

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 June 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: 001-36812

Decoy Therapeutics Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

46-5087339
(I.R.S. Employer
Identification Number)

2450 Holcombe Blvd., Suite X, Houston, TX 77021
(Address of principal executive offices)(Zip Code)

(713) 913-5608
Registrant's telephone number, including area code

(Former name, former address and former fiscal year, If changed since last report)

Securities registered pursuant to Section 12(b) of the Act		
Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	DCOY	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the 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 ☒

As of August 11, 2026, there were 655,185 shares of common stock outstanding.

DECOY THERAPEUTICS INC.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Various statements made in this Quarterly Report on Form 10-Q are forward-looking and involve risks and uncertainties. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements give our current expectations or forecasts of future events and are not statements of historical or current facts. These statements include, among others, statements about:

- *our ability to continue as a going concern and support our operations;*
- *our expectations regarding the timing, likelihood, expected benefits of, and potential value created by, the recently completed merger transaction between us and Legacy Decoy;*
- *our ability to maintain the listing of our shares of common stock on The Nasdaq Capital Market (“Nasdaq”), including specifically our ability to continue to comply with the minimum \$2.5 million stockholders’ equity requirement, and the effect of noncompliance on the potential liquidity and trading of our shares of common stock;*
- *our ability to successfully manage our cash and cash equivalents and any anticipated proceeds from financing transactions;*
- *our ability to acquire sufficient sources of funding if and when needed;*
- *the plans, strategies and objectives of management for future operations, including the execution of integration plans and the anticipated timing of filings, commencement of preclinical studies or clinical trials of our current and future program candidates, including statements regarding the timing of our planned regulatory communications, submissions and approvals, and release of data from such studies or trials;*
- *our financial performance;*
- *our estimates and expectations as to expenses, ongoing losses, future revenue, cash flow, capital requirements and our need for or ability to obtain additional funding before we can expect to generate any revenue from product sales;*
- *our belief regarding the sufficiency of our cash resources to support our operations;*
- *our liquidity position and the expected sufficiency of such position for anticipated operating and capital requirements;*
- *our plans to develop and commercialize potential product candidates, including planned preclinical, clinical, regulatory, commercialization and manufacturing activities;*
- *our expectations regarding the scope of any approved indication for any product candidate, if approved;*
- *the attraction and retention of highly qualified personnel;*
- *the ability to protect and enhance our products and intellectual property;*
- *developments and projections relating to our competitors or industry;*
- *our relationships and actions with third parties;*
- *future regulatory, judicial and legislative changes in our industry; and*
- *any other statements of expectations, plans, intentions or beliefs, and any statements of assumptions underlying any of the foregoing.*

Forward-looking statements also include statements other than statements of current or historical fact, including, without limitation, all statements related to any expectations of revenues, expenses, cash flows, earnings or losses from operations, cash required to maintain current and planned operations, capital or other financial items; any statements of the plans, strategies and objectives of management for future operations; any plans or expectations with respect to product research, development and commercialization, including regulatory approvals; any other statements of expectations, plans, intentions or beliefs; and any statements of assumptions underlying any of the foregoing. We often, although not always, identify forward-looking statements by using words or phrases such as “believe,” “may,” “could,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “indicate,” “seek,” “should,” “would,” “target,” “potential,” “evaluate,” “proceeding.”

The following are some of the factors that could cause actual results to differ materially from the anticipated results or other expectations expressed, anticipated or implied in our forward-looking statements:

- *our ability to raise additional funds when necessary, and/or on acceptable terms;*
- *the adequacy of our capital to support our future operations;*
- *our ability to maintain our Nasdaq listing;*
- *our ability to obtain and maintain regulatory approvals for our potential product candidates;*
- *the potential impact of changes and disruptions at the FDA, including a reduction in the FDA's workforce and/or decreased funding for the FDA, on our business;*
- *our ability to identify patients that can be treated by our potential product candidates and to enroll these patients in our clinical trials;*
- *our ability to successfully commercialize our potential product candidates, if approved.*
- *our ability to leverage technology to identify and develop future potential product candidates;*
- *fluctuations in our operating results; and*
- *other factors described in our filings with the SEC.*

We cannot guarantee that the results and other expectations expressed, anticipated or implied in any forward-looking statement will be realized. The risks set forth under Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as supplemented by Part II, Item 1A of this Quarterly Report on Form 10-Q, describe major risks to our business, and you should read and interpret any forward-looking statements together with these risks. A variety of factors, including these risks, could cause our actual results and other expectations to differ materially from the anticipated results or other expectations expressed, anticipated or implied in our forward-looking statements. Should known or unknown risks materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected in the forward-looking statements. You should bear this in mind as you consider any forward-looking statements.

Our forward-looking statements speak only as of the dates on which they are made. We do not undertake any obligation to publicly update or revise our forward-looking statements even if experience or future changes makes it clear that any projected results expressed or implied in such statements will not be realized.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

DECOY THERAPEUTICS INC. CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2026 (Unaudited)	December 31, 2025 Audited
Assets		
Current assets:		
Cash, cash equivalents, and restricted cash	\$ 8,289,108	\$ 10,709,937
Prepaid expenses and other current assets	284,200	275,223
Total current assets	8,573,308	10,985,160
Property and equipment, net	399,077	40,559
Other assets	28,775	30,988
Total assets	\$ 9,001,160	\$ 11,056,707
Liabilities, convertible preferred stock and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,326,782	\$ 940,586
Accrued expenses and other current liabilities	215,697	861,748
Deferred revenue	2,997,952	3,225,581
Due to related party	139,823	139,823
Total current liabilities	4,680,254	5,167,738
Total liabilities	\$ 4,680,254	\$ 5,167,738
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 10,000,000 shares authorized; 1,674 and 1,674 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	-	-
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 531,968 and 531,968 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	53	53
Additional paid-in capital	103,361,379	100,331,014
Accumulated deficit	(99,040,526)	(94,442,098)
Total stockholders' equity	4,320,906	5,888,969
Total liabilities and stockholders' equity	\$ 9,001,160	\$ 11,056,707

Historical common stock and additional paid-in capital amounts have been recast to reflect the 1-for-15 and 1-for-12 reverse stock splits effected on August 15, 2025 and March 6, 2026, respectively.

See accompanying notes to condensed consolidated financial statements.

DECOY THERAPEUTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Grant Revenue	\$ 227,629	-	227,629	-
Operating expenses:				
Research and development	\$ 1,304,345	\$ 116,383	\$ 2,054,158	\$ 191,915
General and administrative	1,326,676	849,182	2,860,602	2,492,345
Total operating expenses	2,631,021	965,565	4,914,760	2,684,260
Loss from operations	(2,631,021)	(965,565)	(4,914,760)	(2,684,260)
Interest income and other, net	\$ 29,592	\$ 7,740	88,703	16,902
Net loss	\$ (2,373,800)	\$ (957,825)	\$ (4,598,428)	\$ (2,667,358)
Net loss per share attributable to common stockholders — basic and diluted	\$ (4.46)	\$ (81.21)	\$ (8.64)	\$ (253.72)
Total net loss per share	\$ (4.46)	\$ (81.21)	\$ (8.64)	\$ (253.72)
Weighted-average number of common shares used in net loss per share attributable to common stockholders — basic and diluted	531,968	11,794	531,968	10,513

Historical common stock and additional paid-in capital amounts have been recast to reflect the 1-for-15 and 1-for-12 reverse stock splits effected on August 15, 2025 and March 6, 2026, respectively.

See accompanying notes to condensed consolidated financial statements.

DECOY THERAPEUTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2026	2025
Operating activities		
Net loss	\$ (4,598,428)	\$ (2,667,358)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	19,556	2,212
Equity-based compensation	419,221	56,689
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(272,847)	(11,659)
Accounts payable	(235,170)	337,971
Accrued expenses and other	(646,051)	238,134
Deferred revenue	(227,629)	—
Net cash used in operating activities	(5,541,348)	(2,044,011)
Investing activities		
Purchase of fixed assets	(42,424)	—
Net cash used in investing activities	(42,424)	—
Financing activities		
Proceeds from issuance of equity securities, net	3,162,943	626,235
Payments on note payable	—	(221,866)
Net cash provided by financing activities	3,162,943	404,369
Net decrease in cash	(2,420,829)	(1,639,642)
Cash, cash equivalents, and restricted cash at beginning of period	10,709,937	2,434,528
Cash, cash equivalents, and restricted cash at end of period	\$ 8,289,108	\$ 794,886
Supplemental cash flow information		
Cash paid for interest	\$ —	\$ 5,800
Accrued issuance costs for public offering	\$ 551,799	\$ 356,984
Property and equipment purchases in accounts payable	\$ 69,567	\$ —
Property and equipment reclassified from prepaid expenses	\$ 263,870	\$ —

See accompanying notes to condensed consolidated financial statements.

DECOY THERAPEUTICS INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock Shares	Common Stock Amount	Preferred Stock Shares	Preferred Stock Amount	Additional Paid-In Capital	Accumula ted Deficit	Total Stockhol ders' Equity
Balance at December 31, 2024	8,006	1	—	—	83,435,312	(81,923,618)	1,511,695
Issuance of equity securities, net	3,559	—	—	—	226,170	—	226,170
Equity-based compensation expense	—	—	—	—	33,534	—	33,534
Net loss	—	—	—	—	—	(1,709,533)	(1,709,533)
Balance at March 31, 2025	11,565	1	—	—	83,695,016	(83,633,151)	61,866
Issuance of equity securities and other, net	253	—	—	—	43,080	—	43,080
Equity-based compensation expense	—	—	—	—	23,155	—	23,155
Net loss	—	—	—	—	—	(957,825)	(957,825)
Balance at June 30, 2025	11,818	1	—	—	83,761,251	(84,590,976)	(829,724)
Balance at December 31, 2025	531,968	53	1,674	—	100,331,014	(94,442,098)	5,888,969
Equity-based compensation expense	—	—	—	—	213,044	—	213,044
Net loss	—	—	—	—	—	(2,224,628)	(2,224,628)
Balance at March 31, 2026	531,968	53	1,674	—	100,544,058	(96,666,726)	3,877,385
Issuance of equity securities, net	—	—	—	—	2,611,144	—	2,611,144
Equity-based compensation expense	—	—	—	—	206,177	—	206,177
Net loss	—	—	—	—	—	(2,373,800)	(2,373,800)
Balance at June 30, 2026	531,968	53	1,674	—	103,361,379	(99,040,526)	4,320,906

Historical common stock and additional paid-in capital amounts have been recast to reflect the 1-for-15 and 1-for-12 reverse stock splits effected on August 15, 2025 and March 6, 2026, respectively.

See accompanying notes to condensed consolidated financial statements.

DECOY THERAPEUTICS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. ORGANIZATION AND OPERATIONS

Nature of Business

Decoy Therapeutics Inc. ("Decoy" or the "Company"), together with its subsidiaries, Salaris Pharmaceuticals, LLC, Flex Innovation Group LLC, and TK Pharma, Inc., is a pre-clinical stage biotechnology company focused on advancing our pipeline of peptide conjugate therapeutics engineered through a proprietary IMP³ACT™ platform. Utilizing a novel IMP³ACT™ platform that increases the drug development speed and reduces the complexity of variant synthesis, the Company aims to build a robust portfolio of novel peptide conjugate therapeutics, initially focusing on infectious diseases and oncology. The Company currently has no products approved for commercial sales and has not generated any revenue from product sales.

Prior to January 8, 2026, the Company was known as Salaris Pharmaceuticals, Inc. ("Salaris"). In November 2025, Salaris completed a merger with Decoy Therapeutics Inc. ("Legacy Decoy") and conducted financings to raise capital for its business (together, along with future steps set forth elsewhere in this Quarterly Report on Form 10-Q, the "Decoy Transaction"). We refer herein to the post-transaction entity as the "Combined Company." In connection with the Decoy Transaction, on January 8, 2026, Salaris filed an amendment to its amended and restated certificate of incorporation to change its name to Decoy Therapeutics Inc. (the "Name Change"). Except where the context otherwise requires or where otherwise indicated, all historical references to "Salaris" in this report refer to the Company prior to the Name Change. Prior to the Name Change, the Combined Company's shares of common stock traded on the Nasdaq Capital Market ("Nasdaq") under the symbol "SLRX." Following the Name Change, the Combined Company's shares of common stock now trade on the Nasdaq under the symbol "DCOY."

