

SPV FORMATION, SHAREHOLDER AND LICENSE AGREEMENT

between PharmAla Biotech Holdings Inc. and Aluvaris Inc.

Dated as of: May 7, 2026

PARTIES

THIS SPV FORMATION, SHAREHOLDER AND LICENSE AGREEMENT (this “Agreement”) is made as of the date first written above,

BETWEEN:

PHARMALA BIOTECH HOLDINGS INC., a corporation existing under the laws of Ontario, with its registered office at 1 Adelaide Street East, Suite 801, Toronto, Ontario (“**PharmAla**”)

- and -

ALUVARIS INC., a corporation existing under the laws of Ontario, with its registered office at 257 Lytton Blvd., Toronto, ON M5N 1R7 (“**Aluvaris**”, and together with PharmAla, the “**Parties**” and each, a “**Party**”)

- and -

DITEBA INC., a corporation existing under the laws of Ontario, with its registered office at 1680 Tech Avenue, Unit 1, Mississauga, ON, L4W 5S9 (“**Diteba**”)

RECITALS

WHEREAS:

- A. PharmAla is a Canadian biotechnology company engaged in the research, development and manufacturing of clinical-grade MDMA and novel MDXX compounds, and is the owner of certain intellectual property rights relating to the compound (R)-2-[(2H-1,3-benzodioxol-5-yl)methyl]pyrrolidine, also known as APA-01 or P-1 (“APA-01”), including without limitation United States Patent No. 12,042,478 and all related patents, patent applications, data, know-how and trade secrets (collectively, the “PharmAla IP”);
- B. Aluvaris is an investment company focused on the pharmaceutical industry with expertise in managing scientific research projects and raising investment capital to pursue such research;

- C. Diteba is a Canadian company engaged in complex analytical and bioanalytical testing, licensed by Health Canada as a GMP drug establishment and licensed to handle controlled drugs and substances;
- D. by a letter of intent dated April 9, 2026 (the "Letter of Intent") it was agreed that PharmAla and Aluvaris would negotiate in good faith the formation of a special purpose vehicle for the clinical and regulatory development of APA-01 on the terms set forth therein and in a definitive agreement and that Diteba would agree to perform research and development services to the SPV in respect of the clinical and regulatory development of APA-01;
- E. the Parties intend, pursuant to this Agreement, to (i) form the SPV (as defined below) as a jointly-owned corporation; (ii) grant to the SPV a license to the PharmAla IP on a conditional basis, to become final and irrevocable upon satisfaction of the Funding Threshold (as defined below); (iii) set out the obligations of Aluvaris to raise capital for the SPV and to set out the obligations of Diteba to provide analytical, scientific and project management services to the SPV [REDACTED] and (iv) govern the relationship of the Parties as shareholders of the SPV; and
- F. the Parties and Diteba wish to record in this Agreement their respective rights and obligations in respect of the foregoing.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the Parties), the Parties agree as follows:

ARTICLE 1 — DEFINITIONS AND INTERPRETATION

1.1 Definitions. In this Agreement, unless the context otherwise requires, the following terms have the following meanings:

"Affiliate" means with respect to any Person, any other Person that directly or indirectly Controls, is Controlled by, or is under common Control with, such Person.

"Applicable Law" means all applicable federal, provincial, state, municipal and local laws, statutes, regulations, by-laws, orders, judgments, rulings, decrees, and guidelines of any Governmental Authority having the force of law, as the same may be amended from time to time.

"Board" means the board of directors of the SPV from time to time.

"Business Day" means a day, other than a Saturday, Sunday or statutory holiday, on which chartered banks are open for the transaction of business in Toronto, Ontario.

"CBCA" means the Canada Business Corporations Act (R.S.C., 1985, c. C-44), as amended.

"Closing" means the completion of the formation of the SPV, the issuance of the Founder Shares, the grant of the License and the execution and delivery of the Closing Deliverables, all as contemplated in Article 2.

"Closing Date" means the date on which Closing occurs, which shall be no later than fifteen (15) Business Days following the satisfaction or waiver of the conditions set forth in Section 2.4, or such other date as the Parties may agree in writing.

"Confidential Information" means has the meaning given to such term in Section 15.1.

"Control" means with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, and "Controlled by" and "under common Control with" shall have correlative meanings.

"Cure Period" means the cure period set forth in Section 16.2.

"Development Plan" means the development plan to file first FDA IND in respect of APA-01 attached as Schedule "D" to this Agreement, as the same may be regularly reviewed and updated from time to time by approval of the Board.

"Diteba Services Agreement" means the services agreement to be entered into between Diteba and the SPV at Closing, substantially in the form attached as Schedule "B", pursuant to which Diteba will provide Services to the SPV [REDACTED]

"Direct Cost" means [REDACTED]

"Effective Date" means the date first written above.

"Encumbrance" means any mortgage, charge, pledge, hypothec, security interest, lien, assignment, adverse claim, option, right of first refusal or first offer, or any other encumbrance of any kind or nature whatsoever.

"Founder Shares" means the common shares in the capital of the SPV to be issued to the Parties at Closing in accordance with Section 3.1.

"Funding Threshold" means the receipt by the SPV of not less than Two Million Five Hundred Thousand United States Dollars (US\$2,500,000) in aggregate in the form of cash or cash equivalents actually subscribed, funded and paid up as equity, convertible securities or similar instruments, from one or more third-party investors (which may include either Party and their Affiliates) on or before the Funding Threshold Deadline.

"Funding Threshold Deadline" means the date that is three (3) months after the Effective Date, as such date may be extended by one (1) additional period of three (3) months at the sole option of PharmAla, acting reasonably, upon written notice to Aluvaris delivered prior to the expiry of the initial three-month period.

"Governmental Authority" means any federal, provincial, state, municipal, local or foreign government, any political subdivision thereof, or any regulatory, administrative, judicial, arbitral or other governmental body, agency, authority, commission, court or tribunal.

"IND" means an investigational new drug application or clinical trial application filed with, or submitted to, Health Canada, the United States Food and Drug Administration, or any equivalent Governmental Authority in another jurisdiction, in respect of a Licensed Product.

"IND Milestone" means the filing of the first IND in respect of APA-01 (or a Licensed Product incorporating or derived from APA-01) with Health Canada, the United States Food and Drug Administration or another equivalent Governmental Authority.

"IND Milestone Deadline" means the date that is thirty-six (36) months after the date on which the Funding Threshold is satisfied, as such date may be extended by mutual written agreement of the Parties.

"License" means the license granted by PharmAla to the SPV pursuant to Article 6.

"Licence Fee" means the \$500,000 USD, one-time, licence fee payable by the SPV to PharmAla upon achievement of the Funding Threshold as contemplated in Articles 6 and 7.

"Licensed Product" means any pharmaceutical, biological, therapeutic, diagnostic or medical product, in any formulation, dosage form or delivery system, that incorporates, is derived from, or the development, manufacture, use or sale of which would (but for the License) infringe any Valid Claim of the PharmAla IP.

"Net Sales" means has the meaning given to such term in Schedule "E".

"Person" means any individual, corporation, partnership, limited partnership, limited liability company, joint venture, trust, unincorporated association, Governmental Authority, or other entity of any kind.

