Labor Relations Act, as amended; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000e et seq.; Sections 1981 through 1988 of Title 42 of the United States Code, as amended; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. 1001 et seq.; the Workers Adjustment and Retraining Notification Act, 29 U.S.C. Section 2101 et seq.; the Immigration Reform and Control Act, as amended; the Americans with Disabilities Act of 1990, as amended; the Occupational Safety and Health Act, as amended; the Consolidated Omnibus Budget Reconciliation Act, as amended; the Age Discrimination in Employment Act and Older Workers Benefit Protection Act (29 U.S.C. § 621 et seq.); and laws relating to family and medical leave, retaliation, discrimination on the basis of race, color, religion, creed, sex, sex harassment, sexual orientation, marital status, pregnancy, national origin, ancestry, handicap, disability, genetic carrier status, veteran's status, alienage, blindness, present or past history of mental disorders or physical disability, candidacy for or activity in a general assembly or other public office, constitutionally protected acts of speech,

whistleblower status, membership in any organization engaged in civil defense, veteran's status, any military service, application for military service, or any other federal, state or local civil or human rights law or any other local, state or federal law, regulation or ordinance;

(iii) any New York state or local laws respecting employment, including but not limited to, the New York State Human Rights Law, the New York Labor Law (including but not limited to the New York State Worker Adjustment and Retraining Notification Act, the Retaliatory Action by Employers Law, all provisions prohibiting discrimination and retaliation, and all provisions regulating wage and hour and paid sick leave requirements), the New York State Civil Rights Law, Section 125 of the New York Workers' Compensation Law, Article 23-A of the New York Correction Law, the New York City Human Rights Law (as amended by the New York City Pregnant Fairness Act, and the New York City Earned Safe and Sick Time Act, in each case including any amendments and their respective implementing regulations, and any other state or local laws respecting employment; any Massachusetts state or local laws respecting employment, including but not limited to, the Massachusetts Wage Payment Act, M.G.L. c. 149 §148, the Massachusetts Minimum Fair Wages Act, M.G.L. c. 151 § 1 et. seq., the Massachusetts Fair Employment Practices Act, M.G.L. c. 151B et seq., the Massachusetts Parental Leave Law, M.G.L. c. 149, §105D, the Massachusetts Civil Rights Act, M.G.L. c. 12, §11H et seq., as amended, the Massachusetts Equal Rights Act, c. 93, §102 et seq., as amended, the Massachusetts Equal Pay Act, M.G.L. c. 149 §105A et seq., as amended, the Massachusetts law against sexual harassment, M.G.L. c. 214 §1C et seq., as amended, the Massachusetts law against retaliation, M.G.L. c. 19C, §11 et seq., as amended, the Massachusetts Privacy Statute, M.G.L. c. 214 § 1B, the Massachusetts Small Necessities Leave Act, M.G.L. c. 149, §52D, the Massachusetts Paid Family Medical Leave Act, M.G.L. c. 175M, as well as any state or local laws respecting employment, including but not limited to all as amended. Please note that this Section 4 specifically includes a waiver and release of Claims that You have or may have regarding payments or amounts covered by the Massachusetts Wage Act and Massachusetts Minimum Fair Wages Act (including, for instance, hourly wages, salary, overtime, minimum wages, commissions, vacation pay, holiday pay, sick leave pay, dismissal pay, bonus pay or severance pay), as well as Claims for retaliation under these Acts;

(iv) breach of contract or breach of the implied covenant of good faith and fair dealing;

(v) any Massachusetts (or any other state) or federal statute, regulation or executive order (as amended through the Effective Date) relating to whistleblower protections, violation of public policy, or any other form of retaliation or wrongful termination, or intentional or negligent infliction of emotional distress, negligent misrepresentation, intentional misrepresentation, fraud, defamation, promissory estoppel, false light invasion of privacy, conspiracy, violation of public policy; and

(vi) any other tort, statutory or common law cause of action.

(b) No Claims Through Others: You further agree to release and discharge the Released Parties from any and all claims which might be made by any other person or organization on your behalf and you specifically waive any right to become, and promise not to become, a member of any class in a case in which a claim or claims against the Company are made involving any matters subject to release pursuant to Sections 4(a) and (e).

(c) Interpretation: The foregoing general release-of-claims provisions shall be given the broadest possible interpretation permitted by law. The listing of specific claims shall not be interpreted to exclude any other claims not specifically listed therein.

(d) Accord and Satisfaction: The payments set forth in Sections 1 and 2 shall be complete and unconditional payment, settlement, accord and/or satisfaction with respect to all obligations and liabilities of the Released Parties to You including, without limitation, all claims for back wages, salary, vacation pay, sick pay, bonuses, commissions, bonuses or other incentive compensation, severance pay, any and all other forms of compensation or benefits, attorney's fees, or other costs or sums.

(e) ADEA/OWBPA Release: You are hereby informed that you have or might have specific rights and/or claims under the Age Discrimination in Employment Act (ADEA) and the Older Workers Benefit Protection Act (OWBPA), and you agree and understand that:

(i) In consideration for the amounts described in Section 2, which you are not otherwise entitled to receive, you specifically waive such rights and/or claims under the ADEA and OWBPA to the extent that such rights and/or claims arose prior to or on the date this Agreement was executed;

(ii) You understand that rights or claims under the ADEA and OWBPA which may arise after the date this Agreement is executed are not waived by you;

(iii) You acknowledge that you have been advised of your right to consult with your counsel of choice prior to executing this Agreement, that you have twenty-one (21) days to review this Agreement and consider its terms before signing it, that this 21-day review period will not be extended by any changes made to this Agreement, and you have not been subject to any undue or improper influence interfering with the exercise of your free will in deciding whether to consult with counsel;

(iv) You have carefully read and fully understand all of the provisions of this Agreement, you knowingly and voluntarily agree to all of the terms set forth in this Agreement, and you acknowledge that in entering into this Agreement, you are not relying on any representation, promise or inducement made by the Company or its attorneys with the exception of those promises contained in this document; and

(v) You may revoke this Agreement for a period of seven (7) days following your execution hereof and all rights and obligations of both parties under this Agreement shall not become effective or enforceable until the seven (7) day revocation period has expired. Please see Section 11 for more details.

(f) Exclusions: Excluded from the General Release in Section 4(a) are:

(i) any claims or rights that cannot be waived by law, including your right to file a charge with a government or regulatory agency, entity, or official or self-regulatory organization ("Government Agencies"), or assist or participate in any agency investigation, hearing or proceeding. You, however, are waiving your right to recover money from the Released Parties regarding any such agency charge or investigation, hearing or proceeding. You also are waiving your right to recover any money from the Released Parties in connection with a charge filed by any other individual or individuals, or by any Government Agency, on your behalf, except as permitted by applicable law or as prescribed by any specific Government Agency (e.g., the Securities and Exchange Commission ("SEC"), the Equal Employment Opportunity Commission, the New York State Division of Human Rights, the attorney general, or any local commission on human rights). While this Agreement does not limit your right to receive an award for information provided to the SEC or another federal or state agency, you understand and agree that, you are otherwise waiving, to the fullest extent permitted by law, any and all rights you may have to individual relief based on any Claims that you have released and any rights you have waived by signing this Agreement.

Nothing in this Agreement, the EA, the CA or the Consulting Agreement shall: (i) prohibit or restrict you from communicating directly with, cooperating with, initiating, testifying in, providing or causing to be provided information to, or otherwise assisting in an investigation (including complying with a subpoena) by a Government Agency regarding a possible violation of any law, rule, or regulation, or responding to any inquiry or legal process directed to you individually (and not directed to the Company and/or its subsidiaries) from any such Government Agency, including an inquiry about the existence of this Agreement or its underlying facts or circumstances; (ii) waive any rights you may have under Section 7 of the National Labor Relations Act subject to the release of claims set forth herein, or the federal Speak Out Act (Public Law No.: 117-224); (iii) affect your right to enforce the terms of this Agreement, or to challenge the ADEA/OWBPA release; (iv) affect your right to apply for unemployment compensation, Medicaid, or other public benefits to which you may be entitled, or to disclose any facts necessary to receive the foregoing; (v) restrict or impede you from speaking with any Government Agency, or attorney retained by you, regarding factual information related to future claims of unlawful discrimination, harassment, or retaliation occurring after the Effective Date; or (vi) require you to obtain prior authorization from the Released Parties before engaging in any conduct described in sections (i)-(ii), (iv) and (v) of this paragraph, or to notify the Released Parties that you have engaged in any such conduct.