The Merger combines our complementary approaches to create a comprehensive drug development platform. The Company's IMP³ACT platform is generating a pipeline of Designable Multi-Antivirals ("D-MAV") candidates across respiratory viruses, designed to be extended, not rebuilt, when the next threat emerges. Additionally, the pipeline includes two small molecule drugs that address gene dysregulation: (1) SP-3164, a targeted protein degrader, and (2) seclidemstat ("SP-2577"), a targeted protein inhibitor. SP-2577 has received FDA fast track designation as a potential treatment for Ewing sarcoma, a rare pediatric disease. We have supported The University of Texas MD Anderson Cancer Center ("MDACC") in MDACC's sponsored clinical trial evaluating SP-2577 in combination with azacytidine in adult patients with myelodysplastic syndromes and chronic myelomonocytic leukemia through December 2025. No further enrollment is planned. The Company is seeking strategic alternatives for this program including potential out-licensing. The Company plans to integrate certain assets, particularly the proprietary compound SP-3164, to expand the Company's opportunities in creating a novel class of peptide conjugates called peptide-based proteolysis targeting chimeras ("P-PROTACs"). The Company believes the synergies from the Merger are evident in our combined approach to drug development, integrating expertise in peptide conjugates with our small molecule assets. This combination enables the Company to address a wider range of diseases and potentially "undruggable" targets.

Going Concern

Decoy has no products approved for commercial sale, has not generated any revenue from product sales to date and has had recurring losses from operations since its inception. The lack of revenue from product sales to date and recurring losses from operations since its inception raise substantial doubt as to the Company's ability to continue as a going concern. The accompanying financial statements are prepared using accounting principles generally accepted in the United States applicable to a going concern entity, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities should the Company be unable to continue as a going concern. Based on Decoy's expected cash requirements, Decoy believes that there is substantial doubt that its existing cash and cash equivalents, will be sufficient to fund its operations through one year from the financial statements' issuance date. The Company may attempt to obtain additional capital through the sale of equity securities in one or more offerings or through issuances of debt instruments, and may also consider new collaborations or selectively partnering its technology. However, the Company cannot provide any assurance that it will be successful in accomplishing any of its plans.

If the Company is unable to obtain additional capital in the very near term, it will be forced to cease operations, liquidate its assets and pursue the winding down and dissolution of the Company.

Reverse Stock Splits

On March 5, 2026, the Company filed a Certificate of Amendment to the Company's restated certificate of incorporation, as amended, with the Secretary of State of the State of Delaware to effect a 1-for-12 reverse stock split of the Company's issued and outstanding shares of common stock, par value \$0.0001 per share (the "2026 Reverse Stock Split") which became effective as of March 6, 2026.

On August 15, 2025, the Company filed a Certificate of Amendment to the Company's restated certificate of incorporation, as amended, with the Secretary of State of the State of Delaware to effect a 1-for-15 reverse stock split of the Company's issued and outstanding shares of common stock, par value \$0.0001 per share which became effective as of August 18, 2025. (the "2025 Reverse Stock Split", and together with the 2026 Reverse Stock Split, the "Reverse Stock Splits").

All historical share and per share amounts reflected throughout this report have been adjusted to reflect the Reverse Stock Splits.

NOTE 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP"). Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standard Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries as of June 30, 2026. All significant intercompany balances and transactions have been eliminated in consolidation.

Unaudited Interim Financial Information

The accompanying interim financial statements are unaudited. These unaudited interim financial statements have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for interim financial information. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. These unaudited interim financial statements should be read in conjunction with the audited financial statements and accompanying notes for the year ended December 31, 2025 included elsewhere in the Company's Annual Report on Form 10-K filed with the SEC on March 31, 2026. In the opinion of management, the unaudited interim financial statements reflect all the adjustments (consisting of normal recurring adjustments) necessary to state fairly the Company's financial position as of June 30, 2026 and the results of operations for the three and six months ended June 30, 2026 and 2025. The interim results of operations are not necessarily indicative of the results that may occur for the full fiscal year. The December 31, 2025 balance sheet included herein was derived from the audited financial statements, but does not include all disclosures, including notes, required by GAAP for complete financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as defined by the FASB ASC requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash, Cash Equivalents, and Restricted Cash

Decoy considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Approximately \$2.7 million and \$3.0 million of our June 30, 2026 and December 31, 2025 cash positions, respectively, are restricted for use under our Gates Foundation Grant Agreement.

Financial Instruments and Credit Risks

Financial instruments that potentially subject the Company to credit risk include cash and cash equivalents. Cash is deposited in demand accounts in federally insured domestic institutions to minimize risk. Insurance is provided through the Federal Deposit Insurance Corporation. Although the balances in these accounts exceed the federally insured limit from time to time, the Company has not incurred losses related to these deposits.

Warrants

The Company determines whether warrants should be classified as a liability or equity. For warrants classified as liabilities, the Company estimates the fair value of the warrants at each reporting period using Level 3 inputs with changes in fair value recorded in the Condensed Consolidated Statement of Operations within change in fair value of warrant liability. The estimates in valuation models are based, in part, on subjective assumptions, including but not limited to stock price volatility, the expected life of the warrants, the risk-free interest rate and the fair value of the common stock underlying the warrants, and could differ materially in the future. The Company will continue to adjust the fair value of the warrant liability at the end of each reporting period for changes in fair value from the prior period until the earlier of the exercise or expiration of the applicable warrant. For warrants classified as equity contracts, the Company allocates the transaction proceeds to the warrants and any other free-standing instruments issued in the transaction based on an allowable allocation method.

Research and Development Costs

Research and development costs consist of expenses incurred in performing research and development activities, including pre-clinical studies. Research and development costs include salaries and personnel-related costs, consulting fees, fees paid for contract research services, the costs of laboratory equipment and facilities, license fees and other external costs. Research and development costs are expensed when incurred.

Equity-Based Compensation

Decoy measures equity-based compensation based on the grant date fair value of the awards and recognizes the associated expense in the financial statements over the requisite service period of the award, which is generally the vesting period.

The Company uses the Black-Scholes option valuation model to estimate the fair value of stock options granted to employees and directors. Assumptions utilized in these models include expected volatility calculated based on implied volatility from traded stocks of peer companies, dividend yield and risk-free interest rate. Additionally, forfeitures are accounted for in compensation cost as they occur. Restricted stock and restricted stock units granted to employees and directors are measured at fair value based upon the closing price of the Company's common stock on the grant date.

Loss Per Share

Basic net loss per share is calculated by dividing the net loss applicable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Since the Company was in a loss position for all periods presented, diluted net loss per share is the same as basic net loss per share for all periods, as the inclusion of all potential common shares outstanding is anti-dilutive.

The number of potentially anti-dilutive shares, consisting of common shares underlying (i) common stock options, (ii) stock purchase warrants, (iii) rights entitling holders to receive warrants to purchase the Company's common shares, and (iv) restricted stock units which have been excluded from the computation of diluted loss per share, was approximately 5,114,256 and 657 shares as of June 30, 2026 and 2025, respectively.

Income Taxes

Income taxes are recorded in accordance with FASB ASC Topic 740, Income Taxes ("ASC 740"), which provides for deferred taxes using an asset and liability approach. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and the tax reporting basis of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. The Company provides a valuation allowance against net deferred tax assets unless, based upon the available evidence, it is more likely than not that the deferred tax assets will be realized. The Company has evaluated available evidence and concluded that the Company may not realize the benefit of its deferred tax assets; therefore, a valuation allowance has been established for the full amount of the deferred tax assets.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. As of June 30, 2026 and December 31, 2025, the Company did not have any significant uncertain tax positions and no interest or penalties have been charged. The Company's practice is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company is subject to routine audits by taxing jurisdictions.

NOTE 3. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets at June 30, 2026 and December 31, 2025 consisted of the following:

	June 30, 2026	December 31, 2025
Prepaid insurance	\$ 138,134	\$ —
Other prepaid expense and current assets	146,066	275,223
Total prepaid expenses and other current assets	<u>\$ 284,200</u>	<u>\$ 275,223</u>

Insurance is mainly comprised of prepaid directors' and officers' insurance. Other prepaid assets primarily include unamortized subscription fees, as well as security deposits related to our operating lease and equipment.

NOTE 4. DEFERRED REVENUE AND GRANT REVENUE

Cash received from grants in advance of incurring qualifying costs is recorded as deferred revenue and recognized as revenue when qualifying costs are incurred. Deferred revenue balances were \$3.0 million and \$3.2 million as of June 30, 2026 and December 31, 2025, respectively.

Legacy Decoy has received grants from two funding sources, including a private not-for-profit organization and a federal agency. Funds received in advance of services being performed are recorded as deferred revenue. Income under the not-for-profit and federal agency grants is recognized as labor and material costs are incurred. Labor costs are recognized based on actual salary costs incurred related to the projects, and material costs are recognized based on actual expenditures. Grant revenue amount is approximately \$0.2 million and \$0 for the three and six months ended June 30, 2026 and June 30, 2025, respectively.

NOTE 5. COMMITMENTS AND CONTINGENCIES

Gates Foundation

The Company received a foundation grant from the Gates Foundation for the development of a nasally inhaled, low cost, peptide conjugate pan-Coronavirus antiviral inhibitor. The initial award on September 6, 2021 provided up to a total of approximately \$904,000 and expired on February 28, 2023. Legacy Decoy initially recorded the proceeds in deferred revenue. As work commenced under the grant, the Company recognized income from deferred revenue.

In 2023 the Company entered into a supplemental grant with the Gates Foundation for an additional \$4,084,500 for continued work on the nasally inhaled, low cost, peptide conjugate pan-Coronavirus antiviral inhibitor referenced above. The Company received payment of \$3,500,000 on September 28, 2023. The remaining \$584,500 will be received after the completion of certain milestones.

The Company had approximately \$2.7 million and \$2.9 million in restricted cash and deferred revenue related to this grant at June 30, 2026 and December 31, 2025, respectively.

The Company recognized grant revenue related to this grant of approximately \$0.2 million and \$0 for the three and six months ended June 30, 2026 and June 30, 2025, respectively.

Johnson and Johnson Quickfire Grants

The Company received a grant from the Johnson and Johnson through the U.S. government's Blue Knight Program (Quickfire Grant) for experiments relating to the pharmacokinetics and tolerability of the aforementioned pan-Coronavirus inhibitor in the Human Airway Epithelium (HAE) model. The initial award to the Company on January 31, 2023 provided for \$100,000. The Company initially records all grant proceeds in deferred revenue. As work commenced under the grant, the Company recognizes income from deferred revenue.

During 2023 the Company received \$1,000,000 of additional Quickfire grant for work to investigate the potential for broader therapeutic use of the aforementioned pan-Coronavirus inhibitor.

On March 25, 2024 the Company received an additional grant of \$250,000 Quickfire Grant for experiments relating to the pharmacokinetics and tolerability of the aforementioned pan-Coronavirus inhibitor in the Human Airway Epithelium (HAE) model. At June 30, 2026 and December 31, 2025 the Company recorded the \$250,000 proceeds from the Quickfire Grant in deferred revenue, and no revenue was recognized during each of the six months ended June 30, 2026 and 2025.

Cancer Prevention and Research Institute of Texas

In June 2016, the Company entered into a Cancer Research Grant Contract with CPRIT. Pursuant to the contract, CPRIT awarded the Company a grant up to \$18.7 million, further modified to \$16.1 million to fund development of LSD 1 inhibitor. The grant expired during 2023.

The Company agreed to grant to CPRIT a nonexclusive, irrevocable, royalty-free, perpetual, worldwide license with right to sublicense any necessary additional intellectual property rights to exploit all Project Results by CPRIT, other governmental entities and agencies of the State of Texas, and private or independent institutions of higher education located in Texas, for education, research and other non-commercial purposes. The Company agreed to retain its Texas headquarters address for three years post grant expiration.

The Company is obligated to make revenue-sharing payments to CPRIT with respect to net sales of any product covered by the contract, up to a maximum repayment of a certain percentage of the aggregate amount paid to the Company by CPRIT under the CPRIT contract. The payments are determined as a percentage of net sales, which may be reduced if the Company is required to obtain a license from a third party to sell any such product. In addition, upon meeting the foregoing limitation on revenue-sharing payments, the Company agreed to make continued revenue-sharing payments to CPRIT of less than 1% of net sales.

License Agreement with the University of Utah Research Foundation

In 2011, the Company entered into a license agreement with the University of Utah, under which, the Company acquired license to LSD 1. In exchange for the license, the Company issued 2% equity ownership in the Company based on a fully diluted basis at the effective date of the agreement and subject to certain adjustments specified in the agreement, granted revenue sharing rights on any resulting products or processes to commence on first commercial sale, and milestone payments based upon regulatory approval of any resulting product or process as well as on the second anniversary of first commercial sale.

Lease Agreement

The Company presently leases office and laboratory space under operating lease agreements on a month-to-month basis.