"PharmAla IP" means all Intellectual Property owned or Controlled by PharmAla as of the Effective Date or during the Term that relates to APA-01, including: (i) United States Patent No. 12,042,478, together with all continuations, continuations-in-part, divisionals, reissues, re-examinations, substitutions, extensions and foreign counterparts thereof; (ii) all other patents and patent applications worldwide that claim APA-01 or its manufacture, formulation or use; (iii) all pre-clinical, clinical, chemistry, manufacturing and controls data derived from research on APA-01; and (iv) all related know-how, trade secrets, proprietary

processes, methodologies, and technical information specifically and uniquely related to APA-01.

"Royalty" means has the meaning given to such term in Section 9.1.

"Services" means the analytical, bioanalytical, scientific and related development and project management services to be provided by Diteba to the SPV pursuant to the Diteba Services Agreement, in accordance with the Development Plan and any statements of work issued thereunder.

"Shareholders" means the holders of Shares from time to time.

"Shares" means common shares in the capital of the SPV and any other shares, securities, or instruments convertible into or exercisable for common shares issued from time to time.

"SPV" means the corporation to be incorporated under the CBCA by the Parties at Closing in accordance with Article 2, with its registered office in the Province of Ontario.

"Sublicense" means any sublicense, option to sublicense, or other grant of rights by the SPV to a Third Party under all or any portion of the License, including any assignment or transfer of rights to develop, manufacture, use, sell, offer for sale, import or commercialize any Licensed Product, other than a mere contract manufacturing or contract research arrangement on customary terms.

"Sublicense Income" means the aggregate consideration (in cash or in kind, and including upfront payments, milestone payments, royalties, option fees, license maintenance fees, and the fair market value of non-cash consideration and equity securities, but excluding (i) amounts received as bona fide reimbursement of documented research and development expenses incurred after the grant of the Sublicense, (ii) amounts received in respect of the sale of Licensed Products by the SPV to the sublicensee at arm's length prices, and (iii) equity investments in the SPV at fair market value) received by the SPV or any of its Affiliates from a sublicensee under a Sublicense.

"Term" means has the meaning given to such term in Section 16.1.

"Third Party" means any Person other than a Party or an Affiliate of a Party or Diteba.

"USA" means the Unanimous Shareholders' Agreement substantially in the form attached as Schedule "C" to be entered into among the Parties and the SPV at Closing.

"Valid Claim" means a claim of an issued and unexpired patent included in the PharmAla IP that has not been revoked, held invalid or unenforceable by a court or other Governmental Authority of competent jurisdiction in a final, non-appealable decision, or lapsed, abandoned, or surrendered.

- 1.2** Rules of Interpretation. In this Agreement: (a) the division into Articles, Sections and Schedules and the insertion of headings are for convenience of reference only and shall

not affect the construction or interpretation of this Agreement; (b) references to an Article, Section or Schedule are to the relevant Article or Section of, or Schedule to, this Agreement; (c) words in the singular include the plural and vice versa; (d) words importing one gender include all genders; (e) “including” and “includes” mean “including without limitation” and “includes without limitation”; (f) a reference to a statute includes all regulations made under that statute and any successor legislation; (g) all monetary amounts are expressed in Canadian dollars unless expressly stated otherwise, and “US\$” means United States dollars; and (h) if any payment is required to be made or other action is required to be taken on a day that is not a Business Day, such payment or action shall be made or taken on the next following Business Day.

- 1.3** Schedules. The following Schedules are attached to and form part of this Agreement: Schedule “A” — License Terms (summary); Schedule “B” — Form of Diteba Services Agreement; Schedule “C” — Form of Unanimous Shareholders' Agreement; Schedule “D” — Development Plan; Schedule “E” — Net Sales Definition and Royalty Reporting; Schedule “F” — Reserved Matters.

ARTICLE 2 — FORMATION OF THE SPV

- 2.1** Incorporation. Promptly following the Effective Date, and in any event no later than ten (10) Business Days following the Effective Date, the Parties shall cause the incorporation of the SPV under the CBCA. The articles of incorporation of the SPV shall provide for a single class of common shares with standard attributes, and the SPV shall maintain its registered office in the Province of Ontario. The name of the SPV shall be such name as is mutually agreed by the Parties, failing which a numbered CBCA corporation shall be used on an interim basis.
- 2.2** Jurisdiction and Governance Documents. The SPV's articles, by-laws, and the USA shall be consistent with the terms of this Agreement, and in the event of any conflict, this Agreement shall prevail as between the Parties.
- 2.3** Initial Directors and Officers. At incorporation, the initial Board shall consist of four (4) directors, two (2) of whom shall be nominated by PharmAla and two (2) of whom shall be nominated by Aluvaris, in accordance with Section 5.1. The initial officers of the SPV shall be appointed by the Board.
- 2.4** Closing Conditions. The obligation of each Party to complete the Closing is subject to the satisfaction or waiver of the following conditions, in each case for the benefit of the Party entitled to waive:
- (a) the representations and warranties of the other Party in Article 14 shall be true and correct in all material respects;
 - (b) the other Party shall have performed in all material respects all covenants required to be performed by it on or prior to the Closing Date;

- (c) no order, injunction or decree of any Governmental Authority shall be in effect prohibiting the transactions contemplated hereby;
- (d) each of the Parties shall have obtained all requisite board, shareholder, regulatory and third-party consents and approvals required to enter into and perform this Agreement;
- (e) the SPV shall have been incorporated and shall be in good standing under the CBCA; and
- (f) the Closing Deliverables set forth in Section 2.5 shall have been delivered or tendered for delivery.

2.5 Closing Deliverables. At Closing, the Parties shall execute and deliver, or cause the SPV to execute and deliver, as applicable: (a) this Agreement (if not already executed and delivered); (b) the USA; (c) the Diteba Services Agreement; (d) share certificates or book-entry confirmations evidencing the Founder Shares; (e) directors' and shareholders' resolutions approving this Agreement, the USA and the Diteba Services Agreement; and (f) such other ancillary documents as the Parties may reasonably require to give effect to this Agreement.

2.6 Future Partners and Investors. The Parties acknowledge and intend that the SPV may admit additional shareholders, investors, strategic partners or operators following Closing, on terms to be determined by the Board and in accordance with the USA, subject at all times to the pre-emptive rights of PharmAla under Article 4 and the other terms of this Agreement.

ARTICLE 3 — CAPITALIZATION AND FOUNDER SHARES

3.1 Founder Shares. At Closing, the SPV shall issue Founder Shares to the Parties as follows, in each case fully paid and non-assessable: (a) to PharmAla, such number of common shares as represents fifty percent (50%) of the issued and outstanding Shares of the SPV on a fully-diluted basis immediately following Closing; and (b) to Aluvaris, such number of common shares as represents fifty percent (50%) of the issued and outstanding Shares of the SPV on a fully-diluted basis immediately following Closing.

3.2 Consideration for Founder Shares.

- (a) The Founder Shares issued to PharmAla shall be issued in consideration for the grant of the License to the SPV in accordance with Article 6 (valued for accounting purposes at a nominal amount to be agreed by the Parties acting reasonably).
- (b) The Founder Shares issued to Aluvaris shall be issued in consideration for (i) Aluvaris' undertaking to raise capital for the SPV and to use commercially reasonable efforts to achieve the Funding Threshold on or before the Funding Threshold Deadline, and (ii) Aluvaris' agreement to manage and supervise, on

behalf of the SUV, the provision by Diteba of the Services to the SPV under the Diteba Services Agreement.