(ii) your right to enforce the terms of this Agreement, including but not limited to rights under the Preserved Agreements; or to challenge the ADEA/OWBPA release;

(iii) your right to apply for unemployment compensation.

Further, this Agreement does not abrogate your existing rights under any Company ERISA benefit plan or the Equity Documents; however, it does waive, release and forever discharge Claims existing as of the date you execute this Agreement pursuant to any such plan or the Equity Documents.

(g) Definition of Released Parties: As used in this Agreement, "Released Parties" shall mean: (i) the Company; (ii) all of the Company's past, present, and future subsidiaries, parents, affiliates and divisions; (iii) all of the Company's successors and/or assigns, as well as legal representatives; (iv) all of the Company's past, present, and future officers, directors, managers, employees, shareholders, owners, attorneys, agents, insurers, employee benefit plans (including such plans' administrators, trustees, fiduciaries, record-keepers, and insurers), and legal representatives (all individually, in their capacity acting on the Company's behalf, and in their official capacities); and (v) all persons acting by, through, under, or in concert with any of the entities or persons listed in subsections (i)-(iv).

(h) Company Representation. The Company represents and warrants to you that it is unaware of any claim due to your action or inaction in the performance of your duties as Chief Financial Officer and Chief Business Officer prior to the date of this Agreement.

5. Covenant Not to Sue: A "covenant not to sue" is a legal term that means you promise not to file a lawsuit in court. It is different from the release of claims in Section 4. Besides waiving and releasing the claims covered by Section 4, you agree never to sue the Released Parties in any forum based on the claims, laws or theories covered by the release language in Section 4. You represent and warrant that you have not filed any complaints, charges, or claims for relief against the Released Parties with any local, state or federal court or administrative agency, with the sole exception of your right to pursue a state unemployment claim. Notwithstanding this Covenant Not To Sue, you may bring a claim as permitted in Section 4(f). Except as set forth in Section 4(f) or as permitted pursuant to this Section 5, if you institute any other action, that claim shall be dismissed upon the presentation of this Agreement and you shall reimburse the Company for all legal fees and expenses incurred in defending such claim and obtaining its dismissal, unless prohibited by law.

6. Company Property: No later than the Separation Date, you agree to return to the Company all Company property and materials, including tangible copies of trade secrets and confidential information, and any and all other information or property previously or currently held or used by you that is or was related to your employment with the Company ("Property"). If you discover any other Property, including any proprietary materials, in your possession after the Separation Date, you immediately will notify the Company and arrange for their prompt return. You also must delete and finally purge any duplicates of files or documents that may contain Company information from any non-Company computer or other device that remains in your possession after the Separation Date. Failure to return immediately any such materials will be considered a breach of this Agreement.

7. No Liability or Wrongdoing: You understand and agree that the release and accord and satisfaction provisions set forth in Section 4 constitute a final compromise of the claims released thereby, and is not an admission by the Released Parties that any such claims exist and/or of liability by the Released Parties with respect to such claims. Nothing in this Agreement, nor any of the proceedings connected with it, is to be construed as, offered as, received as, or deemed to be evidence of an admission by the Released Parties of any liability or unlawful conduct whatsoever, and each of the Released Parties expressly deny any such liability or wrongdoing.

8. Future Conduct:

(a) Employee Confidentiality and Proprietary Rights Agreement (the "CA"): You agree that your compliance with your ongoing obligations (which include your compliance with the CA) are a material term hereof and a condition of the Company providing you the benefits under this Agreement and the Consulting Agreement. For avoidance of doubt, the CA shall not be violated by (1) general advertising or solicitation not specifically targeted at Company-related persons or entities or (2) you serving as a reference, upon request, for any employee of the Company, other than such a reference to a company with whom you are then affiliated. **For avoidance of doubt, nothing herein shall prohibit or bar you from providing truthful testimony in any legal proceeding or in communicating with any Government Agencies or representative or from making any truthful disclosure required, authorized or permitted under law, or from exercising your rights under applicable law (including pursuant to the federal**

Speak Out Act or New York General Obligations Law § 5-336); *provided, however*, that in providing such testimony or making such disclosures or communications, you will use your best efforts to ensure that this Section is complied with to the maximum extent possible.

(b) Advance Notice: Except as set forth in Section 4(f) or as otherwise permitted by applicable law you agree to give reasonable notice to the Company of any and all attempts by third parties to compel disclosure of any confidential information (as referred to in your CA), the terms of this Agreement, or to require you to testify in any matter concerning the Company, this Agreement and/or the Released Parties. Please direct such notice in writing to the Company's Chief Legal Officer at least ten business days before compliance with any subpoena or order; if the subpoena or order requires compliance within less than ten business days, however, you shall provide such written notice, or if impractical, shall provide telephonic notice, within five business days after receiving notice that an attempt will be or has been made to compel your testimony or your disclosure of the Company's confidential information.

(c) Breach; Remedies: If you materially breach this Agreement or any other agreement referenced herein, you agree that: (i) the Company shall be relieved of its obligations to make any further payments to you under Section 2, including continued vesting of equity awards after the date of the material breach; and (ii) the Company shall be entitled to recover its attorneys' fees and costs incurred in enforcing its rights under this Agreement should it prevail in any such action and you are found not to have acted in good faith, to the extent such recovery is not prohibited by law. This Agreement in all other respects, including, but not limited to, the release provision in Section 4, shall remain in full force and effect. The remedies in this Section shall be in addition to, and not as an alternative to, any other available remedies.

9. Cooperation: You agree to cooperate fully with the Company's employees and business partners in completely transitioning your work as the Company may designate. In this regard, you agree to be available for reasonable periods of time (at mutually convenient times, considering your own commitments), either by telephone, videoconference, or, if you and the Company believe necessary, in person upon reasonable notice, to assist with matters relating to work performed by you on the Company's behalf. In addition, you agree to cooperate with the Company and its attorneys at reasonable times and places in the prosecution and/or defense of any legal action wherein the Company is a party, as well as with respect to any investigation and/or audit regarding matters about which you may have knowledge. Such cooperation includes, but is not limited to, meeting with the Company's attorneys at reasonable times and places to discuss your knowledge of pertinent facts, appearing as required at deposition, arbitration, trial or other proceeding to testify as to those facts, and testifying truthfully to the best of your abilities at any such proceeding. The Company shall reimburse you for any reasonable and approved out-of-pocket travel-related costs and expenses you incur in connection with such cooperation.

10. Representations and Governing Law:

(a) Entire Agreement; Amendment; Waiver; Construction of Agreement: This Agreement and the Preserved Agreements set forth the complete and sole agreement between the parties and supersede any and all other agreements or understandings, whether oral or written, express or implied. This Agreement may not be changed or rescinded except upon the express written consent of both you and an authorized Company officer. Any waiver of any provision of this Agreement shall not constitute a waiver of any other provision of this Agreement unless expressly so indicated otherwise. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for or against either party.

(b) Governing Law; Arbitration of Claims: This Agreement shall be deemed to be made and entered into in the State of New York. This Agreement and any claims arising out of this Agreement (or any other claims arising out of the relationship between the parties) shall be governed by and construed in accordance with the laws of the State of New York and shall in all respects be interpreted, enforced and governed under the internal and domestic laws, without giving effect to the principles of conflicts of laws of such State. Section 12 of your EA governs the resolution of disputes (and any dispute with respect to this Agreement shall be deemed to be "arising out of or relating to your employment" and, as such, shall be subject to Section 12 of your EA.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(c) Severability: If any provision of this Agreement, or part thereof, is held invalid, void or voidable as against public policy or otherwise, the invalidity shall not affect other provisions, or parts thereof, which may be given effect without the invalid provision or part. To this extent, the provisions, and parts thereof, of this Agreement are declared to be severable.