NOTE 6. FAIR VALUE OF FINANCIAL INSTRUMENTS

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. A fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last is considered unobservable, are used to measure fair value:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.

- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Significant unobservable inputs including Decoy's own assumptions in determining fair value.

The Company believes the recorded values of its financial instruments, including cash and cash equivalents, accounts payable, and note payable approximate their fair values due to the short-term nature of these instruments.

NOTE 7. RELATED PARTY TRANSACTIONS

Before the merger closed in November 2025, one officer/founder of the Company had an outstanding Demand Note in the principal amount of \$55,555, plus accrued interest of approximately \$13,000. This note accrues interest at 10% and had a maturity date of December 28, 2024. An agreement to exchange this note for Salarius Series B Preferred Stock was executed and the note was extinguished at the closing of the Merger.

As of June 30, 2026 and December 31, 2025, one family member of an officer/founder of the Company had an outstanding Demand Note in the amount of \$83,333, plus accrued interest of approximately \$22,000 and an outstanding Promissory Note in the amount of \$100,000, plus accrued interest of approximately \$20,000. An agreement to exchange this note for Salarius Series B Preferred Stock was executed and the note was extinguished at the closing of the Merger. During the second half of 2024 and first half of 2025, founders of the Legacy Decoy loaned Legacy Decoy approximately \$140,000 through non-interest bearing, open-ended maturity notes. As of July 22, 2025 these notes were amended to have a maturity date in November 2026.

NOTE 8. STOCKHOLDERS' EQUITY

Private Placement Transaction - June 2026

On June 26, 2026, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with an institutional and accredited investor (the "Purchaser") for a private placement (the "Private Placement") of the Company's securities. Pursuant to the Purchase Agreement, the Company issued and sold to the Purchaser, at a purchase price of \$5.91 per share (the "Per Share Purchase Price"), (i) an aggregate of 592,217 shares of the Company's common stock, par value \$0.0001 per share, or pre-funded warrants in lieu thereof for any portion of the Purchaser's investment that would otherwise result in the Purchaser exceeding the Beneficial Ownership Limitation (the "Pre-Funded Warrants"), and (ii) accompanying milestone-based Series A, Series B and Series C common warrants (collectively, the "Milestone Warrants"). The purchase price per Pre-Funded Warrant was equal to the Per Share Purchase Price, less \$0.0001. The Series A, Series B and Series C Warrants entitle the Purchaser to purchase up to 100%, 200% and 200%, respectively, of the number of shares purchased (including shares underlying the Pre-Funded Warrants), in each case at an exercise price of \$5.91 per share, subject to adjustment. Each Milestone Warrant will expire on the earlier of (i) the 90th day following the date of the applicable Milestone Event and (ii) June 26, 2031. With respect to the Series A Warrants, the "Milestone Event" means the later of (a) the date of the filing by the Company of a Clinical Trial Application with the applicable competent regulatory authority in the European Economic Area to commence a Phase 1 clinical trial and (b) the date the Company obtains approval of its stockholders for the exercise of the Milestone Warrants and the issuance of the underlying shares of Common Stock as required under the applicable Nasdaq rules and regulations (the "Stockholder Approval Date"). With respect to the Series B Warrants, the "Milestone Event" means the later of (a) the date on which the Company provides notice to the holder of the Company's receipt of formal written approval from the Medicines and Healthcare products Regulatory Agency to conduct a Phase 2a human challenge trial in the United Kingdom and (b) the Stockholder Approval Date. With respect to the Series C Warrants, the "Milestone Event" means the later of (a) the Company's public announcement that the Phase 2a human challenge trial conducted in the United Kingdom met its primary endpoint and (b) the Stockholder Approval Date.

Gross proceeds from the Private Placement were approximately \$3.5 million, before deducting placement agent fees and other offering expenses, and excluding any proceeds from future exercise of the Milestone Warrants. The Private Placement closed on June 29, 2026

Common Stock Issuances

During the six months ended June 30, 2025 the Company sold 2,218 shares of common stock in an "at the market offering" with gross proceeds of \$0.4 million.

The Company issued 1,593 shares of common stock with proceeds of \$0.7 million during the six months ended June 30, 2025 pursuant to the ELOC Agreement. Under the terms of the June 26, 2026 Private Placement the Company is prohibited from using the ELOC and ATM for 180 days.

Preferred Stock Issued to Legacy Decoy Stockholders and Debtholders

In November 2025, the Company issued 877.709 shares of Series A Non-Voting Convertible Preferred Stock (the "Series A Stock") and 796.306 shares of Series B Non-Voting Convertible Preferred Stock (the "Series B Stock") to former Legacy Decoy stockholders and debtholders. In connection with the adjustment to the conversion ratio in the certificate of designations for the Series A and Series B Preferred stock triggered by the Offering, the number of Company common shares underlying the issued and reserved shares of Series A and Series B Preferred Stock is 401,126. The shares of Series A Preferred Stock and Series B Preferred Stock are not convertible into common stock until such time as the Company's stockholders approve such conversion in accordance with Nasdaq Rule 5635 and the approval of the Company's initial listing application with Nasdaq. As of June 30, 2026 and December 31, 2025, no shares have been converted.

Warrants (see also Private Placement Transaction above)

In connection with the Offering closed on November 12, 2025, Salarius issued pre-funded warrants to purchase up to 179,361 shares of Common Stock. All pre-funded warrants from this Offering were fully exercised as of December 31, 2025. The Company also issued Series A warrants to purchase up to 388,889 shares of Common Stock, Series B warrants to purchase up to 388,889 shares of Common Stock, and up to 58,333 additional shares of Common Stock, Series A warrants to purchase up to an additional 58,333 shares of Common Stock and Series B warrants to purchase up to an additional 58,333 shares of Common Stock that may be purchased pursuant to a 45-day option to purchase additional securities granted to the Representative by the Company. The Company also issued warrants to the Representative to purchase up to 22,218 shares of Common Stock at an exercise price of \$27.90 (the "Representative Warrants"). The Representative Warrants are exercisable at any time and from time to time, in whole or in part, until November 11, 2030, and have substantially similar terms to the Series A warrants. All Series A warrants, Series B warrants and Representative Warrants are outstanding at June 30, 2026 and December 31, 2025. All numbers were adjusted for 1-for-12 reverse stock split effective on March 6, 2026.

As of June 30, 2026 approximately 4,699,381 warrants remained outstanding.

	Warrants	Weighted Average Exercise Price
Outstanding at December 31, 2024	3,116	\$ 6,162
Expired	(109)	
Canceled	(2,526)	
Outstanding at June 30, 2025	481	
Outstanding at December 31, 2025	932,991	\$ 26.06
Granted	3,766,500	\$ 5.91
Canceled	—	
Expired	(110)	

Outstanding at June 30, 2026

4,699,381 \$

9.91

The terms of the outstanding warrants require the Company, upon the consummation of any fundamental transaction to, among other obligations, cause any successor entity resulting from the fundamental transaction to assume the Company's obligations under the warrants and the associated transaction documents. In addition, holders of warrants are entitled to participate in any fundamental transaction on an as-converted or as-exercised basis, which could result in the holders of the Company's common stock receiving a lesser portion of the consideration from a fundamental transaction. The terms of the warrants could also impede the Company's ability to enter into certain transactions or obtain additional financing in the future.

NOTE 9. EQUITY-BASED COMPENSATION

Equity Incentive Plans

The Company has granted options to employees, directors, and consultants under the 2015 Equity Incentive Plan (the "2015 Plan"). The 2015 Plan provides for the grant of incentive stock options ("ISOs"), nonstatutory stock options, restricted stock awards, restricted stock units, stock appreciation rights, performance-based stock awards and other stock-based awards. Additionally, the 2015 Plan provides for the grant of performance-based cash awards. ISOs may be granted only to the Company's employees. All other awards may be granted to the Company's employees, including officers, and to non-employee directors and consultants. The 2015 Plan expired in accordance with its terms in January 2025 and the 2026 Equity Incentive Plan was approved by shareholder in February 2026. The initial number of shares of our common stock that may be issued under the 2026 Equity Incentive Plan will be 91,666.

No stock options were granted during the six months ended June 30, 2026 and 2025.

The following table summarizes stock option activity for employees and non-employees for the six months ended June 30, 2026 and 2025:

	Shares	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding at December 31, 2024	175	\$ 12,015.00	8.2
Granted	—		
Exercised	—		
Forfeited	—		
Expired	—		
Outstanding at June 30, 2025	175	\$ 12,015.00	7.71
Exercisable at June 30, 2025	161	\$ 12,740.40	7.66
Outstanding at December 31, 2025	13,723	\$ 480.70	7.51
Granted	—		
Exercised	—		
Forfeited	—		
Expired	—		
Outstanding at June 30, 2026	13,723	\$ 480.70	7.02
Exercisable at June 30, 2026	11,853	\$ 462.99	6.94

(1) Shares and weighted average exercise price have been recast to reflect the 1-for-15 and 1-for-12 reverse stock splits effected on August 15, 2025 and March 6, 2026, respectively.

As of June 30, 2026 and December 31, 2025, there was approximately \$0.7 million and \$1.1 million, respectively, of total unrecognized compensation cost related to unvested stock options. Total unrecognized compensation cost will be adjusted for future changes in employee and non-employee forfeitures, if any. The Company expects to recognize that cost over a remaining weighted-average period of 0.27 years.

NOTE 10. SEGMENT REPORTING

The Company had historically been concentrated on developing treatments for cancers caused by dysregulated gene expression. The current pipeline consists of two small molecule drugs: (1) SP-3164, a targeted protein degrader, and (2) seclidemstat ("SP-2577"), a targeted protein inhibitor. Since the completion of the Merger, the Company has focused on the IMP³ACT Platform, a single molecule that can activate or inhibit multiple targets/receptors in an additive or synergistic manner to achieve superior or multi-indication efficacy. The Company does not have any revenue generating products.

For the three and six months ended June 30, 2026 and 2025, the Company identified one operating and reportable segment relating to its operations. The Company defines its operating segment based on internally reported financial information that is regularly reviewed by the Chief Operating Decision Maker (the "CODM"), its Chief Executive Officer. The CODM reviews the segment's loss based on net loss reported on the consolidated statement of operations.

The Company's CODM views specific categories within research and development expenses and general and administrative expenses as significant given the direct correlation between cash burn as a pre-revenue company. The table below is a summary of the segment loss, including significant segment expenses:

	Three-Months Ended June 30		Six-Months Ended June 30	
	2026	2025	2026	2025
Grant Revenue	\$ 227,629	\$ -	\$ 227,629	\$ -
Expenses:				
Research and development:				
SP-3164	\$ -	\$ 8,406	\$ 15,160	\$ 29,443
SP-2577	25,767	107,977	34,077	162,472
IMP ³ ACT (Designable Multi-Antivirals)	1,278,578	-	2,004,921	-
General and administrative:				
Professional services and Consulting	684,042	515,414	1,586,605	1,749,109
Personnel cost	428,922	180,933	863,980	432,041
Insurance expenses	123,574	130,521	242,657	259,474
Facility cost and other	90,138	22,314	167,360	51,721
Loss from operations	<u>2,631,021</u>	<u>965,565</u>	<u>4,914,760</u>	<u>2,684,260</u>
Interest income, net	29,592	7,740	88,703	16,902
Net loss	<u>\$ 2,373,800</u>	<u>\$ 957,825</u>	<u>\$ 4,598,428</u>	<u>\$ 2,667,358</u>

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

The following discussion and analysis should be read in conjunction with the unaudited financial information and the notes thereto included herein, as well as our audited financial statements and notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 31, 2026. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those set forth under "Part I - Item 1A - Risk Factors" discussed in our Annual Report on Form 10-K for the year ended December 31, 2025, in other subsequent filings with the SEC, and elsewhere in this Quarterly Report on Form 10-Q. These statements, like all statements in this report, speak only as of the date of this Quarterly Report on Form 10-Q (unless another date is indicated), and we undertake no obligation to update or revise these statements in light of future developments.

Overview

We are a pre-clinical stage biotechnology company focused on advancing our pipeline of peptide conjugate therapeutics engineered through our proprietary IMP³ACT™ platform. Our IMP³ACT™ platform represents a paradigm shift in peptide conjugate drug discovery and manufacturing, leveraging machine learning ("ML") and artificial intelligence ("AI") tools alongside high-speed synthesis techniques to rapidly engineer, optimize and manufacture peptide conjugates that target serious unmet medical needs. Peptide conjugates are emerging as a major therapeutic drug modality, with the potential to transform multiple therapeutic areas. Utilizing our novel IMP³ACT™ platform that increases the drug development speed and reduces the complexity of variant synthesis, we aim to build a robust portfolio of novel peptide conjugate therapeutics, initially focusing on infectious diseases and oncology, with the goal of becoming a fully integrated biopharmaceutical company at the forefront of this field. Through this approach, we intend to revolutionize the design, development, and commercialization of peptide conjugate therapeutics. We have no products approved for commercial sales and have not generated any revenue from product sales.