- 3.3** No Further Issuances Without Consent. Prior to the satisfaction of the Funding Threshold, the SPV shall not issue any additional Shares or securities convertible into Shares without the prior written consent of PharmAla and Aluvaris, not to be unreasonably withheld; provided that issuances made in connection with the capital raise described in Article 7, in accordance with the Development Plan and the terms of this Agreement, shall not require additional consent.

ARTICLE 4 — PRE-EMPTIVE RIGHTS AND ANTI-DILUTION PROTECTION FOR PHARMALA

- 4.1** Pro Rata Pre-emptive Right. Except as expressly excepted below, the SPV shall not issue any Shares or securities convertible into or exercisable for Shares (“New Securities”) unless it first offers to PharmAla the right to subscribe for up to its pro rata share of such New Securities, on the same terms and conditions (including price) as the proposed issuance. PharmAla shall have a period of fifteen (15) Business Days following receipt of written notice of the proposed issuance (which notice shall describe the material terms in reasonable detail) within which to elect to exercise such right, in whole or in part.
- 4.2** Anti-Dilution Floor. Notwithstanding any issuance of New Securities, PharmAla's equity interest in the SPV shall not be reduced below twenty five percent (25%) of the issued and outstanding Shares on a fully-diluted basis (the “Minimum Interest”) through and including the completion of the first priced equity financing immediately following the raise that satisfies the Funding Threshold. If any issuance of New Securities would, after giving effect to PharmAla's exercise of its pre-emptive right under Section 4.1, otherwise reduce PharmAla's interest below the Minimum Interest, the SPV shall issue to PharmAla, concurrently with the closing of such issuance and for no additional consideration, such number of additional common shares as is necessary to restore PharmAla's interest to the Minimum Interest.
- 4.3** Excluded Issuances. The rights in Sections 4.1 and 4.2 shall not apply to Shares issued (a) to employees, directors, consultants or service providers of the SPV pursuant to an equity incentive plan approved by the Board (up to an aggregate reserve approved by the Board, PharmAla and Aluvaris, acting reasonably), (b) as consideration in a bona fide arm's length acquisition approved by the Board, (c) pursuant to a stock split, stock dividend, recapitalization or similar event affecting all Shareholders pro rata; or the issuance of shares pursuant to the capital raise contemplated in Article 7.
- 4.4** Survival. The rights in this Article 4 shall survive until the earlier of (i) the closing of a qualifying initial public offering of the SPV's securities, and (ii) written waiver by PharmAla.

ARTICLE 5 — GOVERNANCE

- 5.1** Board Composition. The Board shall, at all times until otherwise agreed in writing by the Parties, consist of four (4) directors, of whom PharmAla shall be entitled to nominate and appoint two (2) directors (the “PharmAla Directors”) and Aluvaris shall be entitled to nominate and appoint two (2) directors (the “Aluvaris Directors”). Each Party may remove and replace its own nominees at any time by written notice to the SPV and the other Party.
- 5.2** Chair. The chair of the Board shall rotate annually between a PharmAla Director and a Aluvaris Director. The chair shall not have a casting or second vote.
- 5.3** Quorum. A quorum for meetings of the Board shall require the presence of at least one PharmAla Director and at least one Aluvaris Director.
- 5.4** Reserved Matters. No action shall be taken by the SPV or the Board in respect of any of the matters set forth in Schedule “F” (the “Reserved Matters”) without the affirmative vote or written consent of at least one PharmAla Director and at least one Aluvaris Director (or, where required by Applicable Law or the USA, the approval of the Shareholders by the corresponding majority).
- 5.5** PharmAla Veto on IP Matters. Notwithstanding Section 5.4, the following matters (the “IP Reserved Matters”) shall require the affirmative prior written consent of PharmAla (which may be given or withheld in its sole discretion, subject to any express limitations in this Agreement):
- (a) any amendment, termination, surrender, waiver or restructuring of the License or this Agreement, or any decision not to enforce or defend the PharmAla IP;
 - (b) the grant, amendment or termination of any Sublicense [**question:** does this apply after the successful filing of an IND?];
 - (c) the selection of outside patent counsel for the PharmAla IP, and any decision to abandon, narrow, or decline to prosecute any patent or patent application included in the PharmAla IP;
 - (d) the commencement, settlement or compromise of any litigation, arbitration or administrative proceeding involving the PharmAla IP; and
 - (e) any change in the field of use or territory of the License.
- 5.6** Deadlock. If the Board is unable to reach a decision on a non-IP Reserved Matter because of an equally divided vote, the matter shall be referred to the chief executive officers of PharmAla and Aluvaris for resolution within fifteen (15) Business Days. If those officers are unable to resolve the matter, the matter shall be submitted to mediation in accordance with Section 20.2. For greater certainty, a deadlock shall not by itself give either Party a right to terminate this Agreement.

- 5.7** Observer and Information Rights. Each Party shall have the right to appoint one non-voting observer to attend meetings of the Board, subject to customary confidentiality undertakings. Each Party shall receive, promptly upon request and in any event on a quarterly basis, financial statements, development reports, and such other information regarding the SPV as it may reasonably request.

ARTICLE 6 — GRANT OF LICENSE

- 6.1** Grant. Subject to the terms and conditions of this Agreement, PharmAla hereby grants to the SPV, effective as of the Closing Date, an exclusive (even as to PharmAla, subject to Section 6.4), worldwide, royalty-bearing license under the PharmAla IP to research, develop, make, have made, use, sell, offer for sale, import, export, and otherwise commercialize Licensed Products in all therapeutic fields of human use, with the right to grant Sublicenses in accordance with Article 10 (the "License").
- 6.2** Conditional Nature of License.
- (a) From the Closing Date until the date on which the Funding Threshold is satisfied, the License shall be a conditional license, revocable by PharmAla solely in accordance with Sections 6.3 and Article 16.
- (b) Upon satisfaction of the Funding Threshold on or before the Funding Threshold Deadline, the License shall automatically and without further action become final and irrevocable, subject only to termination or reversion in accordance with Article 16 and Section 17.2 for (i) failure to meet the IND Milestone by the IND Milestone Deadline as provided in Section 12.3, or (ii) uncured material breach by the SPV or Aluvaris as provided in Section 16.2; or uncured material breach by Diteba under the Diteba Services Agreement.
- 6.3** Revocation Prior to Funding Threshold. If the Funding Threshold is not satisfied on or before the Funding Threshold Deadline, PharmAla shall have the right, exercisable by written notice delivered to Aluvaris and the SPV within sixty (60) days thereafter, to revoke the License with immediate effect, whereupon all rights in and to the PharmAla IP shall revert to PharmAla free and clear of any Encumbrance and the provisions of Section 17.2 shall apply.
- 6.4** Payment of Licence Fee. Upon achievement of Funding Threshold, the SPV shall pay to PharmAla the Licence Fee in consideration of the granting of the Licenced by PharmAla to the SPV.
- 6.5** Retained Rights. PharmAla retains the right under the PharmAla IP to: (a) conduct, itself or through its Affiliates or contract research organizations, internal research and development activities that do not compete with the SPV's development of Licensed Products within the scope of the License; and (b) perform its obligations under this Agreement.