(d) Assignment: You shall not assign this Agreement; the Company may assign this Agreement. The benefits of this Agreement shall inure to the successors and assigns of the Company and the Released Parties and to your successors.

(e) Acknowledgment of Company's Compliance with Applicable Law: You represent that:

(i) you have not been subject to any retaliation or any other form of adverse action by the Released Parties for your exercise of, or attempt to exercise, any statutory rights recognized under federal, state or local law;

(ii) you have been paid all unpaid wages and accrued unused vacation;

(iii) the Released Parties have satisfied in full all obligations they ever had regarding leaves of absence and other time off of any kind (including, but not limited to, short-term disability leave, family medical leave, military leave, vacations, meal and rest periods, sick and personal days, and personal leave), and you have not suffered any adverse employment action as a result of seeking or taking any such leave of absence or time off; and

(iv) you have no known workplace injuries or occupational diseases, have not sustained any disabling injury and/or occupational disease that have resulted in a loss of wage-earning capacity during your employment, and have no personal injury and/or occupational disease that has been contributed to, or aggravated or accelerated in a significant manner by, your employment or separation from employment.

(f) Counterparts: This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which will be deemed one and the same instrument. This Agreement may be executed by facsimile or electronic signature, and any such signature by any party shall be deemed to be an original signature and shall be binding on such party to the same extent as if such facsimile signature were an original signature.

11. Review Period; Expiration of this Offer: As set forth in Section 4(e)(iii), you understand and acknowledge that you have been given the opportunity, if you so desire, to consider this Agreement for up to twenty-one (21) days from your receipt of this Agreement before signing it (the "Consideration Period"). In signing this Agreement, you acknowledge that you have knowingly and voluntarily entered into this Agreement. To accept this Agreement, you must return a signed original or a signed PDF copy of this Agreement so that it is received by me **before the expiration of the Consideration Period.**

Notwithstanding the foregoing, if you materially breach any of the conditions of the Agreement within the Consideration Period, the offer of this Agreement may be withdrawn, and your execution of the Agreement will not be valid. For the period of seven (7) days from the date when you sign this Agreement, you have the right to revoke this Agreement by written notice to me (the "Revocation Period"). This Agreement shall become effective on the first business day following the expiration of the Revocation Period (the "Effective Date"). You acknowledge that you have been advised by the Company to review this Agreement with counsel before entering into it.

Sincerely,

Zenas BioPharma (USA) LLC

_____

By: Leon O. Moulder, Jr.
Title: Chief Executive Officer

PLEASE REVIEW CAREFULLY

THIS AGREEMENT HAS A RELEASE OF CERTAIN LEGAL RIGHTS YOU MAY HAVE. YOU SHOULD CONSULT WITH AN ATTORNEY REGARDING THE RELEASE AND OTHER ASPECTS OF THIS AGREEMENT BEFORE SIGNING IT.

YOU UNDERSTAND THAT BY SIGNING THIS AGREEMENT, YOU ARE EXPRESSLY WAIVING ANY AND ALL RIGHTS TO A TRIAL OR HEARING BEFORE A JURY FOR ANY AND ALL DISPUTES AND CLAIMS RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED THEREBY, AND/OR THE EMPLOYMENT RELATIONSHIP.

YOUR EMPLOYMENT BY THE COMPANY WILL BE TERMINATING. IF YOU DO NOT ACCEPT THIS AGREEMENT, YOU WILL NOT RECEIVE THE PAYMENTS OR OTHER BENEFITS IN SECTION 2.

YOU REPRESENT THAT YOU HAVE READ THE FOREGOING AGREEMENT, FULLY UNDERSTAND ITS TERMS AND CONDITIONS, AND VOLUNTARILY ARE EXECUTING IT.

IN ENTERING INTO THIS AGREEMENT, YOU DO NOT RELY ON ANY REPRESENTATION, PROMISE OR INDUCEMENT MADE BY THE RELEASED PARTIES WITH THE EXCEPTION OF THE CONSIDERATION IN THIS DOCUMENT.

ACCEPTED:

_____ Date: _____

Jennifer Fox

EXHIBIT A

AFFIRMATION UPDATING RELEASE OF CLAIMS

TO BE SIGNED NO EARLIER THAN SEPTEMBER 30, 2026

I, Jennifer Fox, hereby acknowledge and certify that I entered into the transition letter agreement with the Company as of August 12, 2026 (the "Agreement") with Zenas BioPharma (the "Company"). Pursuant to that Agreement, I am required to execute this affirmation, which updates and affirms all of my obligations and agreements, including, without limitation, the release of claims in Section 4 of the Agreement (this "Affirmation") in order to receive the benefits in Section 2 of the Agreement. I, therefore, agree as follows:

1. A blank copy of this Affirmation was attached to the Agreement as Exhibit A. I hereby certify and acknowledge that I received the Agreement and this Affirmation at least 21 days before I was required to sign them. The Company has advised me to consult an attorney prior to signing this Affirmation.

2. Pursuant to my obligations as set forth in the Agreement and in exchange for the consideration in Section 2 of the Agreement, I hereby reaffirm, restate, and update in its entirety, the provisions of my Agreement, including (without limitation) the release of claims contained in Section 4 of that Agreement. As a result, I understand and agree that the provisions of such Agreement, including the release of claims shall be fully effective up to and through the date of my execution of this Affirmation of Separation Agreement.

3. In Section 4(e) of the Agreement, the Company made a number of disclosures to me regarding my rights under the Age Discrimination in Employment Act (the "ADEA"). I understand that in signing this Affirmation in consideration for the amounts described in Section 2 of the Agreement, I am specifically waiving such rights and/or claims under the ADEA to the extent that such rights and/or claims arose prior to or on the date that the Affirmation is executed by me. I also make the following acknowledgements and representations:

   i. I understand that rights or claims under the ADEA which may arise after the date this Affirmation is executed are not waived by me;

   ii. I acknowledge that I have been advised that I should consult with my counsel of choice prior to executing this Affirmation, that I have had at least twenty-one (21) days to review this Affirmation and consider its terms before signing it, and I have not been subject to any undue or improper influence interfering with the exercise of my free will in deciding whether to consult with counsel;

   iii. I have carefully read and fully understand all of the provisions of this Affirmation, I knowingly and voluntarily agree to all of the terms set forth in this Affirmation, and I acknowledge that in entering into this Affirmation, I am not relying on any representation, promise or inducement made by the Company or its representatives with the exception of those promises contained in the Affirmation and the Agreement; and

   iv. I understand that I may revoke this Affirmation for a period of seven (7) days following my execution hereof. I further understand that this Affirmation shall not become effective or enforceable until the seven (7) day revocation period has expired (i.e., on the eighth day following my execution of it). If I wish to revoke the Affirmation, I must provide written notice of my revocation to the Company on or before the seventh day following my execution of it.

4. I have carefully read and fully understand all of the provisions of this Affirmation, I knowingly and voluntarily agree to all of the terms set forth in this Affirmation, and I acknowledge that in entering into this Affirmation, I am not relying on any representation, promise or inducement made by the

Company or its representatives with the exception of those promises contained in the Affirmation and the Agreement; and

5. I agree that this Affirmation is part of the Agreement and shall become effective on the eighth day following my execution of it (the "Affirmation Effective Date").

_____
Jennifer Fox

Date: _____, 2026

EXHIBIT B

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (together with the attached Business Terms Exhibit, the "Consulting Agreement"), is made as of August 12, 2026 and will be effective on July 1, 2027, subject to the terms and conditions of this Consulting Agreement (the "Effective Date") by and between Zenas BioPharma (USA) LLC, a Delaware limited liability company ("Zenas" or the "Company"), and Jennifer Fox ("Consultant" or "you"). Zenas desires to have the benefit of Consultant's knowledge and experience, and Consultant desires to provide services to Zenas, all as provided in this Agreement. Zenas and Consultant are referred to herein collectively as the "Parties" and individually as a "Party". Defined terms used herein that are not defined herein shall have the meaning ascribed thereto in the letter agreement between the Parties dated as of the date hereof (the "Agreement").