Prior to January 8, 2026, we were known as Salarius Pharmaceuticals, Inc. ("Salarius"). In November 2025, Salarius completed a merger (the "Merger") with Legacy Decoy and conducted financings to raise capital for its business (together, along with future steps set forth elsewhere in this report, the "Decoy Transaction"). We refer herein to the post-transaction entity as the "Combined Company." In connection with the Decoy Transaction, on January 8, 2026, Salarius filed an amendment to its amended and restated certificate of incorporation to change its name to Decoy Therapeutics Inc. (the "Name Change"). Except where the context otherwise requires or where otherwise indicated, all historical references to "Salarius" in this report refer to the Company prior to the Name Change. Prior to the Name Change, the Combined Company's shares of common stock traded on the Nasdaq Capital Market ("Nasdaq") under the symbol "SLRX." Following the Name Change, the Combined Company's shares of common stock now trade on the Nasdaq under the symbol "DCOY."

The Merger combined our complementary approaches to create a comprehensive drug development platform. The Decoy IMP³ACT platform is generating a pipeline of Designable Multi-Antivirals ("D-MAV") candidates across respiratory viruses, designed to be extended, not rebuilt, when the next threat emerges. Additionally, two small molecule drugs that address gene dysregulation: (1) SP-3164, a targeted protein degrader, and (2) seclidemstat ("SP-2577"), a targeted protein inhibitor are legacy Salarius clinical candidates which received FDA fast track designation as a potential treatment for Ewing sarcoma, a rare pediatric disease. We supported The University of Texas MD Anderson Cancer Center ("MDACC") in MDACC's sponsored clinical trial evaluating SP-2577 in combination with azacytidine in adult patients with myelodysplastic syndromes and chronic myelomonocytic leukemia through December, 2025. No further enrollment is planned. We are seeking strategic alternatives for this program including potential out-licensing.

We plan to integrate SP-3164 to expand our opportunities in creating a novel class of peptide conjugates called peptide-based proteolysis targeting chimeras ("P-PROTACs"). We believe the synergies from the Merger are evident

in our combined approach to drug development, integrating expertise in peptide conjugates with our small molecule assets. This combination enables us to address a wider range of diseases and potentially “undruggable” targets.

Recent Developments

Private Placement

On June 26, 2026, we entered into a Securities Purchase Agreement with an institutional and accredited investor for a private placement of our securities, which closed on June 29, 2026. Under the agreement, we sold an aggregate of 592,217 shares of our common stock (or pre-funded warrants in lieu thereof, for any portion of the purchase that would have caused the investor to exceed an agreed beneficial ownership limitation) at a purchase price of \$5.91 per share, together with accompanying milestone-based Series A, Series B and Series C common warrants exercisable for up to 100%, 200% and 200%, respectively, of the shares purchased, at an exercise price of \$5.91 per share.

The private placement consisted of (i) \$3.5 million of upfront gross proceeds at a purchase price of \$5.91 per share from the sale of common stock (or pre-funded warrants in lieu thereof), (ii) a milestone-based Series A warrant with potential additional aggregate gross proceeds of approximately \$3.5 million if fully exercised following both shareholder approval and the date of filing by the Company of a Clinical Trial Application with the applicable competent regulatory authority in the European Economic Area to commence a Phase 1 clinical trial, (iii) a milestone-based Series B warrant with potential additional aggregate gross proceeds of approximately \$7.0 million if fully exercised following both shareholder approval and the Company’s receipt of formal written approval from the Medicines and Healthcare products Regulatory Agency to conduct a Phase 2a human challenge trial in the United Kingdom, and (iv) a milestone-based Series C warrant with potential additional aggregate gross proceeds of approximately \$7.0 million if fully exercised following both shareholder approval and the Company’s public announcement of data from the Company’s positive Phase 2a human challenge trial conducted in the United Kingdom. As of the closing date, we received gross proceeds of approximately \$3.5 million from this private placement, before deducting placement agent fees and other offering expenses. We intend to use the net proceeds for general corporate purposes, including to advance our lead asset into clinical trials.

Results of Operations

Three months ended June 30, 2026 Compared to the three months ended June 30, 2025

The following table sets forth the condensed consolidated results of our operations for the three months ended June 30, 2026 compared to June 30, 2025.

	Three Months Ended June 30,			
	2026	2025	\$ Change	%
Grant Revenue	\$ 227,629	\$ -	\$ 227,629	-
Research and development expenses	1,304,345	116,383	1,187,962	1021%
General and administrative expenses	1,326,676	849,182	477,494	56%
Interest income, net and other	29,592	7,740	21,852	282%
Net loss	\$ 2,373,800	\$ 957,825	1,415,975	148 %

Grant Revenue

Grant revenue, which was derived solely from the Gates' Foundation grant, was \$0.2 million and \$0 million during the three months ended June 30, 2026 and 2025, respectively. The increase in revenue was due to an increase in overall expenses allowed by the grant. Given the nature of the development process, grant revenue will fluctuate depending on the stage of development and the timing of expenses.

Research and Development Expenses

Research and development expenses increased during the three months ended June 30, 2026 compared to the same period in 2025 primarily related to the Merger in November 2025 and the resulting addition of the IMP³ACT (Designable Multi-Antivirals) program. We anticipate higher research and development expense in upcoming quarters as the Company continues on its intended path to file an IND application with the FDA or the European equivalent CTA during the first half of 2027.

Research and development costs by candidates and by categories:	<u>SP-2577</u>		<u>SP-3164</u>		<u>IMP3ACT</u>	
	Three months ended June 30,					
	2026	2025	2026	2025	2026	2025
Outsourced research and development costs	20,889	27,502	—	—	523,027	—
Employee-related costs	—	—	—	—	468,966	—
Manufacturing and laboratory costs	4,879	80,475	—	8,406	286,584	—
Total research and development costs	\$ 25,768	\$ 107,977	\$ —	\$ 8,406	\$ 1,278,577	\$ —

General and Administrative Expenses

General and administrative expenses were \$1.3 million during the three months ended June 30, 2026, compared to \$0.8 million for the three months ended June 30, 2025. The increase was primarily attributable to the inclusion of Legacy Decoy's operations in the current quarter following the Merger, which closed in November 2025.

Six months ended June 30, 2026 Compared to the six month ended June 30, 2025

The following table sets forth the condensed consolidated results of our operations for the six months ended June 30, 2026 compared to June 30, 2025.

	Six Months Ended June 30,		\$ Change	%
	2026	2025		
Grant Revenue	\$ 227,629	\$ —	\$ 227,629	-
Research and development expenses	2,054,158	191,915	1,862,243	970%
General and administrative expenses	2,860,602	2,492,345	368,257	15%
Interest income(expense), net	88,703	16,902	71,801	425%
Net loss	\$ 4,598,428	\$ 2,667,358	1,931,070	72%

Grant Revenue

Grant revenue, which was derived solely from the Gates' Foundation grant, was \$0.2 million and \$0 million for the six months ended June 30, 2026 and 2025, respectively. The increase in revenue was due to an increase in overall expenses allowed by the grant. Given the nature of the development process, grant revenue will fluctuate depending on the stage of development and the timing of expenses.

Research and Development Expenses

Research and development expenses increased during the six months ended June 30, 2026 compared to the same period in 2025 primarily related to the Merger in November 2025 and the resulting addition of the IMP³ACT (Designable Multi-Antivirals) program. We anticipate higher research and development expense in upcoming quarters as the Company continues on its intended path to file an IND application with the FDA or the European equivalent CTA during the first half of 2027.

	<u>SP-2577</u>		<u>SP-3164</u>		<u>IMP3ACT</u>	
Research and development costs by candidates and by categories:			Six months ended June 30,			
	2026	2025	2026	2025	2026	2025
Outsourced research and development costs	22,614	72,287	—	—	658,503	—
Employee-related costs	—	—	—	—	927,615	—
Manufacturing and laboratory costs	11,464	90,185	15,160	29,443	418,802	—
Total research and development costs	\$ 34,078	\$ 162,472	\$ 15,160	\$ 29,443	\$ 2,004,920	\$ —

General and Administrative Expenses

General and administrative expenses were \$2.9 million during the six months ended June 30, 2026, compared to \$2.5 million for the six months ended June 30, 2025. The increase was primarily attributable to the inclusion of Legacy Decoy's operations in the current quarter following the Merger, which closed in November 2025.

Liquidity and Capital Resources

Overview

Since inception, we have incurred operating losses and we anticipate that we will continue to incur losses for the foreseeable future. We have not generated any cash inflows from product sales. We do not know when, or if, we will generate any revenue from product sales. We do not expect to generate any revenue from product sales unless and until we obtain regulatory approval for and commercializes any of our potential product candidates, all of which are in early stages of development.

As of June 30, 2026, cash, cash equivalents, and restricted cash totaled \$8.3 million, which were held in bank deposit accounts and a money market account. Approximately \$2.7 million of our June 30, 2026 cash position is restricted for use under our Gates Foundation Grant Agreement and can only be used for specific development purposes. Working capital totaled \$3.8 million as of June 30, 2026. Our cash, cash equivalents, and restricted cash balance decreased during the six months ended June 30, 2026, primarily due to cash used in operating activities. We believe our current cash and cash equivalents will be sufficient to fund our current and restructured operations into late 2026.

During the six months ended June 30, 2026, we closed a private placement pursuant to which we sold an aggregate of 592,217 shares of our common stock (or pre-funded warrants in lieu thereof) at a purchase price of \$5.91 per share, together with accompanying milestone-based Series A, Series B and Series C common warrants. We received gross proceeds of approximately \$3.5 million from this private placement, before deducting placement agent fees and other offering expenses.

During the six months ended June 30, 2025 the Company sold 1,966 shares of common stock in an "at the market offering" with gross proceeds of \$0.4 million.

The Company issued 1,593 shares of common stock with proceeds of \$0.7 million during the six months ended June 30, 2025 pursuant to the ELOC Agreement. No sales of common stock under either program were made during the six months ended June 30, 2026 .

We will need to raise additional capital to continue to fund the further development of product candidates and our operations. We may be unable to raise additional funds or enter into such agreements or arrangements on favorable terms, or at all. Additionally, equity or debt financings may have a dilutive effect on the holdings of our existing stockholders. If we are unable to maintain sufficient financial resources, our business, financial condition and results of operations could be materially and adversely affected. If we are unable to raise additional funds when needed, we may be required to delay, reduce or eliminate our product development or future commercialization efforts.

Cash Flows

	Six Months Ended June 30,	
	2026	2025
Net cash (used in) provided by:		
Operating activities	\$ (5,541,348)	\$ (2,044,011)
Investing activities	(42,424)	-
Financing activities	3,162,943	404,369
Net (decrease) in cash, cash equivalents, and restricted cash	<u>\$ (2,420,829)</u>	<u>\$ (1,639,642)</u>

Operating Activities

Net cash used in operating activities was \$5.5 million in the current period, an increase of approximately \$3.5 million from the same period in 2025. The increase is primarily due to higher operating expenses during the current period compared to the same period in 2025, including research and development associated with the development of the IMP³ACT Platform, professional costs associated with our Special Meeting of Shareholders in February 2026 and current period payments to lower accrued expense balances.

Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2026 and 2025 was \$3.2 million and \$0.4 million, respectively. The increase was primarily attributable to the Company's sale of equity securities under private placement arrangement during the six months ended June 30, 2026, as compared to proceeds from the ATM & ELOC program during the same period of 2025.

Critical Accounting Policies and Estimates

Our 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 GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the condensed consolidated balance sheet and the reported amounts of expenses during the reporting period. In accordance with GAAP, we base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances at the time such estimates are made. Actual results may differ materially from our estimates and judgments under different assumptions or conditions. We periodically review our estimates in light of changes in circumstances, facts and experience. The effects of material revisions in estimates are reflected in our condensed consolidated financial statements prospectively from the date of the change in estimate.

There have been no material changes to our critical accounting policies from those described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K filed with SEC on March 31, 2026.

Readers should refer to our Annual Report on Form 10-K, Note 2, Basis of Presentation and Significant Accounting Policies to the accompanying financial statements for descriptions of these policies and estimates.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide the information under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and 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 Exchange Act, as of June 30, 2026. 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 judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 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

During the three months ended June 30, 2026, there was no significant change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are not a party to any material legal proceedings on the date of this report. We may from time to time become involved in legal proceedings arising in the ordinary course of business, and the resolution of any such claims could be material.