- 6.6** No Other Rights. No license or other right is granted, whether by implication, estoppel or otherwise, under any Intellectual Property of PharmAla other than as expressly set forth in this Article 6.
- 6.7** Delivery of Documentation. PharmAla shall deliver to the SPV, promptly following Closing and thereafter from time to time on reasonable request, copies of all documentation reasonably necessary for the SPV to exercise the License and to advance the development of APA-01, including patent prosecution files, pre-clinical and clinical data, chemistry, manufacturing and controls data, regulatory correspondence, and related know-how.

ARTICLE 7 — CAPITAL RAISING; FUNDING THRESHOLD

- 7.1** Aluvaris' Funding Obligation. Aluvaris shall use commercially reasonable efforts to cause the SPV to achieve the Funding Threshold on or before the Funding Threshold Deadline. Aluvaris shall lead the capital raising process, and shall keep PharmAla reasonably informed regarding the progress of the capital raise, the identity of material prospective investors, the anticipated terms of any proposed financing, and material correspondence with prospective investors.
- 7.2** Terms of the Raise. The specific structure, pricing, instruments (including whether common shares, preferred shares, SAFEs, convertible notes or other securities), valuation, investor rights and closing mechanics of the capital raise shall be determined by the Board; provided that any such terms constituting a Reserved Matter or an IP Reserved Matter shall require approval in accordance with Sections 5.4 and 5.5, and any issuance shall be subject to PharmAla's anti-dilution floor under Article 4.
- 7.3** Use of Proceeds. The use of proceeds of the funds raised by the SPV as contemplated in this Article 7 shall be:
- (a) \$2,000,000 USD as working capital to be applied to the pursuit of the Development Plan by the SPV; and
 - (b) \$500,000 USD in payment of the Licence Fee
- 7.4** Extension. The Funding Threshold Deadline may be extended by one (1) additional period of three (3) months at the sole option of PharmAla, acting reasonably, upon written notice delivered to Aluvaris and the SPV before the expiry of the initial three (3) month period. For clarity, PharmAla is under no obligation to grant the extension.
- 7.5** Achievement of Funding Threshold. The Funding Threshold shall be deemed satisfied upon the receipt by the SPV of cash subscriptions aggregating not less than US\$2,500,000, evidenced by executed subscription agreements and the receipt of the related subscription funds into the SPV's bank account. Aluvaris shall promptly deliver to PharmAla a certificate, signed by an officer of Aluvaris, certifying such satisfaction, together with reasonable supporting documentation.

ARTICLE 8 — EFFECTS OF THE FUNDING THRESHOLD

- 8.1** License Becomes Final and Irrevocable. Upon satisfaction of the Funding Threshold, the License shall, without further action of the Parties, automatically cease to be conditional and shall become final and irrevocable, subject only to termination or reversion as provided in Article 16 and Section 17.2.
- 8.2** IP Maintenance Costs. From and after the date on which the Funding Threshold is satisfied, all costs and liabilities associated with the maintenance, prosecution, and defense of the PharmAla IP, including patent filing fees, maintenance fees, annuity fees, and associated legal costs, shall be borne by the SPV. The SPV shall assume responsibility for instructing patent counsel (subject to PharmAla's veto under Section 5.5(c)) and shall reimburse PharmAla for any such costs paid by PharmAla following the satisfaction of the Funding Threshold within thirty (30) days of invoice.
- 8.3** Ownership Retained by PharmAla. For clarity, notwithstanding the License becoming final and irrevocable, legal and beneficial ownership of the PharmAla IP shall remain with PharmAla at all times during the Term. The License constitutes only a right to use the PharmAla IP and shall not be construed as a transfer of ownership.
- 8.4** Improvements. Any improvements, modifications, enhancements, derivatives or further inventions that are conceived, developed or reduced to practice by or on behalf of the SPV (including by Diteba in the course of providing the Services) during the Term and that relate to APA-01 or any Licensed Product ("Improvements") shall be owned by PharmAla, and the SPV hereby assigns (and shall cause its employees, contractors, and Affiliates to assign) to PharmAla all right, title and interest in and to such Improvements, effective upon creation; provided that such Improvements shall automatically be included in the PharmAla IP and licensed to the SPV under the License for the remainder of the Term. Each Party shall execute such further documents and take such further actions as may be reasonably required to give effect to this Section 8.4.

ARTICLE 9 — ROYALTY AND SUBLICENSE INCOME

- 9.1** Royalty Rate. In consideration for the License, the SPV shall pay to PharmAla a royalty equal to three percent (3%) of Net Sales of all Licensed Products sold by or on behalf of the SPV, its Affiliates or its sublicensees, on a country-by-country and Licensed Product-by-Licensed Product basis (the "Royalty"). The Royalty shall accrue upon the first commercial sale of each Licensed Product and shall continue during the Term.
- 9.2** Sublicense Income. In addition to the Royalty, the SPV shall pay to PharmAla twenty-five percent (25%) of all Sublicense Income received by the SPV or any of its Affiliates from any sublicensee, within thirty (30) days after the end of each calendar quarter in which such Sublicense Income is received.

- 9.3** Payment Terms; Reports. Royalties shall be calculated and payable quarterly in arrears, within forty-five (45) days following the end of each calendar quarter, in Canadian dollars (with any non-Canadian currency amounts converted at the Bank of Canada noon rate on the last Business Day of the applicable quarter). Each payment shall be accompanied by a royalty report substantially in the form set out in Schedule "E", setting out, at a minimum, gross sales, permitted deductions, Net Sales, and the Royalty due, on a country-by-country and Licensed Product-by-Licensed Product basis.
- 9.4** Books and Records; Audit. The SPV shall, and shall cause its Affiliates and sublicensees to, keep true and complete books and records sufficient to permit verification of Royalties and Sublicense Income payments for a period of not less than six (6) years. PharmAla shall have the right, at its own expense (unless an underpayment of more than five percent (5%) is discovered, in which case the SPV shall bear the cost), upon not less than thirty (30) days' prior written notice and not more than once in any calendar year, to have an independent certified public accountant audit such books and records during normal business hours. Any underpayment revealed by an audit shall be paid within thirty (30) days, together with interest at the rate set out in Section 9.5.
- 9.5** Late Payments. Any payment not made when due shall bear interest at a rate equal to the Bank of Canada overnight rate plus three percent (3%), calculated daily and compounded monthly, from the date due until the date paid.
- 9.6** Survival and Binding Nature. The obligation to pay Royalties and Sublicense Income shall survive any assignment, transfer, sublicense, merger, amalgamation, or change of control of the SPV or the License, and shall be binding upon any successor, assignee, or transferee of the SPV or the License, each of whom shall, as a condition of any such transaction, agree in writing with PharmAla to assume and be bound by the obligations of the SPV under this Article 9.
- 9.7** Taxes. Any withholding or similar taxes imposed by any Governmental Authority on payments to PharmAla shall be deducted by the SPV only if and to the extent required by Applicable Law, and the SPV shall (a) pay to PharmAla the gross amount prior to withholding, grossed up to the extent the withholding arises because the payor is not resident in Canada and the payment is structured through a non-Canadian entity; (b) remit such withheld amounts to the applicable authority on a timely basis; and (c) provide PharmAla with official receipts evidencing the remittance. The Parties shall cooperate in good faith to minimize such withholding taxes to the extent available under Applicable Law and applicable tax treaties.