1. Condition to Effectiveness. The effectiveness of this Consulting Agreement is contingent on the Affirmation becoming effective no later than the Affirmation Effective Date and also to your continued employment with the Company to June 30, 2027 in accordance with the terms and conditions of the Agreement. Should the Consulting Agreement become effective, your immediate commencement of your service to the Company as a Consultant pursuant to the Consulting Agreement following the termination of your employment on June 30, 2027 shall result in the continuation of your service relationship with the Company pursuant to the Equity Documents and therefore equity rights previously granted to you pursuant to the Equity Documents shall continue to vest during the period where you serve as a Consultant pursuant to the Consulting Agreement.

2. Consulting Services. Zenas retains Consultant, and Consultant agrees to provide, consulting and advisory services to Zenas as Zenas may from time to time reasonably request and as specified in the attached Business Terms Exhibit (the "Consulting Services"). Any changes to the Consulting Services must be agreed to in writing between Consultant and Zenas prior to implementation of the changes.

3. Compensation. As full consideration for Consulting Services provided under this Consulting Agreement, Consultant will continue to vest in equity rights previously granted to you as specified in Section 1 above as provided for in the Agreement, but will not be entitled to new equity grants. The Company agrees and acknowledges that Ms. Fox's transition from being an employee under the Agreement to an independent contractor pursuant to this Consultant Agreement shall not affect the continuation of the Parties' service relationship for purposes of Consultant's previously granted equity rights.

4. Expenses. All expenses relating to the Consulting Services, if any, are to be borne by Consultant in exchange for the Compensation and will not be reimbursed by Zenas unless otherwise agreed to in writing by Zenas in advance. If Zenas agrees to reimburse Consultant for any reasonable, necessary, and prior-approved out-of-pocket expenditures, that are incurred directly in connection with the Consulting Services and are in accordance with Zenas's travel and expense policy for non-employee travel, the actual costs will be passed through to Zenas with no markup.

5. Performance. Consultant agrees to provide the Consulting Services to Zenas in accordance with all applicable laws and regulations and the highest professional standards. Consultant represents and covenants that Consultant has not been, and is not under consideration to be (a) debarred from providing services pursuant to Section 306 of the United States Federal Food Drug and Cosmetic Act, 21 U.S.C. § 335a; (b) excluded, debarred or suspended from, or otherwise ineligible to participate in, any federal or state health care program or federal procurement or non-procurement programs (as that term is defined in 42 U.S.C. § 1320a-7b(f)); (c) disqualified by any government or regulatory agencies from performing specific services, and is not subject to a pending disqualification proceeding; or (d) convicted of a criminal offense related to the provision of health care items or services, or under investigation or subject to any such action that is pending.

6. Compliance with Obligations to Third Parties. Consultant represents and warrants to Zenas that the terms of this Consulting Agreement and Consultant's performance of Consulting Services do not and will not conflict with any of Consultant's obligations to any third parties. Consultant agrees not to use any trade secrets or other confidential information of any other person, firm, corporation, institution or other third party in connection with any of the Consulting Services. Consultant agrees not to make any use of any funds, space, personnel, facilities, equipment or other resources of a third party in performing the Consulting Services, nor take any other action that would result in a third party asserting ownership of, or other rights in, any Work Product (defined below), unless agreed upon in writing in advance by Zenas.

7. Work Product. Consultant will promptly and fully disclose in confidence to Zenas and its affiliates all inventions, discoveries, improvements, ideas, concepts, designs, processes, formulations, products, computer programs, works of authorship, databases, mask works, processes, methodologies, trade secrets, know-how, information, data, documentation, reports, research, creations, copyrights, derivative works and copyrightable works, and other products arising from or made in the performance of (solely or jointly with others) the Consulting Services (whether or not patentable or subject to copyright or subject to trade secret protection) (collectively, the "Work Product"). Consultant will assign and does hereby assign to Zenas and its affiliates all rights, in the United States and throughout the world, whether existing under statute or at common law or equity, now or hereafter in force or recognized to Work Product. Consultant will keep and maintain adequate and current written records of all Work Product, and such records will be available to and remain the sole property of Zenas at all times. For purposes of the copyright laws of the United States, Work Product shall be considered specifically ordered for Zenas and its affiliates, and constitute "works made for hire" under the United States Copyright Laws (17 U.S.C. § 101 et seq., and any amendments) or similar law of any other jurisdiction, except to the extent such Work Product cannot by law be "works made for hire." If for any reason Work Product cannot by law be "works made for hire," Consultant will assign and does hereby assign all right, title, and interest in the Work Product to Zenas and its affiliates in perpetuity. Consultant represents and covenants that Consultant has and will have the right to transfer and assign to Zenas ownership of all Work Product. Consultant will execute all documents, and take any and all actions needed, all without further consideration, in order to confirm Zenas's rights as outlined above. In the event that Consultant should fail or refuse to execute such documents within a reasonable time, Consultant appoints Zenas as attorney to execute and deliver any such documents on Consultant's behalf.

8. Confidentiality.

8.1 "Confidential Information" means (a) any and all non-public scientific, technical, business, regulatory, intellectual property or financial information or data or trade secrets in whatever form (written, oral or visual) that is furnished or made available to Consultant by or on behalf of Zenas, (b) all information contained in or comprised of Zenas Materials (defined below); and (c) all Work Product. Confidential Information is, and will remain, the sole property of Zenas. For avoidance of doubt, Consultant shall be entitled to retain Confidential Information obtained while employed by the Company prior to Effective Date as reasonably required to provide services under this Consulting Agreement.

8.2 Obligations. During and at all times following the Term (as defined below), Consultant agrees to (a) hold in confidence all Confidential Information, and not disclose Confidential Information without the prior written consent of Zenas; (b) use Confidential Information solely in connection with the Consulting Services; (c) treat Confidential Information with no less than a reasonable degree of care; (d) reproduce Confidential Information solely to the extent necessary to provide the Consulting Services, with all such reproductions being considered Confidential Information; and (e) notify Zenas of any unauthorized disclosure of Confidential Information promptly upon becoming aware of such disclosure. Notwithstanding the foregoing, the non-disclosure and non-use obligations imposed by this Consulting Agreement with respect to trade secrets included in the Confidential Information will continue for as long as Zenas continues to treat such Confidential Information as a trade secret. If Consultant is required by a governmental authority or by order of a court of

competent jurisdiction to disclose any Confidential Information, Consultant will give Zenas prompt written notice thereof and Consultant will take all reasonable and lawful actions to avoid or minimize the degree of such disclosure. Consultant will cooperate reasonably with Zenas in any efforts to seek a protective order.

8.3 Exceptions. Consultant's obligations of non-disclosure and non-use under this Agreement will not apply to any portion of Confidential Information that Consultant can demonstrate, by competent proof: (a) is generally known to the public at the time of disclosure or becomes generally known through no wrongful act on the part of Consultant; (b) becomes known to Consultant on a non-confidential basis through disclosure by sources other than Zenas that have no fiduciary, contractual or other legal duty to maintain the confidentiality of such Confidential Information and that have the legal right to disclose such Confidential Information without restriction; or (c) is independently developed by Consultant without reference to or reliance upon Confidential Information and unrelated to the performance of Consulting Services.

8.4 Defend Trade Secrets Act. Zenas provides notice to Consultant that pursuant to the United States Defend Trade Secrets Act of 2016: (a) an individual will not be held criminally or civilly liable under any United States federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (b) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order. In addition, this Agreement does not prohibit Consultant from participating in or cooperating with any government investigation or proceeding, nor does this Agreement restrict Consultant from disclosing Confidential Information to government agencies in a reasonable manner when permitted by applicable state or federal "whistleblower" or other laws.