Item 1A. Risk Factors

Except as set forth below, there have been no material changes from the risk factors set forth under Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2025.

Nasdaq's new \$5.0 million market value standard for continued listing may, if implemented, threaten our ability to remain listed on the exchange.

On July 22, 2026, the SEC approved a new Nasdaq continued listing requirement (the "MVLS Rule") that required each Nasdaq listed issuer to maintain a minimum market value of listed securities of at least \$5 million. Under the MVLS Rule, if the value of an issuer's listed securities, as measured by each applicable trading day's closing price, continues to be less than \$5 million for a period of 30 consecutive trading days, the issuer's securities would immediately be delisted, with no compliance or cure period. The MVLS Rule would also preclude an issuer's ability to seek stay of delisting during any appeals process, and would preclude Nasdaq hearings panels from reversing the delisting determination to situations where there was an error and the company never actually failed to satisfy the requirement. The panel would also not be able to consider any facts indicating that an issuer subsequently regained compliance with the requirement or grant an issuer any additional time to regain compliance.

On July 29, 2026, the SEC notified Nasdaq that the order granting approval of the MVLS Rule had been stayed pending further review. It is unknown whether the SEC will affirm its order to approve the MVLS Rule following such review. If approved by the SEC, the MVLS Rule could become effective on an immediate basis. Our Common Stock currently trades at levels that are below the \$5 million aggregate market value threshold proposed by Nasdaq. As such, if the MVLS Rule is approved by the SEC, our Common Stock could be imminently delisted by Nasdaq on this basis.

If the MVLS Rule is approved, we may be required to monitor our market value of listed securities closely and, if necessary, take actions such as issuing additional securities, raising additional capital or undertaking other corporate actions to seek to maintain compliance, any of which could dilute our existing shareholders, increase our costs, or divert management's attention. The risk of a rapid loss of Nasdaq listing, or an actual delisting, could adversely affect investor confidence, the liquidity and trading price of our Common Stock, and our ability to access the capital markets, and could have a material adverse effect on our business, financial condition and results of operations.

Further, if our Common Stock is delisted, we may seek to have our Common Stock quoted on an over-the-counter marketplace, such as on the OTCQX. The OTCQX is not a stock exchange, and if our Common Stock trades on the OTCQX rather than a securities exchange, there may be significantly less trading volume and analyst coverage of, and significantly less investor interest in, our Common Stock, which may lead to lower trading prices for our Common Stock.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable

Item 5. Other Information

During the fiscal quarter ended June 30, 2026, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (in each case, as defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Exhibit number	Description of Document
3.1	Amended and Restated Certificate of Incorporation of the Registrant, incorporated by reference to Exhibit 3.1 of the Form 8-K filed on February 9, 2015
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant filed with the Secretary of State of Delaware on July 18, 2019, incorporated by reference to Exhibit 3.1 of the Form 8-K filed on July 22, 2019
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation filed with the Secretary of State of Delaware on October 14, 2022, incorporated by reference to Exhibit 3.1 of the Form 8-K filed on October 14, 2022
3.4	Amended and Restated Bylaws of the Registrant, effective July 19, 2019, incorporated by reference to Exhibit 3.2 of the Form 8-K filed on July 22, 2019
3.5	Amendment to Amended and Restated Bylaws of the Registrant, effective April 1, 2022, incorporated by reference to Exhibit 3.1 of the Form 8-K filed on April 1, 2022
3.6	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Salius Pharmaceuticals, Inc., effective June 14, 2024, incorporated by reference to Exhibit 3.1 of the Form 8-K filed on June 14, 2024
3.7	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Salius Pharmaceuticals, Inc., effective August 15, 2025 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on August 15, 2025)
3.8	Form of Certificate of Designation of Series A Non-Voting Convertible Preferred Stock (incorporated by reference to Exhibit 2.2 to the Registrant's Current Report on Form 8-K filed with the SEC on September 18, 2025)
3.9	Form of Certificate of Designation of Series B Non-Voting Convertible Preferred Stock (incorporated by reference to Exhibit 2.3 to the Registrant's Current Report on Form 8-K filed with the SEC on September 18, 2025)
3.12	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Salius Pharmaceuticals, Inc., effective January 8, 2026 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 8, 2026)
3.13	Second Amended and Restated Bylaws of the Registrant, effective January 8, 2026 (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on January 8, 2026)
3.14	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Decoy Therapeutics Inc., effective March 6, 2026 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 5, 2026)
4.1	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 29, 2026)
4.2*	Form of Series A Common Warrant
4.3*	Form of Series B Common Warrant
4.4*	Form of Series C Common Warrant
4.5	Form of Placement Agent Warrant (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K filed with the SEC on June 29, 2026)
10.1	Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 29, 2026)
10.2	Registration Rights Agreement (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on June 29, 2026)

10.3	Form of Lock-Up Agreement (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed with the SEC on June 29, 2026)
10.4	Placement Agency Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed with the SEC on June 29, 2026)
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
32.1*	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Rule 13a-14(b) or 15d-14(b) of the Exchange Act and 18 U.S.C. Section 1350
101.0	The following materials from Salarius Pharmaceuticals, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, formatted in XBRL (eXtensible Business Reporting Language):(i) Unaudited Condensed Consolidated Balance Sheets, (ii) Unaudited Condensed Consolidated Statements of Operations (iii) Unaudited Condensed Consolidated Statements of Stockholders' Equity (Deficit), (iv) Unaudited Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Unaudited Consolidated Financial Statements.
104	Cover Page Interactive Data File (embedded within the inline XBRL document and included in Exhibit 101)

* The material contained in Exhibit 32.1 is not deemed "filed" with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

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

DECOY THERAPEUTICS INC.

By: /s/ Frederick E. Pierce
Frederick E. Pierce
Chief Executive Officer (Principal Executive Officer)

By: /s/ Mark J. Rosenblum
Mark J. Rosenblum
*Chief Financial Officer and Executive Vice President of Finance
(Principal Financial Officer and Principal Accounting Officer)*

Date: August 12, 2026

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND SUCH SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT LAWS.

Issuance Date: June 29, 2026

DECOY THERAPEUTICS INC.

FORM OF SERIES A WARRANT TO PURCHASE COMMON SHARES OR PRE-FUNDED WARRANTS

Decoy Therapeutics Inc., a Delaware corporation (the "**Company**"), for value received on June 29, 2026 (the "**Issuance Date**"), hereby issues to **Armistice Capital Master Fund Ltd.** (the "**Holder**") this Warrant (the "**Warrant**") to purchase 592,217 Common Shares (as hereinafter defined) (each such share as from time to time adjusted as hereinafter provided being a "**Warrant Share**" and all such shares being the "**Warrant Shares**"), at the Exercise Price (as defined below), as from time to time adjusted as hereinafter provided, on or before the Expiration Date (as defined below), all subject to the following terms and conditions. This Warrant is one of a series of warrants of like tenor that have been issued in connection with the Company's private offering solely to accredited investors (as defined under applicable U.S. federal securities laws) of units of Common Shares and Warrants in accordance with, and subject to, the terms and conditions described in that certain Securities Purchase Agreement between the Company and each purchaser thereunder, inclusive of all exhibits and all amendments, supplements and appendices thereto (the "**Purchase Agreement**"). Capitalized terms used, but not defined herein, shall have the meanings given to such terms in the Purchase Agreement.

As used in this Warrant, (i) "**Business Day**" means any day other than Saturday, Sunday or any other day on which commercial banks in the City of New York, New York, are authorized or required by law or executive order to close; (ii) "**Common Shares**" means the shares of the Company's common stock, par value 0.0001 per share; (iii) "**Exercise Price**" means U.S. \$5.91 per Warrant Share, subject to adjustment as provided herein; (iv) "**Exercise Commencement Date**" means the Stockholder Approval Date (as defined below); (v) "**Expiration Date**" means the earlier of (i) the 90th day following the date of the Milestone Event, or if such 90th day falls on a day other than a Business Day, the next day that is a Business Day or (ii) June 29, 2031; (vi) "**Trading Day**" means any day on which the Common Shares are traded (or available for trading) on their principal trading market in the United States; (vii) "**Affiliate**" means, with respect to any specified person, any other person who, directly or indirectly, controls, is controlled by, or is under common control with such person; and (viii) "**Registration Rights Agreement**" means that certain Registration Rights Agreement among the Company and each of the Holders as contemplated in the Purchase Agreement. As used herein, "**Milestone Event**" means the later of (a) the date of filing by the Company of a Clinical Trial Application with the applicable competent regulatory authority in the European Economic Area to commence a Phase 1 clinical trial and (b) the date on which the shareholders of the Company approve a proposal to approve the exercise of the Series A Warrants to Purchase Common Stock, the Series B Warrants to Purchase Common Stock and the Series C Warrants to Purchase Common Stock, as may be required by the applicable rules and regulations of the Nasdaq Stock Market LLC (or any successor entity)(such date, the "**Stockholder Approval Date**"); provided that, if such shareholder approval is not obtained, the Company shall (i) call and hold a special meeting of shareholders within 90 days after such vote to again seek such approval and (ii) continue to seek such approval at least once every 90 days thereafter until such approval is obtained.

1. DURATION AND EXERCISE OF WARRANTS

(a) Exercise Period. Commencing on the Exercise Commencement Date, the Holder may, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, exercise this Warrant in whole or in part on any Business Day on or before 11:59 P.M., Eastern Time, on the Expiration Date, at which time this Warrant shall become void and of no value.

(b) Exercise Procedures.

(i) While this Warrant remains outstanding and exercisable in accordance with Section 1(a), in addition to the manner set forth in Section 1(b)(ii) below, the Holder may exercise this Warrant in whole or in part at any time and from time to time by delivery to the Company of a duly executed copy of the Notice of Exercise attached as Exhibit A (the “**Notice of Exercise**”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) following the date of exercise as aforesaid (the “**Warrant Share Delivery Date**”), the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier’s check drawn on a United States bank unless the cashless exercise procedure specified in Section 1(b)(ii) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation as soon as reasonably practicable of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. As used herein, “**Standard Settlement Period**” means the standard settlement period, expressed in a number of Trading Days, on the Company’s primary trading market with respect to the Common Shares as in effect on the date of delivery of the Notice of Exercise.

(ii) If at any time a registration statement is not effective or available (as provided in the Registration Rights Agreement) for the resale by the Holder of all of the Warrant Shares, then the Holder may, in its sole discretion, exercise all or any part of the Warrant in a “cashless” or “net-issue” exercise (a “**Cashless Exercise**”) by delivering to the Company a Notice of Exercise, in which case, the number of Warrant Shares to be issued to the Holder upon such exercise shall be calculated using the following formula:

$$X = \frac{Y * (A - B)}{A}$$

with: X = the number of Warrant Shares to be issued to the Holder

Y = the number of Warrant Shares with respect to which the Warrant is being exercised

A = the fair value per Common Share on the date of exercise of this Warrant

B = the then-current Exercise Price of the Warrant

Solely for the purposes of this paragraph, “**fair value**” per Common Share shall mean the Closing Price (as defined below) per Common Share for the Trading Day immediately preceding the date on which the Notice of Exercise is deemed to have been sent to the Company. “**Closing Price**” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed on a U.S. national securities exchange, the closing price per Common Share for such date (or the nearest preceding date) on the primary exchange

in the United States on which the Common Shares are then listed; (b) if prices for the Common Shares are then quoted on the OTC Bulletin Board or any tier of the OTC Markets in the United States, the closing bid price per Common Share for such date (or the nearest preceding date) so quoted; or (c) if prices for the Common Shares are then reported in the “Pink Sheets” published by the National Quotation Bureau Incorporated (or a similar organization or agency succeeding to its functions of reporting prices) in the United States, the most recent closing bid price per share of the Common Shares so reported. If the Common Shares are not publicly traded as set forth above, the “fair value” per Common Share shall be reasonably and in good faith determined by the board of directors of the Company (the “**Board of Directors**”) as of the date which the Notice of Exercise is deemed to have been sent to the Company.

For purposes of Rule 144 promulgated under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), it is intended, understood and acknowledged that the Warrant Shares issued in a Cashless Exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for such shares shall be deemed to have commenced, on the date this Warrant was originally issued.