ARTICLE 10 — SUBLICENSING

- 10.1** Right to Sublicense. The SPV shall have the right to grant Sublicenses under the License to one or more Third Parties, in whole or in part, subject to and in accordance with this Article 10.

- 10.2** PharmAla Consent. Each proposed Sublicense shall be subject to the prior written consent of PharmAla, which consent shall not be unreasonably withheld, conditioned, or delayed or require any payment to PharmAla. The SPV shall provide PharmAla with a reasonably complete draft of the proposed Sublicense, together with a summary of its material terms, not less than fifteen (15) Business Days prior to the anticipated execution date. PharmAla shall be deemed to have consented to a Sublicense if it does not respond in writing within such fifteen (15) Business Day period.
- 10.3** Required Terms. Each Sublicense shall (a) be consistent with, and no broader in scope than, the License; (b) contain terms that are sufficient to enable the SPV to comply with its obligations under this Agreement, including the Royalty, reporting, audit and confidentiality obligations; (c) expressly provide that the sublicensee may not further sublicense the rights except with the prior written consent of PharmAla; and (d) provide that, upon termination of this Agreement, the Sublicense shall either terminate or, at PharmAla's election, continue directly with PharmAla on terms no less favourable to PharmAla than those under this Agreement, provided the sublicensee is not then in breach.
- 10.4** Responsibility for Sublicensees. The SPV shall remain primarily responsible for the acts and omissions of its sublicensees, and shall promptly enforce its rights under any Sublicense in the event of any breach by a sublicensee that could reasonably be expected to adversely affect PharmAla or the PharmAla IP.

ARTICLE 11 — ANALYTICAL AND SCIENTIFIC SERVICES

- 11.1** Diteba Services Agreement. At Closing, Diteba and the SPV shall enter into the Diteba Services Agreement, under which Diteba shall provide Services to the SPV in support of the Development Plan. The Services shall be provided [REDACTED] [REDACTED] [REDACTED] and shall comply with GLP, GMP and other applicable regulatory standards as required.
- 11.2** Scope. The scope of Services shall include, to the extent within Diteba's capabilities and expertise, analytical method development and validation, stability testing, release testing, bioanalytical services, regulatory support, and related scientific and project management services required by the SPV for the development of APA-01, as set out in one or more statements of work issued under the Diteba Services Agreement and approved by the Board.
- 11.3** Audit Right. SPV shall have the right, exercisable on reasonable prior written notice and not more frequently than once per calendar year, to audit (at its own expense, unless an overcharge of more than five percent (5%) is discovered, in which case Diteba shall bear the cost) Diteba's books, records and supporting documentation relating to amounts charged to the SPV for the Services, solely to verify that the Services have been invoiced [REDACTED] in accordance with this Agreement and the Diteba Services Agreement.

Diteba shall reasonably cooperate with such audit, and any overcharge so identified shall be credited to the SPV within thirty (30) days. An audit of Diteba must be initiated via a board vote of the SPV; Aluvaris-nominated directors of the SPV may not vote on such motion.

- 11.4** No Obligation to Accept. The SPV shall not be obligated to direct any minimum volume of services to Diteba, and may engage Third Party service providers for work that Diteba declines, is unable to perform, or is not cost-competitive for, provided that Diteba shall have a right of first offer (for a period not exceeding ten (10) Business Days) in respect of services within its capabilities.
- 11.5** Diteba Representations. Diteba further represents and warrants to PharmAla and the SPV that: (a) Diteba holds, and will maintain during the Term, all licenses, permits, and regulatory authorizations required by Applicable Law to perform the Services, including Health Canada GMP licensing and controlled drugs and substances licensing; and (b) Diteba has no reason to believe, as of the Effective Date, that it will be unable to perform its obligations under Article 7 and Article 11.

ARTICLE 12 — DEVELOPMENT AND DILIGENCE

- 12.1** Development Plan. The SPV shall pursue the clinical and regulatory development of APA-01 in accordance with the Development Plan set out in Schedule “D”, as amended from time to time by the Board (subject to the Reserved Matters).
- 12.2** Commercially Reasonable Efforts. The SPV shall use commercially reasonable efforts, consistent with the standards of a well-funded biotechnology company developing a similarly-situated product candidate, to advance APA-01 through pre-clinical and clinical development and to seek regulatory approval of at least one Licensed Product.
- 12.3** IND Milestone. Without limiting Section 12.2, the SPV shall use commercially reasonable efforts to cause the filing of the first IND in respect of APA-01 on or before the IND Milestone Deadline. If the SPV fails to achieve the IND Milestone on or before the IND Milestone Deadline (as the same may be extended by mutual written agreement of the Parties), PharmAla may, upon not less than sixty (60) days' prior written notice to the SPV and Aluvaris, terminate the License and this Agreement in accordance with Section 16.2, and the reversion provisions in Section 17.2 shall apply; provided that if the SPV is, at the time of such notice, diligently pursuing activities reasonably expected to result in the filing of an IND within a further period of up to six (6) months, and provides PharmAla with a written remediation plan satisfactory to PharmAla acting reasonably, PharmAla shall grant a one-time extension equal to such remediation period.

- 12.4** Development Reports. The SPV shall deliver to PharmAla quarterly written development reports describing progress against the Development Plan, material preclinical and clinical results, regulatory interactions, and anticipated next steps.

ARTICLE 13 — PROSECUTION, MAINTENANCE AND ENFORCEMENT OF PHARMALA IP

- 13.1** Prosecution and Maintenance. Prior to satisfaction of the Funding Threshold, PharmAla shall have sole control of, and bear all costs associated with, the preparation, filing, prosecution, and maintenance of the PharmAla IP. From and after satisfaction of the Funding Threshold, such activities shall continue under PharmAla's control (subject to Section 5.5(c)), but all costs shall be borne by the SPV in accordance with Section 8.2. PharmAla shall consult with the SPV in good faith regarding material prosecution strategy and shall consider in good faith comments made by the SPV, but shall retain ultimate decision-making authority as expressly set out in Section 5.5.
- 13.2** Third-Party Infringement. Each Party shall promptly notify the other of any known or suspected infringement by a Third Party of the PharmAla IP. PharmAla shall have the first right, but not the obligation, to bring and control any action to enforce the PharmAla IP against such infringement. If PharmAla fails to take reasonable steps within ninety (90) days of notice, the SPV may, with PharmAla's prior written consent (not to be unreasonably withheld for infringement affecting Licensed Products), bring such action in its own name or PharmAla's name, at the SPV's cost. Any recoveries net of costs shall be allocated first to reimburse the Party bearing the costs, with the balance shared between PharmAla and the SPV in a manner that reasonably reflects the damage suffered by each.
- 13.3** Defense of Claims. Each Party shall promptly notify the other of any claim by a Third Party that the practice of the PharmAla IP infringes the rights of such Third Party. The Parties shall consult in good faith regarding the defense of any such claim. The costs and allocation of such defense shall be as set out in the USA or as otherwise agreed.

ARTICLE 14 — REPRESENTATIONS AND WARRANTIES

- 14.1** Mutual Representations and Warranties. Each Party represents and warrants to the other, as of the Effective Date and as of the Closing Date, that: (a) it is validly existing and in good standing under the laws of its jurisdiction of incorporation; (b) it has full corporate power and authority to enter into and perform this Agreement; (c) this Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization and other laws affecting creditors' rights generally and to general principles of equity; (d) the execution, delivery and performance of this Agreement do not and will not violate its constating documents, any Applicable Law, or any material agreement to which it is a party or by which its assets are bound; and (e) no consent,

approval or authorization of any Governmental Authority or Third Party is required for the execution, delivery and performance of this Agreement other than such consents, approvals and authorizations as have been obtained or will be obtained prior to Closing.