8.5 Personal Identifiable Information. Notwithstanding anything to the contrary in Section 8, (a) Consultant will not disclose to any third party nor use any protected health information, personal identifiable data, or biological samples of subjects enrolled in clinical studies that are the subject of services, or any other information that could be used to identify an individual (collectively, "Personal Data") except as expressly required in the Consulting Agreement and as long as such disclosure and use is in compliance with applicable law; and (b) such restrictions on the disclosure and use of Personal Data will remain in place for as long as such restrictions are required under applicable law. Zenas's use and disclosure of Personal Data will be in accordance with applicable Laws and regulations and the relevant consent documents.

9. Zenas Materials. Confidential Information of Zenas and its affiliates includes (a) materials, Work Product, intellectual property rights, records , documents, data, compounds, apparatus, equipment and other physical property furnished scientific and medical data, investigator brochures, protocols and correspondence with or from institutional review boards and other entities with oversight responsibilities for clinical studies that are the subject of Consulting Services, including ethics committees and data safety monitoring committees; (b) development and marketing plans, regulatory and business strategies, financial information, and forecasts of Zenas; and (c) all information of third parties that Zenas has an obligation to keep confidential, whether or not, in each case, such materials or information are marked or identified as confidential, furnished or made available by or on behalf of Zenas and its affiliates to Consultant in connection with this Consulting Agreement ("Zenas Materials"). Zenas Materials are and will remain the sole property of Zenas and its affiliates. Consultant will use Zenas Materials only as necessary to perform the Consulting Services and will not transfer or make available to any third party the Zenas Materials without the express prior written consent of Zenas and its affiliates. Consultant will return to Zenas and its affiliates any and all Zenas Materials upon request.

10. Publication; Publicity. Consultant may not publish or refer to Work Product, in whole or in part, without the prior express written consent of Zenas and its affiliates. Consultant will not use the name, logo, trade name, service mark, or trademark, or any other identifiers including but not limited to any simulation, abbreviation, or adaptation of same, or the name of Zenas or any of its affiliates for publicity, promotion, or other uses without Zenas's prior written consent.

11. Notice of Other Service. Consultant shall notify Zenas in writing of any employment or engagement as an independent contractor for any other party after undertaking any such commitment or otherwise commencing any such employment or engagement during the Term, as defined below. Nothing in this Section 11 or otherwise in this Consulting Agreement shall be construed to modify any of Consultant's obligations under any other surviving agreement between Consultant and either Zenas or Zenas BioPharma Inc. For avoidance of doubt, nothing under this Section 11 is intended to in any way prohibit Consultant for seeking and securing other engagements or employment.

12. Expiration/Termination. The term of Zenas's engagement of Consultant pursuant to this Agreement (the "Engagement") will commence on the Effective Date and expire at the end of the period specified in the "Term" Section of Business Terms Exhibit, unless sooner terminated pursuant to the provisions of this Section 12 or extended by mutual written agreement of the parties . Zenas may terminate the Engagement at any time with cause upon not less than ten (10) days' prior written notice to Consultant setting for the basis for a cause termination. Consultant may terminate the Engagement at any time with or without cause upon not less than sixty (60) days' prior written notice to Zenas. Any expiration or other termination of Consultant's services under this CA shall be without prejudice to any obligation of either party that has accrued prior to the effective date of expiration or termination. Upon expiration or other termination of the Term, neither Consultant nor Zenas will have any further obligations under this Consulting Agreement, except that (a) Consultant will terminate all Consulting Services in progress in an orderly manner as soon as practicable and in accordance with a schedule agreed to by Zenas, unless Zenas specifies in the notice of termination that Consulting Services in progress should be completed; (b) Consultant will deliver to Zenas all Work Product made through expiration or other termination of the Term; (c) Zenas will pay Consultant any reimbursement of expenses due and owing Consultant, up to the time of expiration or other termination of the Term, for all authorized expenses actually incurred; (d) Consultant will immediately return to Zenas all Zenas Materials and other Confidential Information and copies thereof provided to Consultant under this Agreement; and (e) the terms, conditions and obligations under Sections 7, 8, 9, 10 and 13.2 to 13.11 inclusive will survive expiration or other termination of the Term.

13. Miscellaneous.

13.1 Independent Contractor. The parties understand and agree that Consultant is an independent contractor and not an agent or employee of Zenas. Consultant has no authority to obligate Zenas by contract or otherwise. Consultant will not be eligible for any employee benefits of Zenas and expressly waives any rights to any employee benefits. Consultant will bear sole responsibility for paying and reporting Consultant's own applicable federal and state income taxes, social security taxes, unemployment insurance, workers' compensation, and health or disability insurance, retirement benefits, and other welfare or pension benefits, if any, and indemnifies and holds Zenas harmless from and against any liability with respect to such taxes, benefits and other matters. Consultant further acknowledges and agrees to the following:

(a) Zenas shall treat payments to Consultant, if any, as Internal Revenue Service Form 1099 income and shall not withhold any employment taxes on Consultant's behalf;

(b) while Consultant will receive instruction on the objects and goals for which Consultant is responsible, Zenas has no right to control the manner in which Consultant performs services under this Agreement and Consultant is free to perform such services in the manner Consultant deems fit; provided that such performance is consistent with recognized standards for performing such services;

(c) Consultant shall not use Zenas's trade names, trademarks, service names or service marks without the prior written approval of the Company; and

(d) if, at any time, Consultant's status with Zenas as an independent contractor changes or Consultant is ever deemed to be an employee of Zenas for any period during the Term, each of the covenants set forth above and this Agreement shall remain in full force and effect in their entirety until and unless replaced with a subsequent and superseding agreement.

13.2 Use of Name. Consultant consents to the use by Zenas of Consultant's name on its website, in press releases, company brochures, offering documents, presentations, reports or other documents in printed or electronic form, and any documents filed with or submitted to any governmental or regulatory agency or any securities exchange or listing entity; provided, that such materials or presentations accurately describe the nature of Consultant's relationship with or contribution to Zenas.

13.3 Entire Agreement. This Consulting Agreement contains the entire agreement of the parties with regard to its subject matter and supersedes all prior or contemporaneous written or oral representations, agreements and understandings between the parties relating to that subject matter; provided that this Consulting Agreement shall not be construed to supersede any ongoing obligations under the CA, the Agreement or under any other agreement or provision that is expressly preserved by the Agreement. This Agreement may be modified only by a writing signed by Consultant and an authorized representative of Zenas.

13.4 Assignment and Binding Effect. The Consulting Services to be provided by Consultant are personal in nature. Consultant may not assign or transfer this Consulting Agreement or assign, transfer or subcontract any of Consultant's rights or obligations under this Consulting Agreement. In no event will Consultant assign or delegate responsibility for actual performance of the Consulting Services to any third party. Zenas may transfer or assign this Consulting Agreement, in whole or in part, without the prior written consent of Consultant. Any purported assignment or transfer in violation of this Section is void. This Consulting Agreement will be binding upon and inure to the benefit of the Parties and their respective legal representatives, heirs, successors and permitted assigns.

13.5 Notices. All notices required or permitted under this Consulting Agreement must be in writing and must be given by directing the notice to the address for the receiving party set forth in this Consulting Agreement or at such other address as the receiving party may specify in writing under this procedure. Notices to Zenas will be marked "Attention: Chairperson of the Board" with a copy to "Attention: Chief Legal Officer". All notices must be given (a) by personal delivery, with receipt acknowledged; (b) by prepaid certified or registered mail, return receipt requested; or (c) by prepaid recognized next business day delivery service. Notices will be effective upon receipt or at a later date stated in the notice.

13.6 Governing Law. This Consulting Agreement and any disputes relating to or arising out of this Consulting Agreement will be governed by, construed, and interpreted in accordance with the internal laws of the State of New York, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The parties agree to submit to the exclusive jurisdiction of the state and federal courts located in the State of New York and waive any defense of inconvenient forum to the maintenance of any action or proceeding in such courts.