(iii) Upon the exercise of this Warrant in compliance with the provisions of this Section 1(b), the Company shall, on or before the Warrant Share Delivery Date, cause the Warrant Shares purchased hereunder to be transmitted by the Company’s transfer agent, Equiniti Trust Company, LLC, (the “**Transfer Agent**”) to the Holder by crediting the account of the Holder’s or its designee’s balance account with The Depository Trust Company (the “**DTC**”) through its Deposit or Withdrawal at Custodian system (“**DWAC**”), if the Transfer Agent is then a participant in such system, and either (A) there is an effective and available registration statement permitting the resale of the Warrant Shares by the Holder (as provided in the Registration Rights Agreement) and the Holder has contracted for such a resale, or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 (assuming Cashless Exercise of the Warrants), and otherwise, at the election of the Holder, by physical delivery of a certificate or a direct registration system account statement (“**DRS Statement**”), registered in the Company’s share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the Holder. Each exercise of this Warrant shall be effective immediately prior to the close of business on the date (the “**Date of Exercise**”) that the Notice of Exercise has been delivered, so long as the Aggregate Exercise Price (if any) has been delivered within one Trading Day of the delivery of the Notice of Exercise. On or before the first (1st) Trading Day following the date on which the Company has received a Notice of Exercise, the Company shall transmit by electronic mail an acknowledgment of confirmation of receipt of such Notice of Exercise, in the form attached hereto as Exhibit B, to the Holder and the Transfer Agent, which confirmation shall constitute an instruction to the Transfer Agent to process such Notice of Exercise in accordance with the terms herein. On or before the Warrant Share Delivery Date, the Company shall cause the Transfer Agent to issue and deliver via DWAC in connection with any resale of such Warrant Shares with respect to which the Holder has instructed a broker to sell such Warrant Shares, and for which the Holder has not yet settled (or via reputable overnight courier to the address as specified in the Notice of Exercise, a certificate or a DRS Statement, registered in the name of the Holder or its designee), for the number of Warrant Shares to which the Holder shall be entitled pursuant to such exercise, the Company shall cause the Transfer Agent to deliver the Warrant Shares to the Holder (or its designee). From the Issuance Date through and including the Expiration Date, the Company shall maintain a transfer agent that participates in DTC’s Fast Automated Securities Transfer (“**FAST**”) Program. Upon delivery of a Notice of Exercise; provided that the payment of the Aggregate Exercise Price (if any) has been made within one (1) Trading Day of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates or DRS Statements evidencing such Warrant Shares, or crediting of such Holder’s (or designee’s) account with DTC (as the case may be).

(iv) If the Company shall fail, for any reason or for no reason, on or prior to the Warrant Share Delivery Date, to deliver to the Holder the Warrant Shares subject to a Notice of Exercise and the applicable Aggregate Exercise Price has been delivered (other than in the case of a Cashless Exercise), then the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each US\$1,000 of Warrant Shares subject to such exercise (based on the fair value of the Common Shares on the date of the applicable Notice of Exercise), US\$10 per Trading Day for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise; provided that such liquidated damages shall not begin to accrue until the first Trading Day after the Warrant Share Delivery Date and shall not exceed, in the aggregate, the aggregate Exercise Price in respect of the Warrant Shares subject to such exercise. In addition to the foregoing, if the Company fails to deliver the Warrant Shares in accordance with the provisions of Section 1(b)(iii) above pursuant to an exercise on or before the Warrant

Share Delivery Date, and if on or after such Warrant Share Delivery Date the Holder acquires (in an open market transaction, stock loan or otherwise) Common Shares corresponding to all or any portion of the number of Warrant Shares issuable upon such exercise that the Holder is entitled to receive from the Company and has not received from the Company in connection with such failure to deliver (a “**Buy-In**”), then, in addition to all other remedies available to the Holder, the Company shall, within two (2) Business Days after the Holder’s request and in the Holder’s discretion, either (i) pay cash to the Holder in an amount equal to the Holder’s total purchase price (including brokerage commissions, stock loan costs and other out-of-pocket expenses, if any) for the Common Shares so acquired (including, without limitation, by any other Person in respect, or on behalf, of the Holder) (the “**Buy-In Price**”), at which point the Company’s obligation to so issue and deliver such certificate or DRS Statement (and to issue such Warrant Shares) or credit the balance account of such Holder or such Holder’s designee, as applicable, with DTC for the number of Warrant Shares to which the Holder is entitled upon the Holder’s exercise hereunder (as the case may be) (and to issue such Warrant Shares) shall terminate, or (ii) promptly honor its obligation to so issue and deliver to the Holder a certificate or DRS Statement representing such Warrant Shares or credit the balance account of such Holder or such Holder’s designee, as applicable, with DTC for the number of Warrant Shares to which the Holder is entitled upon the Holder’s exercise hereunder (as the case may be) and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of Warrant Shares multiplied by (B) the price at which the sell order giving rise to such purchase obligation was executed. Nothing shall limit the Holder’s right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company’s failure to timely deliver certificates or DRS Statements representing Warrant Shares (or to electronically deliver such Warrant Shares) upon the exercise of this Warrant as required pursuant to the terms hereof. In addition to the foregoing rights, (i) if the Company fails to deliver the applicable number of Warrant Shares upon an exercise pursuant to Section 1 by the applicable Warrant Share Delivery Date, then the Holder shall have the right to rescind such exercise in whole or in part and retain and/or have the Company return, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Notice of Exercise; provided that the rescission of an exercise shall not affect the Company’s obligation to make any payments that have accrued prior to the date of such Notice of Exercise pursuant to this Section 1(b) or otherwise, and (ii) if a registration statement covering the resale of the Warrant Shares that are subject to a Notice of Exercise is not available for the resale of such Warrant Shares and the Holder has submitted a Notice of Exercise prior to receiving notice of the non-availability of such registration statement and the Company has not already delivered the Warrant Shares underlying such Notice of Exercise electronically without any restrictive legend by crediting such aggregate number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the Holder’s or its designee’s balance account with DTC through its DWAC system, the Holder shall have the option, by delivery of notice to the Company, to (x) rescind such Notice of Exercise in whole or in part and retain or have returned, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Notice of Exercise; provided that the rescission of a Notice of Exercise shall not affect the Company’s obligation to make any payments that have accrued prior to the date of such notice pursuant to this Section 1(b) or otherwise, and/or (y) switch some or all of such Notice of Exercise from a cash exercise to a Cashless Exercise.

(v) Notwithstanding the foregoing, the Holder may, in its sole and absolute discretion, elect to exercise this Warrant into pre-funded warrants to purchase same number of Warrant Shares as to which this Warrant is being exercised in the form of a pre-funded warrant attached as Exhibit D hereto (a “**Pre-Funded Warrant**”) (as subject to adjustment hereunder), with an exercise price of \$0.0001 per Common Share (the “**Pre-Funded Warrant Exercise Price**”). The purchase price of one Pre-Funded Warrant shall be the Exercise Price minus the Pre-Funded Warrant Exercise Price.

(c) Partial Exercise. This Warrant shall be exercisable, either in its entirety or, from time to time, for part of the number of Warrant Shares referenced by this Warrant. If this Warrant is submitted in connection with any exercise pursuant to Section 1 and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the actual number of Warrant Shares being acquired upon such an exercise and the Holder elects to receive a replacement Warrant, then the Company shall as soon as practicable and in no event later than ten (10) Business Days after any exercise and at its own expense, issue a new Warrant of like tenor representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised.

(d) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed and resolve such dispute in accordance with Section 16.

2. ISSUANCE OF WARRANT SHARES

(a) The Company covenants that all Warrant Shares will, upon issuance in accordance with the terms of this Warrant, be (i) duly authorized, fully paid and non-assessable, and (ii) free from all liens, charges and security interests, with the exception of claims arising through the acts or omissions of any Holder and except as arising from applicable U.S. federal and state securities laws, or applicable Canadian provincial securities laws.

(b) The Company shall register this Warrant upon records to be maintained by the Company for that purpose in the name of the record Holder of such Warrant from time to time. The Company may deem and treat the record Holder of this Warrant as the absolute owner thereof for the purpose of any exercise thereof, any distribution to the Holder thereof and for all other purposes.

(c) The Company will not, by amendment of its certificate of incorporation, by-laws or through any reorganization, transfer of assets, consolidation, merger, amalgamation, arrangement dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all action necessary or appropriate in order to protect the rights of the Holder to exercise this Warrant, or against impairment of such rights.

3. ADJUSTMENTS OF EXERCISE PRICE, NUMBER AND TYPE OF WARRANT SHARES

(a) The Exercise Price and the number of Warrant Shares issuable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 3. If the Company does not have the requisite number of authorized but unissued Common Shares to make any adjustment, then the Company shall, as soon as reasonably practicable, take all action necessary to increase the Company's authorized Common Shares to an amount sufficient to allow the Company to have the requisite number of authorized Common Shares to allow for such adjustment.

(i) Subdivision or Combination of Common Shares. In case the Company shall at any time subdivide (whether by way of stock dividend, stock split or otherwise) its outstanding Common Shares into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced and the number of Warrant Shares shall be proportionately increased, and conversely, in case the outstanding Common Shares of the Company shall be combined (whether by way of stock combination, reverse stock split or otherwise) into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased and the number of Warrant Shares shall be proportionately decreased. The Exercise Price and the Warrant Shares, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this Section 3(a)(i).

(ii) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Share Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Common Shares (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Common Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

(iii) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “**Distribution**”), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the participation in such Distribution (provided, however, that to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Common Shares as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

(iv) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company (and all of its subsidiaries, taken as a whole), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of greater than 50% of the outstanding Common Shares or greater than 50% of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Shares or any compulsory share exchange pursuant to which the Common Shares is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires greater than 50% of the outstanding Common Shares or greater than 50% of the voting power of the common equity of the Company (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation on the exercise of this Warrant), the number of Common Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of common stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable contemplated Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value (as defined below) of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction; provided, however, that if (i) the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors or (ii) the consideration issuable in such Fundamental Transaction is all stock or other securities consideration, then, in each case, the Holder, in connection with the Holder's option to cause the Company or any Successor Entity to purchase this Warrant from the Holder, which option shall be exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable contemplated Fundamental Transaction), shall only be entitled to receive from the Company or any Successor Entity the same type or form of consideration (and in the same proportion), at the Black Scholes Value of the unexercised portion of this Warrant, that is being offered and paid to the holders of Common Shares of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Shares are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction; provided, further, that if holders of Common Shares of the Company are not offered or paid any consideration in such Fundamental Transaction, such holders of Common Shares will be deemed to have received common stock of the Successor Entity (which Successor Entity may be the Company following such Fundamental Transaction) in such Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (i) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the remaining term of this Warrant as of such date of request, (ii) an expected volatility equal to the remaining term of this Warrant obtained from the HVT function on Bloomberg as of the Trading Day immediately prior to the public announcement

of the applicable Fundamental Transaction or, if the Fundamental Transaction is not publicly announced, the date the Fundamental Transaction is consummated, (iii) the underlying price per share used in such calculation shall be the greater of (A) the sum of the price per share being offered in cash, if any, plus the per share value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (B) the greater of (x) the last weighted average price of the Common Shares immediately prior to the public announcement of such Fundamental Transaction and (y) the last weighted average price of the Common Shares immediately prior to the consummation of such Fundamental Transaction, (iv) a zero cost of borrow and (v) a 360 day annualization factor. The payment of the Black Scholes Value will be made by wire transfer of immediately available funds (or such other consideration) within the later of (i) five Business Days of the Holder's election and (ii) the effective date of the Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(a)(iv) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall be added to the term "Company" under this Warrant (so that from and after the occurrence or consummation of such Fundamental Transaction, each and every provision of this Warrant referring to the "Company" shall refer instead to each of the Company and the Successor Entity or Successor Entities, jointly and severally), and the Successor Entity or Successor Entities, jointly and severally with the Company, may exercise every right and power of the Company prior thereto and the Successor Entity or Successor Entities shall assume all of the obligations of the Company prior thereto under this Warrant with the same effect as if the Company and such Successor Entity or Successor Entities, jointly and severally, had been named as the Company herein.

(b) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Section 3, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to the Holder of this Warrant a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall promptly furnish or cause to be furnished to such Holder a like certificate setting forth: (i) such adjustments and readjustments; and (ii) the number of shares and/or the amount, if any, of other securities, assets or property which at the time would be received upon the exercise of the Warrant.

(c) Certain Events. If any event occurs as to which the other provisions of this Section 3 are not strictly applicable but the lack of any adjustment would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, or if strictly applicable would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, then the Board of Directors will, in good faith, make an appropriate adjustment to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 3(c) will increase the Exercise Price or decrease the number of Warrant Shares except as determined pursuant to this Section 3.