14.2 PharmAla IP Representations. PharmAla further represents and warrants to Aluvaris and the SPV that, as of the Effective Date and as of the Closing Date:

- (a) PharmAla is the sole and exclusive owner of the PharmAla IP, free and clear of any Encumbrance other than Encumbrances that do not materially adversely affect the License;
- (b) to PharmAla's knowledge, the PharmAla IP is valid and enforceable, and there are no pending or threatened claims, actions or proceedings challenging the validity, enforceability, ownership or inventorship of any material portion of the PharmAla IP;
- (c) PharmAla has the right to grant the License and has not granted, and will not during the Term grant, any license, assignment or other right under the PharmAla IP that is inconsistent with, or that would derogate from, the License; and
- (d) to PharmAla's knowledge, the practice of the PharmAla IP as currently contemplated by the Development Plan does not infringe the Intellectual Property rights of any Third Party, and PharmAla has not received any written notice from any Third Party alleging any such infringement.

14.3 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE 14, NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY, AND EACH PARTY HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT.

ARTICLE 15 — CONFIDENTIALITY

15.1 Definition. "Confidential Information" means (a) the terms and existence of this Agreement and the transactions contemplated hereby, (b) the PharmAla IP and all information relating thereto, (c) any non-public information of either Party disclosed to the other Party or the SPV in connection with this Agreement, whether in writing, orally or by observation, and whether or not marked as confidential. Confidential Information does not include information that the receiving Party can demonstrate by contemporaneous written records: (i) was already known to it prior to disclosure without an obligation of confidentiality; (ii) was or became generally available to the public other than through breach of this Agreement; (iii) was disclosed to it by a Third Party without a duty of confidentiality; or (iv) was independently developed without use of or reference to the disclosing Party's Confidential Information.

- 15.2** Obligations. Each Party and the SPV shall (a) hold all Confidential Information in strict confidence, using not less than the degree of care it uses to protect its own confidential information of a similar nature (and in any event not less than reasonable care); (b) use Confidential Information solely for the purposes contemplated by this Agreement; and (c) restrict disclosure to those of its Affiliates, directors, officers, employees, contractors, advisors and prospective investors and sublicensees who have a need to know and who are bound by obligations of confidentiality at least as protective as those set out in this Article 15.
- 15.3** Permitted Disclosures. A Party may disclose Confidential Information to the extent required: (a) to comply with Applicable Law or a valid order of a Governmental Authority, provided the disclosing Party gives the other Party prompt prior written notice and reasonable cooperation to seek a protective order or equivalent; (b) in connection with required securities law disclosures (with reasonable prior consultation); and (c) to tax and accounting advisors and insurers on a need-to-know basis. No Party shall use any Confidential Information retained in unaided memory (“residuals”) for any purpose other than as expressly permitted under this Agreement, including for the development of competing products or technologies.
- 15.4** Injunctive Relief. Each Party acknowledges that a breach of this Article 15 may cause irreparable harm for which damages would not be an adequate remedy and, accordingly, the non-breaching Party shall be entitled to seek injunctive or equitable relief in addition to any other available remedies, without the requirement to post bond (except to the extent required by Applicable Law at the minimum amount).
- 15.5** Public Announcements. Neither Party shall issue any press release or public statement regarding this Agreement or the SPV without the prior written consent of the other Party (not to be unreasonably withheld), except as required by Applicable Law or the rules of any applicable securities exchange.
- 15.6** Term. The obligations in this Article 15 shall survive termination of this Agreement for a period of fifteen (15) years; provided that Confidential Information constituting technical information, know-how, data, or trade secrets relating to the PharmAla IP shall be protected for so long as such information retains commercial value.

ARTICLE 16 — TERM AND TERMINATION

- 16.1** Term. This Agreement shall become effective on the Effective Date and, unless earlier terminated in accordance with its terms, shall continue in effect, on a Licensed Product-by-Licensed Product and country-by-country basis, until the later of (a) the expiration of the last-to-expire Valid Claim of the PharmAla IP covering a Licensed Product in such country, and (b) the tenth (10th) anniversary of the first commercial sale of such Licensed Product in such country (the “Term”).

- 16.2** Termination for Material Breach. Subject to this Section 16.2, either Party may terminate this Agreement upon written notice to the other Party if the other Party materially breaches this Agreement and fails to cure such breach within thirty (30) days following written notice specifying the breach in reasonable detail (the “Cure Period”); provided that if the breach is not reasonably capable of being cured within such thirty (30) day period and the breaching Party has promptly commenced and is diligently pursuing a cure, the Cure Period shall be extended for such further period (not to exceed an additional sixty (60) days) as is reasonably necessary to complete the cure, and during which the breaching Party continues to pursue the cure in good faith.
- 16.3** PharmAla Termination Events. PharmAla may terminate this Agreement (and revoke the License) upon written notice to Aluvaris and the SPV if:
- (a) the Funding Threshold is not satisfied on or before the Funding Threshold Deadline (including any extension granted under Section 7.3), in which case Section 6.3 shall apply;
 - (b) the IND Milestone is not achieved on or before the IND Milestone Deadline (as the same may be extended under Section 12.3);
 - (c) the SPV fails to pay any Royalty or Sublicense Income payment when due and fails to cure within the Cure Period; or
 - (d) Aluvaris or the SPV materially breaches this Agreement or Diteba breaches the Diteba Services Agreement and fails to cure within the Cure Period.
- 16.4** **Aluvari** Termination Events. Aluvaris may terminate this Agreement upon written notice to PharmAla if PharmAla materially breaches this Agreement and fails to cure within the Cure Period.
- 16.5** Termination for Insolvency. Either Party may terminate this Agreement immediately upon written notice if the other Party (or, in the case of PharmAla as terminating Party, the SPV) (a) makes an assignment for the benefit of creditors, (b) becomes the subject of a voluntary or involuntary petition under any bankruptcy or insolvency law that is not dismissed within sixty (60) days, (c) has a receiver, trustee or similar officer appointed over all or a substantial portion of its assets, or (d) passes a resolution for its liquidation, winding-up or dissolution.
- 16.6** Termination by Mutual Agreement. This Agreement may be terminated at any time by the mutual written agreement of the Parties.

ARTICLE 17 — CONSEQUENCES OF TERMINATION

- 17.1** Accrued Rights. Termination of this Agreement shall not affect any rights or obligations accrued prior to termination, including the obligation to pay any Royalties and Sublicense Income earned prior to termination.