13.7 Severability; Reformation. Each provision in this Consulting Agreement is independent and severable from the others, and no provision will be rendered unenforceable because any other provision is found by a proper authority to be invalid or unenforceable in whole or in part. If any provision of this Consulting Agreement is found by such an authority to be invalid or unenforceable in whole or in part, such provision shall be changed and interpreted so as to best accomplish the

objectives of such unenforceable or invalid provision and the intent of the parties, within the limits of applicable law.

13.8 No Strict Construction; Headings. This Consulting Agreement has been prepared jointly and will not be strictly construed against either party. The section headings are included solely for convenience of reference and will not control or affect the meaning or interpretation of any of the provisions of this Consulting Agreement.

13.9 Waivers. Any delay in enforcing a party's rights under this Consulting Agreement, or any waiver as to a particular default or other matter, will not constitute a waiver of such party's rights to the future enforcement of its rights under this Consulting Agreement, except with respect to an express written waiver relating to a particular matter for a particular period of time signed by Consultant or an authorized representative of the waiving party, as applicable.

13.10 Remedies. Consultant agrees that (a) Zenas may be irreparably injured by a material breach of this Consulting Agreement by Consultant; (b) money damages would not be an adequate remedy for any such breach; (c) as a remedy for any such breach Zenas will be entitled to seek equitable relief, including injunctive relief and specific performance, without being required by Consultant to post a bond; and (d) such remedy will not be the exclusive remedy for any breach of this Consulting Agreement.

13.11 Material Nonpublic Information. Consultant hereby acknowledges that it is aware that United States and other applicable securities laws prohibit any person who has material, non-public information about a company from purchasing or selling securities of such company or from communicating such information to any person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. Consultant agrees that it will not use or cause any third party to use, any of Zenas's Confidential Information in contravention of U.S. securities laws.

13.12 Counterparts. This Consulting Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A facsimile or portable document format (".pdf") copy of this Consulting Agreement, including the signature pages, will be deemed an original.

[Signature page immediately follows]

IN WITNESS WHEREOF, each Party has caused this Consulting Agreement to be executed by its duly authorized representative as of August 12, 2026.

Company:

Zenas BioPharma (USA) LLC

/s/ Leon O. Moulder, Jr.

_____
By: Leon O. Moulder, Jr.
Title: Chief Executive Officer

Consultant:

/s/ Jennifer Fox

_____
Jennifer Fox

Consultant will provide the following Consulting Services to Zenas:

Strategic Advisor to the Chairperson of the Board of Directors of Zenas BioPharma, Inc., at such Chairperson's request

Consultant shall perform consulting services at reasonable times consistent with the timely completion of services and with any particular scheduling needs associated with the performance of services, but in no event requiring more than twenty hours of service per month except as otherwise agreed to by the Consultant. Consultant and Zenas shall strive to reach mutual agreement on timing and scheduling. Consultant shall perform consulting services from her residence or other locations of her choosing outside Zenas, except when Zenas reasonably determines that the nature of requested services requires performance of services at a particular location.

Compensation:

As per Consulting Agreement

Term:

The Engagement will begin on July 1, 2027 and will end on December 31, 2027, with such term to be automatically extended as a one-time extension for one year to December 31, 2028 unless either Party, in its sole discretion, for any reason or no reason, notifies the other Party in writing of its intent not to extend the Term no later than 20 business days prior to December 31, 2027, all subject to the terms and conditions of this Consulting Agreement.

Exhibit 10.3

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (together with the attached Business Terms Exhibit, the "Consulting Agreement"), is made as of August 12, 2026 and will be effective on July 1, 2027, subject to the terms and conditions of this Consulting Agreement (the "Effective Date") by and between Zenas BioPharma (USA) LLC, a Delaware limited liability company ("Zenas" or the "Company"), and Jennifer Fox ("Consultant" or "you"). Zenas desires to have the benefit of Consultant's knowledge and experience, and Consultant desires to provide services to Zenas, all as provided in this Agreement. Zenas and Consultant are referred to herein collectively as the "Parties" and individually as a "Party". Defined terms used herein that are not defined herein shall have the meaning ascribed thereto in the letter agreement between the Parties dated as of the date hereof (the "Agreement").

1. Condition to Effectiveness. The effectiveness of this Consulting Agreement is contingent on the Affirmation becoming effective no later than the Affirmation Effective Date and also to your continued employment with the Company to June 30, 2027 in accordance with the terms and conditions of the Agreement. Should the Consulting Agreement become effective, your immediate commencement of your service to the Company as a Consultant pursuant to the Consulting Agreement following the termination of your employment on June 30, 2027 shall result in the continuation of your service relationship with the Company pursuant to the Equity Documents and therefore equity rights previously granted to you pursuant to the Equity Documents shall continue to vest during the period where you serve as a Consultant pursuant to the Consulting Agreement.

2. Consulting Services. Zenas retains Consultant, and Consultant agrees to provide, consulting and advisory services to Zenas as Zenas may from time to time reasonably request and as specified in the attached Business Terms Exhibit (the "Consulting Services"). Any changes to the Consulting Services must be agreed to in writing between Consultant and Zenas prior to implementation of the changes.

3. Compensation. As full consideration for Consulting Services provided under this Consulting Agreement, Consultant will continue to vest in equity rights previously granted to you as specified in Section 1 above as provided for in the Agreement, but will not be entitled to new equity grants. The Company agrees and acknowledges that Ms. Fox's transition from being an employee under the Agreement to an independent contractor pursuant to this Consultant Agreement shall not affect the continuation of the Parties' service relationship for purposes of Consultant's previously granted equity rights.

4. Expenses. All expenses relating to the Consulting Services, if any, are to be borne by Consultant in exchange for the Compensation and will not be reimbursed by Zenas unless otherwise agreed to in writing by Zenas in advance. If Zenas agrees to reimburse Consultant for any reasonable, necessary, and prior-approved out-of-pocket expenditures, that are incurred directly in connection with the Consulting Services and are in accordance with Zenas's travel and expense policy for non-employee travel, the actual costs will be passed through to Zenas with no markup.

5. Performance. Consultant agrees to provide the Consulting Services to Zenas in accordance with all applicable laws and regulations and the highest professional standards. Consultant represents and covenants that Consultant has not been, and is not under consideration to be (a) debarred from providing services pursuant to Section 306 of the United States Federal Food Drug and Cosmetic Act, 21 U.S.C. § 335a; (b) excluded, debarred or suspended from, or otherwise ineligible to participate in, any federal or state health care program or federal procurement or non-procurement programs (as that term is defined in 42 U.S.C. § 1320a-7b(f)); (c) disqualified by any government or regulatory agencies from performing specific services, and is not subject to a pending disqualification proceeding; or (d) convicted of a criminal offense related to the provision of health care items or services, or under investigation or subject to any such action that is pending.

6. Compliance with Obligations to Third Parties. Consultant represents and warrants to Zenas that the terms of this Consulting Agreement and Consultant's performance of Consulting Services do not and will not conflict with any of Consultant's obligations to any third parties. Consultant agrees not to

use any trade secrets or other confidential information of any other person, firm, corporation, institution or other third party in connection with any of the Consulting Services. Consultant agrees not to make any use of any funds, space, personnel, facilities, equipment or other resources of a third party in performing the Consulting Services, nor take any other action that would result in a third party asserting ownership of, or other rights in, any Work Product (defined below), unless agreed upon in writing in advance by Zenas.