4. RESTRICTION ON EXERCISE

(a) Notwithstanding anything to the contrary contained herein, the Company shall not effect any exercise of this Warrant, and the Holder shall not be entitled to exercise this Warrant for a number of Warrant Shares in excess of that number of Warrant Shares that, upon giving effect or immediately prior to such exercise, would cause (i) the aggregate number of Common Shares beneficially owned by the Holder, its Affiliates and any other Persons whose beneficial ownership of Common Shares would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act to exceed 4.99% (the "Maximum Percentage") of the total number of issued and outstanding Common

Shares of the Company following such exercise, or (ii) the combined voting power of the securities of the Company beneficially owned by the Holder and its Affiliates and any other Persons whose beneficial ownership of Common Shares would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act to exceed 4.99% of the combined voting power of all of the securities of the Company then outstanding following such exercise. For purposes of this Warrant, in determining the number of outstanding Common Shares, the Holder may rely on the number of outstanding Common Shares as reflected in (x) the Company's most recent Form 10-Q or Form 10-K, as the case may be, filed with the Commission prior to the date hereof, (y) a more recent public announcement by the Company or (z) any other notice by the Company or its transfer agent setting forth the number of Common Shares outstanding. Upon the written request of the Holder, the Company shall within three (3) Trading Days confirm in writing or by electronic mail to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder since the date as of which such number of outstanding Common Shares was reported. By written notice to the Company, the Holder may from time to time increase or decrease the Maximum Percentage to any other percentage specified in such notice; provided that such Maximum Percentage shall not exceed 9.99% (or upon the election of the Holder prior to the issuance of this Warrant, 19.99%); provided, further, that any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Company.

For purposes of this Section 4(a), the aggregate number of Common Shares or voting securities beneficially owned by the Holder and its Affiliates and any other Persons whose beneficial ownership of Common Shares would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act shall include the Common Shares issuable upon the exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares that would be issuable upon (x) exercise of the remaining unexercised and non-cancelled portion of this Warrant by the Holder and (y) exercise or conversion of the unexercised, non-converted or non-cancelled portion of any other securities of the Company that do not have voting power (including without limitation any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares), is subject to a limitation on conversion or exercise analogous to the limitation contained herein and is beneficially owned by the Holder or any of its Affiliates and other Persons whose beneficial ownership of Common Shares would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act.

(b) This Section 4 shall not restrict the number of Common Shares that a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction as contemplated in Section 3(a)(iv) of this Warrant.

5. TRANSFERS AND EXCHANGES OF WARRANT AND WARRANT SHARES

(a) Registration of Transfers and Exchanges. Subject to Section 5(c), upon the Holder's surrender of this Warrant, with a duly executed copy of the Form of Assignment attached as Exhibit C, to the Chief Financial Officer of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder, the Company shall register the transfer of all or any portion of this Warrant. Upon such registration of transfer, the Company shall issue a new Warrant, in substantially the form of this Warrant, evidencing the acquisition rights transferred to the transferee and a new Warrant, in similar form, evidencing the remaining acquisition rights, if any, not transferred, to the Holder requesting the transfer.

(b) Warrant Exchangeable for Different Denominations. The Holder may exchange this Warrant for a new Warrant or Warrants, in substantially the form of this Warrant, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder, each of such new Warrants to be dated the date of such exchange and to represent the right to purchase such number of Warrant Shares as shall be designated by the Holder. The Holder shall surrender this Warrant with duly executed instructions regarding such re-certification of this Warrant to the Chief Financial Officer of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder.

(c) Restrictions on Transfers. This Warrant may not be transferred at any time without (i) registration under the Securities Act and all applicable state securities laws, or (ii) the availability of an exemption from such registration; provided, however, that no opinion of counsel shall be required in connection with any transfer effected pursuant to

Rule 144, and the Company shall accept customary Rule 144 seller representations in lieu thereof; and, in the case of any other exemption, delivery to the Company of a written opinion of legal counsel addressed to the Company that the proposed transfer of the Warrant may be effected without registration under the Securities Act, which opinion shall be in form and substance reasonably satisfactory to the Company.

(d) Permitted Transfers and Assignments. Notwithstanding any provision to the contrary in this Section 5, the Holder may transfer, with or without consideration, this Warrant or any of the Warrant Shares (or a portion thereof) to the Holder's Affiliates without obtaining the opinion from counsel that may be required by Section 5(c)(ii), provided that the Holder delivers to the Company and its counsel certifications, documentation, and other assurances, acceptable to the Company, and reasonably required by the Holder's counsel to enable the Holder's counsel to render an opinion to the Company's Transfer Agent that such transfer does not violate applicable U.S. federal securities laws.

6. MUTILATED OR MISSING WARRANT CERTIFICATE

If this Warrant is mutilated, lost, stolen or destroyed, upon request by the Holder, the Company will, at the Holder's expense, issue, in exchange for and upon cancellation of the mutilated Warrant, or in substitution for the lost, stolen or destroyed Warrant, a new Warrant, in substantially the form of this Warrant, representing the right to acquire the equivalent number of Warrant Shares; provided, however, that, as a prerequisite to the issuance of a substitute Warrant, the Company may require satisfactory evidence of loss, theft or destruction as well as an indemnity from the Holder of a lost, stolen or destroyed Warrant.

7. PAYMENT OF TAXES

The Company will pay all transfer and stock issuance taxes attributable to the preparation, issuance and delivery of this Warrant and the Warrant Shares including, without limitation, all documentary and stamp taxes; provided, however, that the Company shall not be required to pay any tax in respect of the transfer of this Warrant, or the issuance or delivery of certificates for Warrant Shares or other securities in respect of the Warrant Shares to any person or entity other than to the Holder.

8. FRACTIONAL WARRANT SHARES

No fractional Warrant Shares shall be issued upon exercise of this Warrant. The Company, in lieu of issuing any fractional Warrant Share, shall round up the number of Warrant Shares issuable to nearest whole share.

9. NO SHAREHOLDER RIGHTS; LEGEND

No holder of this Warrant, as such, shall be entitled to vote or be deemed the holder of Common Shares or any other securities of the Company that may at any time be issuable on the exercise hereof, nor shall anything contained herein be construed to confer upon the holder of this Warrant, as such, the rights of a shareholder of the Company or the right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or give or withhold consent to any corporate action or to receive notice of meetings or other actions affecting shareholders (except as provided herein), or to receive dividends or subscription rights or otherwise (except as provide herein).

Each certificate or DRS Statement for Warrant Shares initially issued upon the exercise of this Warrant, and each certificate or DRS Statement for Warrant Shares issued to any subsequent transferee of any such certificate or DRS Statement, shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY [AND THE SECURITIES ISSUABLE UPON THE EXERCISE OF THESE SECURITIES] HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND SUCH SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE AND THE COMPANY RECEIVES AN OPINION OF

COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS.

The foregoing legends shall be removed pursuant to the terms and conditions set forth in the Registration Rights Agreement.

10. REGISTRATION RIGHTS

The Holder shall be entitled to the registration rights as are contained in the Registration Rights Agreement with respect to the Warrant Shares, the provisions of which are deemed incorporated herein by reference.

11. NOTICES

All notices, consents, waivers, and other communications under this Warrant must be in writing and will be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid), (b) sent by facsimile with confirmation of transmission by the transmitting equipment, (c) sent by email so long as the sender does not receive an automated message by the transmitting equipment that the email was rejected or (d) received or rejected by the addressee, if sent by certified mail, return receipt requested, if to the registered Holder hereof; to the Holder at the address, facsimile number, or e-mail address furnished by the registered Holder to the Company in accordance with the Purchase Agreement or if to the Company, Mark Rosenblum at mrosenblum@decoytx.com; copy to Annie Yan at ayan@decoytx.com (or to such other address, facsimile number, or e-mail address as the Holder or the Company may designate by notice the other party).

12. SEVERABILITY

If a court of competent jurisdiction holds any provision of this Warrant invalid or unenforceable, the other provisions of this Warrant will remain in full force and effect. Any provision of this Warrant held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

13. BINDING EFFECT

This Warrant shall be binding upon and inure to the sole and exclusive benefit of the Company, its successors and assigns, the registered Holder or Holders from time to time of this Warrant.

14. SURVIVAL OF RIGHTS AND DUTIES

This Warrant shall terminate and be of no further force and effect on the earlier of 5:00 P.M., Eastern Time, on the Expiration Date or the date on which this Warrant has been exercised in full.

15. GOVERNING LAW

This Warrant will be governed by and construed under the laws of the State of New York without regard to conflicts of laws principles that would require the application of any other law.

16. DISPUTE RESOLUTION

In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall submit the disputed determinations or arithmetic calculations via facsimile or e-mail with confirmation of transmission by the transmitting equipment within two Business Days of receipt of the Notice of Exercise giving rise to such dispute, as the case may be, to the Holder. If the Holder and the Company are unable to agree upon such determination or calculation of the Exercise Price or the Warrant Shares within three Business Days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall, within two Business Days, submit via email or facsimile (a) the disputed determination of the Exercise

Price to an independent, reputable investment bank selected by the Company and approved by the Holder (which approval shall not be unreasonably withheld) or (b) the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

17. NOTICES OF RECORD DATE

Upon (a) any establishment by the Company of a record date of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or right or option to acquire securities of the Company, or any other right, or (b) any capital reorganization, reclassification, recapitalization, merger or consolidation of the Company with or into any other corporation, any transfer of all or substantially all the assets of the Company, or any voluntary or involuntary dissolution, liquidation or winding up of the Company, or the sale, in a single transaction, of a majority of the Company's voting shares (whether newly issued, or from treasury, or previously issued and then outstanding, or any combination thereof), the Company shall mail to the Holder at least ten (10) calendar days, or such longer period as may be required by law, prior to the record date specified therein, a notice specifying (i) the date established as the record date for the purpose of such dividend, distribution, option or right and a description of such dividend, distribution, option or right, (ii) the date on which any such reorganization, reclassification, recapitalization, merger, consolidation, transfer, dissolution, liquidation or winding up, or sale is expected to become effective and (iii) the date, if any, fixed as to when the holders of record of Common Shares shall be entitled to exchange their Common Shares for securities or other property deliverable upon such reorganization, reclassification, recapitalization, merger, consolidation, transfer, dissolution, liquidation or winding up.

18. RESERVATION OF SHARES

The Company shall reserve and keep available out of its authorized but unissued Common Shares for issuance upon the exercise of this Warrant, free from pre-emptive rights, such number of Common Shares for which this Warrant shall from time to time be exercisable. The Company will take all such commercially reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation. Without limiting the generality of the foregoing, the Company covenants that it will promptly take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and use best efforts to obtain all such authorizations, exemptions or consents, including but not limited to consents from the Board of Directors or any public regulatory body, as may be necessary to enable the Company to perform its obligations under this Warrant. In addition, the Company shall not amend its certificate of incorporation to impose any restriction on the number of Common Shares authorized for issuance.

19. NO THIRD PARTY RIGHTS

This Warrant is not intended, and will not be construed, to create any rights in any parties other than the Company and the Holder, and no person or entity may assert any rights as third-party beneficiary hereunder.

20. COUNTERPARTS

This Warrant may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Any counterpart delivered electronically (including without limitation by .pdf transmission) or by facsimile shall be binding to the same extent as an original counterpart with regard to any agreement subject to the terms hereof or any amendment thereto.

21. AMENDMENTS

Other than Section 4 and this Section 21, which may not be amended, neither this Warrant nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Warrant signed by the Company and the Holder.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the date first set forth above.

DECOY THERAPEUTICS INC.

Name: Mark J. Rosenblum
Title: Chief Financial Officer

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EXHIBIT A

NOTICE OF EXERCISE

(To be executed by the Holder of Warrant if such Holder desires to exercise Warrant)

To: Decoy Therapeutics Inc.:

The undersigned hereby irrevocably elects to exercise this Warrant and to purchase thereunder, _____ Decoy Therapeutics Inc. to purchase _____ Decoy Therapeutics Inc. Common Shares, par value 0.0001 per share, issuable upon exercise of the Warrant and delivery of:

(1) U.S. \$ _____ (in cash as provided for in the foregoing Warrant) and any applicable taxes payable by the undersigned pursuant to such Warrant; and/or

(2) _____ Decoy Therapeutics Inc. Common Shares (pursuant to a Cashless Exercise in accordance with Section 1(b)(ii) of the Warrant) (check here if the undersigned desires to deliver an unspecified number of shares equal the number sufficient to effect a Cashless Exercise []).

The undersigned requests that certificates or direct registration system account statement for such shares be issued in the name of:

(Please print name, address and social security or federal employer
identification number (if applicable))

Capitalized terms used herein without definition have the meaning ascribed to them in the Warrant. Except if this Warrant is being exercised pursuant to a Cashless Exercise in accordance with Section 1(b)(ii) of the Warrant, the undersigned hereby reaffirms that the undersigned is an "accredited investor" as defined under Rule 501(a) of Regulation D of the Securities Act of 1933, as amended. The undersigned understands that the Common Shares may bear one or more legends restricting transfers, as set forth in the Purchase Agreement.