- 17.2** License Reversion. On termination of this Agreement by PharmAla under Section 6.3, Section 16.3 or Section 16.5:
- (a) the License shall automatically terminate, and all rights in and to the PharmAla IP (including all Improvements) shall revert to PharmAla, free and clear of any Encumbrance other than those in favour of PharmAla;
 - (b) the SPV shall, at PharmAla's election and cost, assign and transfer to PharmAla all regulatory filings, clinical data, pre-clinical data, manufacturing information, and other materials relating to the development of Licensed Products to the extent necessary to permit PharmAla to continue the development of APA-01;
 - (c) the SPV shall cease all development, manufacture, use, sale and commercialization of Licensed Products, subject to reasonable wind-down provisions and the continuation of any Sublicense that PharmAla elects to have continue directly with it under Section 10.3(d); and
 - (d) the SPV shall return or destroy, at PharmAla's election, all Confidential Information of PharmAla in its possession or control.
- 17.3** Wind-Down of the SPV. Termination of this Agreement shall not in itself cause the dissolution of the SPV, but the Parties shall in good faith consider the continued operation, sale or wind-down of the SPV in accordance with the USA. The PharmAla IP shall remain solely with PharmAla as set out in Section 17.2, and the Parties' rights in respect of the SPV itself shall be governed by the USA.
- 17.4** Survival. The following provisions, along with any provisions that by their nature are intended to survive, shall survive any termination of this Agreement: Article 1, Section 8.3, Section 9.6 (as to accrued amounts), Section 9.7 (as to accrued amounts), Article 13 (as to pre-termination actions), Section 14.4, Article 15, this Article 17, Article 18, Article 19, Article 20 and Article 21.

ARTICLE 18 — INDEMNIFICATION

- 18.1** Indemnification by Aluvaris. Aluvaris shall indemnify and hold harmless PharmAla and its Affiliates, and their respective directors, officers, employees and agents (the "PharmAla Indemnitees"), from and against any and all losses, damages, liabilities, costs and expenses (including reasonable legal fees) ("Losses") arising out of any Third Party claim to the extent arising from (a) Aluvaris' breach of this Agreement or (b) any material breach of Aluvaris' representations and warranties in Section 14.1.
- 18.2** Indemnification by PharmAla. PharmAla shall indemnify and hold harmless Aluvaris and its Affiliates, and their respective directors, officers, employees and agents (the "Aluvaris Indemnitees"), from and against any and all Losses arising out of any Third Party claim to the extent arising from (a) PharmAla's breach of this Agreement, (b) any material breach of PharmAla's representations and warranties in Section 14.2, or (c) a claim that the

PharmAla IP as of the Effective Date infringes a Third Party's Intellectual Property rights, except to the extent such infringement arises from modifications to or unapproved uses of the PharmAla IP by the SPV or Diteba.

- 18.3** Indemnification by the SPV. The SPV shall indemnify the PharmAla Indemnitees and the Aluvaris Indemnitees from and against any Losses arising out of any Third Party claim to the extent arising from the development, manufacture, use, sale, offer for sale or importation of any Licensed Product by or on behalf of the SPV or any sublicensee, except to the extent such Losses are subject to indemnification under Section 18.1 or Section 18.2.
- 18.4** Procedure. The indemnified Party shall give the indemnifying Party prompt written notice of any claim for which indemnification is sought. The indemnifying Party shall have the right to assume and control the defense of such claim with counsel reasonably acceptable to the indemnified Party, provided that the indemnifying Party shall not settle any claim in a manner that admits liability, imposes non-monetary obligations on the indemnified Party, or does not include a full release of the indemnified Party, without the indemnified Party's prior written consent (not to be unreasonably withheld).

ARTICLE 19 — LIMITATION OF LIABILITY

- 19.1** Exclusion of Indirect Damages. Except in the case of (a) a breach of Article 15 (Confidentiality), (b) the indemnification obligations in Article 18, (c) fraud or wilful misconduct, or (d) the payment obligations under Article 9 (Royalty and Sublicense Income), in no event shall any Party or the SPV be liable to any other Party for any indirect, incidental, consequential, special, punitive, or exemplary damages (including lost profits or lost business opportunity), whether arising in contract, tort (including negligence) or otherwise, even if advised of the possibility of such damages.
- 19.2** Cap on Liability. Except in the case of (a) a breach of Article 15 (Confidentiality), (b) the indemnification obligations in Article 18, (c) fraud or wilful misconduct, or (d) the payment obligations under Article 9, a Party's aggregate liability to the other Party under or in connection with this Agreement shall not exceed the greater of (i) CAD \$2,000,000 and (ii) the aggregate amount of Royalties and Sublicense Income paid or payable to PharmAla during the twenty-four (24) months preceding the claim.

ARTICLE 20 — DISPUTE RESOLUTION

- 20.1** Escalation. Any dispute, controversy or claim arising out of or in connection with this Agreement (a "Dispute") shall first be referred to the chief executive officers (or equivalent senior executives) of the Parties, who shall meet and endeavour to resolve the Dispute in good faith within twenty (20) Business Days of the referral.

- 20.2** Mediation. If the Dispute is not resolved within such period, the Parties shall attempt in good faith to resolve the Dispute by mediation administered under the ADR Institute of Canada's National Mediation Rules, held in Toronto, Ontario, in English.
- 20.3** Litigation. If the Dispute is not resolved by mediation within thirty (30) days of the appointment of the mediator, either Party may commence proceedings in the courts of the Province of Ontario in accordance with Section 21.5. Nothing in this Article 20 shall prevent a Party from seeking urgent interim, injunctive or equitable relief from a court of competent jurisdiction.

ARTICLE 21 — GENERAL PROVISIONS

- 21.1** Notices. All notices under this Agreement shall be in writing and shall be delivered by email, with confirmation of delivery, to the addresses set forth below (or such other addresses as a Party may designate from time to time):

To PharmAla:

PharmAla Biotech Holdings Inc. 1 Adelaide Street East, Suite 801, Toronto, Ontario
Attention: Nick Kadysh, President Email: [REDACTED]

To Aluvaris:

257 Lytton Blvd., Toronto, ON M5N 1R7

Attention: [REDACTED] CEO email [REDACTED]

To Diteba:

Diteba Inc. 1680 Tech Avenue, Unit 1, Mississauga, Ontario L4W 5S9 Attention: [REDACTED]
[REDACTED] CEO Email: [REDACTED]

- 21.2** Entire Agreement. This Agreement, together with the Schedules, the USA and the Diteba Services Agreement, constitutes the entire agreement between the Parties relating to its subject matter and supersedes all prior agreements, understandings and representations, written or oral (including, except as expressly provided, the Letter of Intent, the binding provisions of which shall be superseded upon execution of this Agreement).
- 21.3** Amendment; Waiver. This Agreement may be amended only by a written instrument executed by both Parties. No waiver shall be effective unless in writing and signed by the waiving Party. No waiver shall constitute a continuing waiver.
- 21.4** Assignment. Neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided that either Party may assign this Agreement, without such consent, to an Affiliate or to a successor in connection with a merger, amalgamation, or sale of all or substantially all of its assets or business, so long as the assignee agrees

in writing to be bound by this Agreement. Any purported assignment in violation of this Section shall be void.

- 21.5** Governing Law and Attornment. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to conflict of laws principles. Subject to Article 20, each Party irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario sitting in the City of Toronto in respect of any matter arising under or in connection with this Agreement.
- 21.6** Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision shall be severed and the remainder of this Agreement shall continue in full force and effect. The Parties shall negotiate in good faith to replace the severed provision with a valid, enforceable provision that most closely reflects their original intent.
- 21.7** Further Assurances. Each Party shall, at the other Party's reasonable request, execute and deliver such further documents and take such further actions as may reasonably be required to give effect to this Agreement.
- 21.8** Independent Contractors. Nothing in this Agreement shall be construed as creating a partnership, joint venture (except as expressly contemplated through the SPV), agency or employment relationship between the Parties, and neither Party shall have any authority to bind the other.
- 21.9** Costs. Except as otherwise expressly provided in this Agreement, each Party shall bear its own costs and expenses in connection with the negotiation, execution and performance of this Agreement.
- 21.10** Counterparts; Electronic Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart by electronic transmission (including PDF or DocuSign) shall be as effective as delivery of a manually executed counterpart.