7. Work Product. Consultant will promptly and fully disclose in confidence to Zenas and its affiliates all inventions, discoveries, improvements, ideas, concepts, designs, processes, formulations, products, computer programs, works of authorship, databases, mask works, processes, methodologies, trade secrets, know-how, information, data, documentation, reports, research, creations, copyrights, derivative works and copyrightable works, and other products arising from or made in the performance of (solely or jointly with others) the Consulting Services (whether or not patentable or subject to copyright or subject to trade secret protection) (collectively, the "Work Product"). Consultant will assign and does hereby assign to Zenas and its affiliates all rights, in the United States and throughout the world, whether existing under statute or at common law or equity, now or hereafter in force or recognized to Work Product. Consultant will keep and maintain adequate and current written records of all Work Product, and such records will be available to and remain the sole property of Zenas at all times. For purposes of the copyright laws of the United States, Work Product shall be considered specifically ordered for Zenas and its affiliates, and constitute "works made for hire" under the United States Copyright Laws (17 U.S.C. § 101 et seq., and any amendments) or similar law of any other jurisdiction, except to the extent such Work Product cannot by law be "works made for hire." If for any reason Work Product cannot by law be "works made for hire," Consultant will assign and does hereby assign all right, title, and interest in the Work Product to Zenas and its affiliates in perpetuity. Consultant represents and covenants that Consultant has and will have the right to transfer and assign to Zenas ownership of all Work Product. Consultant will execute all documents, and take any and all actions needed, all without further consideration, in order to confirm Zenas's rights as outlined above. In the event that Consultant should fail or refuse to execute such documents within a reasonable time, Consultant appoints Zenas as attorney to execute and deliver any such documents on Consultant's behalf.

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8.1 "Confidential Information" means (a) any and all non-public scientific, technical, business, regulatory, intellectual property or financial information or data or trade secrets in whatever form (written, oral or visual) that is furnished or made available to Consultant by or on behalf of Zenas, (b) all information contained in or comprised of Zenas Materials (defined below); and (c) all Work Product. Confidential Information is, and will remain, the sole property of Zenas. For avoidance of doubt, Consultant shall be entitled to retain Confidential Information obtained while employed by the Company prior to Effective Date as reasonably required to provide services under this Consulting Agreement.

8.2 Obligations. During and at all times following the Term (as defined below), Consultant agrees to (a) hold in confidence all Confidential Information, and not disclose Confidential Information without the prior written consent of Zenas; (b) use Confidential Information solely in connection with the Consulting Services; (c) treat Confidential Information with no less than a reasonable degree of care; (d) reproduce Confidential Information solely to the extent necessary to provide the Consulting Services, with all such reproductions being considered Confidential Information; and (e) notify Zenas of any unauthorized disclosure of Confidential Information promptly upon becoming aware of such disclosure. Notwithstanding the foregoing, the non-disclosure and non-use obligations imposed by this Consulting Agreement with respect to trade secrets included in the Confidential Information will continue for as long as Zenas continues to treat such Confidential Information as a trade secret. If Consultant is required by a governmental authority or by order of a court of competent jurisdiction to disclose any Confidential Information, Consultant will give Zenas prompt written notice thereof and Consultant will take all reasonable and lawful actions to avoid or

minimize the degree of such disclosure. Consultant will cooperate reasonably with Zenas in any efforts to seek a protective order.

8.3 Exceptions. Consultant's obligations of non-disclosure and non-use under this Agreement will not apply to any portion of Confidential Information that Consultant can demonstrate, by competent proof: (a) is generally known to the public at the time of disclosure or becomes generally known through no wrongful act on the part of Consultant; (b) becomes known to Consultant on a non-confidential basis through disclosure by sources other than Zenas that have no fiduciary, contractual or other legal duty to maintain the confidentiality of such Confidential Information and that have the legal right to disclose such Confidential Information without restriction; or (c) is independently developed by Consultant without reference to or reliance upon Confidential Information and unrelated to the performance of Consulting Services.

8.4 Defend Trade Secrets Act. Zenas provides notice to Consultant that pursuant to the United States Defend Trade Secrets Act of 2016: (a) an individual will not be held criminally or civilly liable under any United States federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (b) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order. In addition, this Agreement does not prohibit Consultant from participating in or cooperating with any government investigation or proceeding, nor does this Agreement restrict Consultant from disclosing Confidential Information to government agencies in a reasonable manner when permitted by applicable state or federal "whistleblower" or other laws.

8.5 Personal Identifiable Information. Notwithstanding anything to the contrary in Section 8, (a) Consultant will not disclose to any third party nor use any protected health information, personal identifiable data, or biological samples of subjects enrolled in clinical studies that are the subject of services, or any other information that could be used to identify an individual (collectively, "Personal Data") except as expressly required in the Consulting Agreement and as long as such disclosure and use is in compliance with applicable law; and (b) such restrictions on the disclosure and use of Personal Data will remain in place for as long as such restrictions are required under applicable law. Zenas's use and disclosure of Personal Data will be in accordance with applicable Laws and regulations and the relevant consent documents.

9. Zenas Materials. Confidential Information of Zenas and its affiliates includes (a) materials, Work Product, intellectual property rights, records , documents, data, compounds, apparatus, equipment and other physical property furnished scientific and medical data, investigator brochures, protocols and correspondence with or from institutional review boards and other entities with oversight responsibilities for clinical studies that are the subject of Consulting Services, including ethics committees and data safety monitoring committees; (b) development and marketing plans, regulatory and business strategies, financial information, and forecasts of Zenas; and (c) all information of third parties that Zenas has an obligation to keep confidential, whether or not, in each case, such materials or information are marked or identified as confidential, furnished or made available by or on behalf of Zenas and its affiliates to Consultant in connection with this Consulting Agreement ("Zenas Materials"). Zenas Materials are and will remain the sole property of Zenas and its affiliates. Consultant will use Zenas Materials only as necessary to perform the Consulting Services and will not transfer or make available to any third party the Zenas Materials without the express prior written consent of Zenas and its affiliates. Consultant will return to Zenas and its affiliates any and all Zenas Materials upon request.

10. Publication; Publicity. Consultant may not publish or refer to Work Product, in whole or in part, without the prior express written consent of Zenas and its affiliates. Consultant will not use the

name, logo, trade name, service mark, or trademark, or any other identifiers including but not limited to any simulation, abbreviation, or adaptation of same, or the name of Zenas or any of its affiliates for publicity, promotion, or other uses without Zenas's prior written consent.

11. Notice of Other Service. Consultant shall notify Zenas in writing of any employment or engagement as an independent contractor for any other party after undertaking any such commitment or otherwise commencing any such employment or engagement during the Term, as defined below. Nothing in this Section 11 or otherwise in this Consulting Agreement shall be construed to modify any of Consultant's obligations under any other surviving agreement between Consultant and either Zenas or Zenas BioPharma Inc. For avoidance of doubt, nothing under this Section 11 is intended to in any way prohibit Consultant for seeking and securing other engagements or employment.

12. Expiration/Termination. The term of Zenas's engagement of Consultant pursuant to this Agreement (the "Engagement") will commence on the Effective Date and expire at the end of the period specified in the "Term" Section of Business Terms Exhibit, unless sooner terminated pursuant to the provisions of this Section 12 or extended by mutual written agreement of the parties . Zenas may terminate the Engagement at any time with cause upon not less than ten (10) days' prior written notice to Consultant setting for the basis for a cause termination. Consultant may terminate the Engagement at any time with or without cause upon not less than sixty (60) days' prior written notice to Zenas. Any expiration or other termination of Consultant's services under this CA shall be without prejudice to any obligation of either party that has accrued prior to the effective date of expiration or termination. Upon expiration or other termination of the Term, neither Consultant nor Zenas will have any further obligations under this Consulting Agreement, except that (a) Consultant will terminate all Consulting Services in progress in an orderly manner as soon as practicable and in accordance with a schedule agreed to by Zenas, unless Zenas specifies in the notice of termination that Consulting Services in progress should be completed; (b) Consultant will deliver to Zenas all Work Product made through expiration or other termination of the Term; (c) Zenas will pay Consultant any reimbursement of expenses due and owing Consultant, up to the time of expiration or other termination of the Term, for all authorized expenses actually incurred; (d) Consultant will immediately return to Zenas all Zenas Materials and other Confidential Information and copies thereof provided to Consultant under this Agreement; and (e) the terms, conditions and obligations under Sections 7, 8, 9, 10 and 13.2 to 13.11 inclusive will survive expiration or other termination of the Term.

13. Miscellaneous.

13.1 Independent Contractor. The parties understand and agree that Consultant is an independent contractor and not an agent or employee of Zenas. Consultant has no authority to obligate Zenas by contract or otherwise. Consultant will not be eligible for any employee benefits of Zenas and expressly waives any rights to any employee benefits. Consultant will bear sole responsibility for paying and reporting Consultant's own applicable federal and state income taxes, social security taxes, unemployment insurance, workers' compensation, and health or disability insurance, retirement benefits, and other welfare or pension benefits, if any, and indemnifies and holds Zenas harmless from and against any liability with respect to such taxes, benefits and other matters. Consultant further acknowledges and agrees to the following:

(a) Zenas shall treat payments to Consultant, if any, as Internal Revenue Service Form 1099 income and shall not withhold any employment taxes on Consultant's behalf;

(b) while Consultant will receive instruction on the objects and goals for which Consultant is responsible, Zenas has no right to control the manner in which Consultant performs services under this Agreement and Consultant is free to perform such services in the manner Consultant deems fit; provided that such performance is consistent with recognized standards for performing such services;

(c) Consultant shall not use Zenas's trade names, trademarks, service names or service marks without the prior written approval of the Company; and

(d) if, at any time, Consultant's status with Zenas as an independent contractor changes or Consultant is ever deemed to be an employee of Zenas for any period during the Term, each of the covenants set forth above and this Agreement shall remain in full force and effect in their entirety until and unless replaced with a subsequent and superseding agreement.

13.2 Use of Name. Consultant consents to the use by Zenas of Consultant's name on its website, in press releases, company brochures, offering documents, presentations, reports or other documents in printed or electronic form, and any documents filed with or submitted to any governmental or regulatory agency or any securities exchange or listing entity; provided, that such materials or presentations accurately describe the nature of Consultant's relationship with or contribution to Zenas.

13.3 Entire Agreement. This Consulting Agreement contains the entire agreement of the parties with regard to its subject matter and supersedes all prior or contemporaneous written or oral representations, agreements and understandings between the parties relating to that subject matter; provided that this Consulting Agreement shall not be construed to supersede any ongoing obligations under the CA, the Agreement or under any other agreement or provision that is expressly preserved by the Agreement. This Agreement may be modified only by a writing signed by Consultant and an authorized representative of Zenas.

13.4 Assignment and Binding Effect. The Consulting Services to be provided by Consultant are personal in nature. Consultant may not assign or transfer this Consulting Agreement or assign, transfer or subcontract any of Consultant's rights or obligations under this Consulting Agreement. In no event will Consultant assign or delegate responsibility for actual performance of the Consulting Services to any third party. Zenas may transfer or assign this Consulting Agreement, in whole or in part, without the prior written consent of Consultant. Any purported assignment or transfer in violation of this Section is void. This Consulting Agreement will be binding upon and inure to the benefit of the Parties and their respective legal representatives, heirs, successors and permitted assigns.

13.5 Notices. All notices required or permitted under this Consulting Agreement must be in writing and must be given by directing the notice to the address for the receiving party set forth in this Consulting Agreement or at such other address as the receiving party may specify in writing under this procedure. Notices to Zenas will be marked "Attention: Chairperson of the Board" with a copy to "Attention: Chief Legal Officer". All notices must be given (a) by personal delivery, with receipt acknowledged; (b) by prepaid certified or registered mail, return receipt requested; or (c) by prepaid recognized next business day delivery service. Notices will be effective upon receipt or at a later date stated in the notice.

13.6 Governing Law. This Consulting Agreement and any disputes relating to or arising out of this Consulting Agreement will be governed by, construed, and interpreted in accordance with the internal laws of the State of New York, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The parties agree to submit to the exclusive jurisdiction of the state and federal courts located in the State of New York and waive any defense of inconvenient forum to the maintenance of any action or proceeding in such courts.

13.7 Severability; Reformation. Each provision in this Consulting Agreement is independent and severable from the others, and no provision will be rendered unenforceable because any other provision is found by a proper authority to be invalid or unenforceable in whole or in part. If any provision of this Consulting Agreement is found by such an authority to be invalid or unenforceable in whole or in part, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision and the intent of the parties, within the limits of applicable law.

13.8 No Strict Construction; Headings. This Consulting Agreement has been prepared jointly and will not be strictly construed against either party. The section headings are included solely for convenience of reference and will not control or affect the meaning or interpretation of any of the provisions of this Consulting Agreement.

13.9 Waivers. Any delay in enforcing a party's rights under this Consulting Agreement, or any waiver as to a particular default or other matter, will not constitute a waiver of such party's rights to the future enforcement of its rights under this Consulting Agreement, except with respect to an express written waiver relating to a particular matter for a particular period of time signed by Consultant or an authorized representative of the waiving party, as applicable.

13.10 Remedies. Consultant agrees that (a) Zenas may be irreparably injured by a material breach of this Consulting Agreement by Consultant; (b) money damages would not be an adequate remedy for any such breach; (c) as a remedy for any such breach Zenas will be entitled to seek equitable relief, including injunctive relief and specific performance, without being required by Consultant to post a bond; and (d) such remedy will not be the exclusive remedy for any breach of this Consulting Agreement.

13.11 Material Nonpublic Information. Consultant hereby acknowledges that it is aware that United States and other applicable securities laws prohibit any person who has material, non-public information about a company from purchasing or selling securities of such company or from communicating such information to any person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. Consultant agrees that it will not use or cause any third party to use, any of Zenas's Confidential Information in contravention of U.S. securities laws.

13.12 Counterparts. This Consulting Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. A facsimile or portable document format (".pdf") copy of this Consulting Agreement, including the signature pages, will be deemed an original.

[Signature page immediately follows]

IN WITNESS WHEREOF, each Party has caused this Consulting Agreement to be executed by its duly authorized representative as of August 12, 2026.

Company:

Zenas BioPharma (USA) LLC

/s/ Leon O. Moulder, Jr.

_____
By: Leon O. Moulder, Jr.
Title: Chief Executive Officer

Consultant:

/s/ Jennifer Fox

_____
Jennifer Fox

BUSINESS TERMS EXHIBIT
CONSULTING AGREEMENT WITH JENNIFER FOX

Consultant will provide the following Consulting Services to Zenas:

Strategic Advisor to the Chairperson of the Board of Directors of Zenas BioPharma, Inc., at such Chairperson's request

Consultant shall perform consulting services at reasonable times consistent with the timely completion of services and with any particular scheduling needs associated with the performance of services, but in no event requiring more than twenty hours of service per month except as otherwise agreed to by the Consultant. Consultant and Zenas shall strive to reach mutual agreement on timing and scheduling. Consultant shall perform consulting services from her residence or other locations of her choosing outside Zenas, except when Zenas reasonably determines that the nature of requested services requires performance of services at a particular location.

Compensation:

As per Consulting Agreement

Term:

The Engagement will begin on July 1, 2027 and will end on December 31, 2027, with such term to be automatically extended as a one-time extension for one year to December 31, 2028 unless either Party, in its sole discretion, for any reason or no reason, notifies the other Party in writing of its intent not to extend the Term no later than 20 business days prior to December 31, 2027, all subject to the terms and conditions of this Consulting Agreement.

Exhibit 31.1

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

I, Leon O. Moulder, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Zenas BioPharma, Inc.;

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

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

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

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

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

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

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

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

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

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

Dated: November 5, 2026

By: /s/ Leon O. Moulder, Jr.
Name: Leon O. Moulder, Jr.
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, Joseph Farmer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Zenas BioPharma, Inc.;

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

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

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

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

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

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

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

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

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

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

Dated: November 5, 2026

By:/s/ Joseph L. Farmer
Name: Joseph L. Farmer
Title: President and Chief Operating Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Zenas BioPharma, Inc. (the "Company") hereby certifies, to the best of my knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

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

Dated: November 5, 2026

By: /s/ Leon O. Moulder, Jr.
Name: Leon O. Moulder, Jr.
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Zenas BioPharma, Inc. (the "Company") hereby certifies, to the best of my knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

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

Dated: November 5, 2026

By: /s/ Joseph L. Farmer
Name: Joseph L. Farmer
Title: President and Chief Operating Officer
(Principal Financial and Accounting Officer)