[Signature page follows]

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

PHARMALA BIOTECH HOLDINGS INC.

Per: [REDACTED] _____ 2026-05-07

Name: Nick Kadysh

Title: President

I have authority to bind the corporation.

ALUVARIS INC.

Per: [REDACTED] _____ 2026-05-08

Name: [REDACTED]

Title: CEO

I have authority to bind the corporation.

DITEBA INC.

Per: [REDACTED] _____ 2026-05-07

Name: [REDACTED]

Title: CEO and Director

I have authority to bind the corporation.

SCHEDULE "A" — LICENSE TERMS (Summary)

This Schedule summarizes the key economic and operational terms of the License granted under Article 6. The License terms set out in the body of this Agreement prevail in the event of any conflict with this summary.

Licensor: PharmAla Biotech Holdings Inc.

Licensee: The SPV

Scope: Exclusive (even as to Licensor, subject to Section 6.4), worldwide, royalty-bearing license under the PharmAla IP

Field: All therapeutic fields of human use

Territory: Worldwide

Conditional/Final: Conditional until the Funding Threshold is met; automatically becomes final and irrevocable thereafter, subject to reversion under Article 17

Royalty: 3% of Net Sales in Perpetuity

Sublicense Income Share: 25% of Sublicense Income in Perpetuity

Sublicensing: Permitted with PharmAla's consent, not unreasonably withheld

IP Maintenance Costs: PharmAla until Funding Threshold met; thereafter SPV

Term: In Perpetuity

SCHEDULE “B” — FORM OF DITEBA SERVICES AGREEMENT

[Form of Services Agreement between Diteba Inc. and the SPV to be attached. Key terms to include:]

- Services [REDACTED] (as defined in the Master Agreement [REDACTED])
- Scope of services: analytical method development and validation, release testing, stability testing, bioanalytical services, regulatory CMC support, and project management services in each case to the extent within Diteba's capabilities.
- Statements of work to be issued and approved by the Board; each SOW to include scope, deliverables, timeline and estimated Direct Cost.
- Compliance with GLP, GMP, ICH, Health Canada and FDA requirements as applicable.
- Audit right by SPV to verify [REDACTED] (per Section 11.3).
- Ownership of results to vest in PharmAla as Improvements (per Section 8.4) and licensed to the SPV under the License.
- Term: coterminous with the License; termination on insolvency or uncured material breach.
- Confidentiality, indemnification, limitation of liability and governing law provisions to be consistent with the Master Agreement.

SCHEDULE “C” — FORM OF UNANIMOUS SHAREHOLDERS' AGREEMENT

[Form of USA among PharmAla, Aluvaris and the SPV to be attached. Key provisions to include:]

- Board composition (2+2), chair rotation, quorum (per Article 5).
- Reserved Matters (Schedule F) and IP Reserved Matters (Section 5.5).
- Pre-emptive rights and anti-dilution floor (Article 4).
- Restrictions on transfer of Shares (ROFR, tag-along, drag-along, permitted transfers to Affiliates).
- Dividend and distribution policy.
- Deadlock and exit mechanisms.
- Information rights (per Section 5.7).
- Non-competition and non-solicitation (carved out for PharmAla's platform activities).
- Governing law: Ontario.

SCHEDULE “D” — DEVELOPMENT PLAN

[Initial high-level Development Plan to be inserted. Draft outline below:]

Phase 0 – Post-Closing Setup (Months 0–3): Establish SPV operations, retain key advisors, complete US\$2M capital raise, transfer PharmAla IP documentation and data package, select CMC and clinical CROs.

Phase 1 – Pre-IND Enabling Studies (Months 3–18): Complete IND-enabling toxicology (GLP), CMC development and stability, analytical method validation (via Diteba), finalize clinical protocol for first-in-human study, pre-IND meeting with regulator.

Phase 2 – IND Filing (Months 18–36): File first IND in respect of APA-01 (this constitutes the IND Milestone under Section 12.3).

Phase 3 – Clinical Development (beyond Month 36): Phase 1 clinical trial initiation, subsequent clinical and regulatory strategy to be set by the Board.

SCHEDULE “E” — NET SALES DEFINITION AND ROYALTY REPORTING

Net Sales means the gross amounts invoiced by the SPV, its Affiliates, or sublicensees for sales of Licensed Products to Third Parties in arm's length transactions, less the following deductions actually incurred, allowed, accrued or specifically allocated, to the extent not already deducted in the invoiced amount:

- (a) trade, cash, quantity and prompt-payment discounts actually granted;
- (b) credits or allowances granted for returns, recalls, rejections, or damaged product;
- (c) rebates, chargebacks and other allowances actually granted to governmental authorities, wholesalers, group purchasing organizations and managed care organizations;
- (d) freight, postage, shipping and insurance charges separately itemized on the invoice to the extent paid by the SPV;
- (e) value-added, sales, excise and similar taxes actually paid and included in the invoice;
- (f) any other customary deductions determined in accordance with IFRS, consistently applied.

Transfers among the SPV, its Affiliates and sublicensees for further sale shall not be deemed sales for purposes of Net Sales, provided the ultimate sale to an unaffiliated Third Party is included.

Royalty Report Format. Each quarterly royalty report shall include, at minimum: (i) gross sales by Licensed Product and country; (ii) itemized deductions; (iii) Net Sales by Licensed Product and country; (iv) currency conversion rates applied; (v) Royalty amount owed; and (vi) any Sublicense Income received and the 25% share owed to PharmAla.

SCHEDULE “F” — RESERVED MATTERS

The following matters shall constitute Reserved Matters requiring approval of at least one PharmAla Director and one Aluvaris Director (or corresponding shareholder approval), in addition to any IP Reserved Matters requiring PharmAla's prior written consent under Section 5.5:

- (a) approval and material amendments of the annual operating plan and budget;
- (b) incurring indebtedness (other than ordinary course trade payables) in excess of CAD \$250,000 in aggregate;
- (c) entering into any contract with a Party or an Affiliate of a Party on non-arm's length terms;
- (d) any material change in the scope or nature of the business of the SPV;
- (e) issuance of Shares or securities convertible into Shares (subject to Article 4);
- (f) declaration of dividends or other distributions;
- (g) capital expenditures in excess of CAD \$250,000 in aggregate per fiscal year not contemplated in the approved budget;
- (h) settlement of any litigation involving the SPV in excess of CAD \$100,000;
- (i) appointment or removal of the chief executive officer, chief financial officer, or auditor;
- (j) approval of any equity incentive plan;
- (k) any merger, amalgamation, sale of all or substantially all assets, reorganization, or initial public offering of the SPV;
- (l) commencement of voluntary liquidation, winding-up or dissolution of the SPV;
- (m) adoption of or material amendments to the Development Plan; and
- (n) any matter designated by this Agreement or the USA as requiring approval of both Parties.

— END OF DOCUMENT —