If the shares issuable upon this exercise of the Warrant are not all of the Warrant Shares which the Holder is entitled to acquire upon the exercise of the Warrant, the undersigned, by checking here [] requests that a new Warrant evidencing the rights not so exercised be issued in the name of and delivered to:

(Please print name, address and social security or federal employer identification number (if applicable))

Name of Holder (print): _____

(Signature): _____

(By:) _____

(Title:) _____

Dated: _____

EXHIBIT B

ACKNOWLEDGMENT

The Company hereby acknowledges this Notice of Exercise and hereby directs _____ to issue the above indicated number of Common Shares in accordance with the Transfer Agent Instructions dated _____, 202_, from the Company and acknowledged and agreed to by _____.

DECOY THERAPEUTICS INC.

Name: [●]
Title: [●]

EXHIBIT C

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers to each assignee set forth below all of the rights of the undersigned under the Warrant (as defined in and evidenced by the attached Warrant) to acquire the number of Warrant Shares set opposite the name of such assignee below and in and to the foregoing Warrant with respect to said acquisition rights and the shares issuable upon exercise of the Warrant:

Name of Assignee	Address	Number of Shares

If the total of the Warrant Shares are not all of the Warrant Shares evidenced by the foregoing Warrant, the undersigned requests that a new Warrant evidencing the right to acquire the Warrant Shares not so assigned be issued in the name of and delivered to the undersigned. A written opinion of legal counsel addressed to the Company confirming that the proposed transfer of the Warrant may be effected without registration under the Securities Act of 1933, as amended, accompanies this Form of Assignment.

Name of Holder (print): _____
(Signature): _____
(By:): _____
(Title:): _____
Dated: _____

EXHIBIT D

PRE-FUNDED WARRANT

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THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS, AND SUCH SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT LAWS.

Issuance Date: June 29, 2026

DECOY THERAPEUTICS INC.

FORM OF SERIES B WARRANT TO PURCHASE COMMON SHARES OR PRE-FUNDED WARRANTS

Decoy Therapeutics Inc., a Delaware corporation (the “**Company**”), for value received on June 29, 2026 (the “**Issuance Date**”), hereby issues to **Armistice Capital Master Fund Ltd.** (the “**Holder**”) this Warrant (the “**Warrant**”) to purchase **1,184,434** Common Shares (as hereinafter defined) (each such share as from time to time adjusted as hereinafter provided being a “**Warrant Share**” and all such shares being the “**Warrant Shares**”), at the Exercise Price (as defined below), as from time to time adjusted as hereinafter provided, on or before the Expiration Date (as defined below), all subject to the following terms and conditions. This Warrant is one of a series of warrants of like tenor that have been issued in connection with the Company’s private offering solely to accredited investors (as defined under applicable U.S. federal securities laws) of units of Common Shares and Warrants in accordance with, and subject to, the terms and conditions described in that certain Securities Purchase Agreement between the Company and each purchaser thereunder, inclusive of all exhibits and all amendments, supplements and appendices thereto (the “**Purchase Agreement**”). Capitalized terms used, but not defined herein, shall have the meanings given to such terms in the Purchase Agreement.

As used in this Warrant, (i) “**Business Day**” means any day other than Saturday, Sunday or any other day on which commercial banks in the City of New York, New York, are authorized or required by law or executive order to close; (ii) “**Common Shares**” means the shares of the Company’s common stock, par value 0.0001 per share; (iii) “**Exercise Price**” means U.S. \$5.91 per Warrant Share, subject to adjustment as provided herein; (iv) “**Exercise Commencement Date**” means the Stockholder Approval Date (as defined below); (v) “**Expiration Date**” means the earlier of (i) the 90th day following the date of the Milestone Event, or if such 90th day falls on a day other than a Business Day, the next day that is a Business Day or (ii) June 29, 2031; (vi) “**Trading Day**” means any day on which the Common Shares are traded (or available for trading) on their principal trading market in the United States; (vii) “**Affiliate**” means, with respect to any specified person, any other person who, directly or indirectly, controls, is controlled by, or is under common control with such person; and (viii) “**Registration Rights Agreement**” means that certain Registration Rights Agreement among the Company and each of the Holders as contemplated in the Purchase Agreement. As used herein, “**Milestone Event**” means the later of (a) the date the Company provides the Holder a notice of the Company’s receipt of formal written approval from the Medicines and Healthcare products Regulatory Agency to conduct a Phase 2a human challenge trial in the United Kingdom (which interim data readout is consistent in all material respects with the Company’s previously issued public guidance regarding the timing and scope of such interim data) and (b) the date on which the shareholders of the Company approve a proposal to approve the exercise of the Series A Warrants to Purchase Common Stock, the Series B Warrants to Purchase Common Stock and the Series C Warrants to Purchase Common Stock, as may be required by the applicable rules and regulations of the Nasdaq Stock Market LLC (or any successor entity)(such date, the “**Stockholder Approval Date**”); provided that, if such shareholder approval is not obtained, the Company shall (i) call and hold a special meeting of shareholders within

90 days after such vote to again seek such approval and (ii) continue to seek such approval at least once every 90 days thereafter until such approval is obtained.

1. DURATION AND EXERCISE OF WARRANTS

(a) Exercise Period. Commencing on the Exercise Commencement Date, the Holder may, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, exercise this Warrant in whole or in part on any Business Day on or before 11:59 P.M., Eastern Time, on the Expiration Date, at which time this Warrant shall become void and of no value.

(b) Exercise Procedures.

(i) While this Warrant remains outstanding and exercisable in accordance with Section 1(a), in addition to the manner set forth in Section 1(b)(ii) below, the Holder may exercise this Warrant in whole or in part at any time and from time to time by delivery to the Company of a duly executed copy of the Notice of Exercise attached as Exhibit A (the “**Notice of Exercise**”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) following the date of exercise as aforesaid (the “**Warrant Share Delivery Date**”), the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier’s check drawn on a United States bank unless the cashless exercise procedure specified in Section 1(b)(ii) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation as soon as reasonably practicable of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. As used herein, “**Standard Settlement Period**” means the standard settlement period, expressed in a number of Trading Days, on the Company’s primary trading market with respect to the Common Shares as in effect on the date of delivery of the Notice of Exercise.

(ii) If at any time a registration statement is not effective or available (as provided in the Registration Rights Agreement) for the resale by the Holder of all of the Warrant Shares, then the Holder may, in its sole discretion, exercise all or any part of the Warrant in a “cashless” or “net-issue” exercise (a “**Cashless Exercise**”) by delivering to the Company a Notice of Exercise, in which case, the number of Warrant Shares to be issued to the Holder upon such exercise shall be calculated using the following formula:

$$X = \frac{Y * (A - B)}{A}$$

with: X = the number of Warrant Shares to be issued to the Holder

Y = the number of Warrant Shares with respect to which the Warrant is being exercised

A = the fair value per Common Share on the date of exercise of this Warrant

B = the then-current Exercise Price of the Warrant

Solely for the purposes of this paragraph, “**fair value**” per Common Share shall mean the Closing Price (as defined below) per Common Share for the Trading Day immediately preceding the date on which the Notice of Exercise is deemed to have been sent to the Company. “**Closing Price**” means, for any date, the price determined by

the first of the following clauses that applies: (a) if the Common Shares are then listed on a U.S. national securities exchange, the closing price per Common Share for such date (or the nearest preceding date) on the primary exchange in the United States on which the Common Shares are then listed; (b) if prices for the Common Shares are then quoted on the OTC Bulletin Board or any tier of the OTC Markets in the United States, the closing bid price per Common Share for such date (or the nearest preceding date) so quoted; or (c) if prices for the Common Shares are then reported

in the “Pink Sheets” published by the National Quotation Bureau Incorporated (or a similar organization or agency succeeding to its functions of reporting prices) in the United States, the most recent closing bid price per share of the Common Shares so reported. If the Common Shares are not publicly traded as set forth above, the “fair value” per Common Share shall be reasonably and in good faith determined by the board of directors of the Company (the “**Board of Directors**”) as of the date which the Notice of Exercise is deemed to have been sent to the Company.

For purposes of Rule 144 promulgated under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), it is intended, understood and acknowledged that the Warrant Shares issued in a Cashless Exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for such shares shall be deemed to have commenced, on the date this Warrant was originally issued.

(iii) Upon the exercise of this Warrant in compliance with the provisions of this Section 1(b), the Company shall, on or before the Warrant Share Delivery Date, cause the Warrant Shares purchased hereunder to be transmitted by the Company’s transfer agent, Equiniti Trust Company, LLC, (the “**Transfer Agent**”) to the Holder by crediting the account of the Holder’s or its designee’s balance account with The Depository Trust Company (the “**DTC**”) through its Deposit or Withdrawal at Custodian system (“**DWAC**”), if the Transfer Agent is then a participant in such system, and either (A) there is an effective and available registration statement permitting the resale of the Warrant Shares by the Holder (as provided in the Registration Rights Agreement) and the Holder has contracted for such a resale, or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 (assuming Cashless Exercise of the Warrants), and otherwise, at the election of the Holder, by physical delivery of a certificate or a direct registration system account statement (“**DRS Statement**”), registered in the Company’s share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the Holder. Each exercise of this Warrant shall be effective immediately prior to the close of business on the date (the “**Date of Exercise**”) that the Notice of Exercise has been delivered, so long as the Aggregate Exercise Price (if any) has been delivered within one Trading Day of the delivery of the Notice of Exercise. On or before the first (1st) Trading Day following the date on which the Company has received a Notice of Exercise, the Company shall transmit by electronic mail an acknowledgment of confirmation of receipt of such Notice of Exercise, in the form attached hereto as Exhibit B, to the Holder and the Transfer Agent, which confirmation shall constitute an instruction to the Transfer Agent to process such Notice of Exercise in accordance with the terms herein. On or before the Warrant Share Delivery Date, the Company shall cause the Transfer Agent to issue and deliver via DWAC in connection with any resale of such Warrant Shares with respect to which the Holder has instructed a broker to sell such Warrant Shares, and for which the Holder has not yet settled (or via reputable overnight courier to the address as specified in the Notice of Exercise, a certificate or a DRS Statement, registered in the name of the Holder or its designee), for the number of Warrant Shares to which the Holder shall be entitled pursuant to such exercise, the Company shall cause the Transfer Agent to deliver the Warrant Shares to the Holder (or its designee). From the Issuance Date through and including the Expiration Date, the Company shall maintain a transfer agent that participates in DTC’s Fast Automated Securities Transfer (“**FAST**”) Program. Upon delivery of a Notice of Exercise; provided that the payment of the Aggregate Exercise Price (if any) has been made within one (1) Trading Day of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates or DRS Statements evidencing such Warrant Shares, or crediting of such Holder’s (or designee’s) account with DTC (as the case may be).

(iv) If the Company shall fail, for any reason or for no reason, on or prior to the Warrant Share Delivery Date, to deliver to the Holder the Warrant Shares subject to a Notice of Exercise and the applicable Aggregate Exercise Price has been delivered (other than in the case of a Cashless Exercise), then the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each US\$1,000 of Warrant Shares subject to such exercise (based on the fair value of the Common Shares on the date of the applicable Notice of Exercise), US\$10 per Trading Day for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise; provided that such liquidated damages shall not begin to accrue until the first Trading

Day after the Warrant Share Delivery Date and shall not exceed, in the aggregate, the aggregate Exercise Price in respect of the Warrant Shares subject to such exercise. In addition to the foregoing, if the Company fails to deliver the Warrant Shares in accordance with the provisions of Section 1(b)(iii) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if on or after such Warrant Share Delivery Date the Holder acquires (in an open market transaction, stock loan or otherwise) Common Shares corresponding to all or any portion of the number of Warrant Shares issuable upon such exercise that the Holder is entitled to receive from the Company and has not received from the Company in connection with such failure to deliver (a “**Buy-In**”), then, in addition to all other remedies available to the Holder, the Company shall, within two (2) Business Days after the Holder’s request and in the Holder’s discretion, either (i)

pay cash to the Holder in an amount equal to the Holder’s total purchase price (including brokerage commissions, stock loan costs and other out-of-pocket expenses, if any) for the Common Shares so acquired (including, without limitation, by any other Person in respect, or on behalf, of the Holder) (the “**Buy-In Price**”), at which point the Company’s obligation to so issue and deliver such certificate or DRS Statement (and to issue such Warrant Shares) or credit the balance account of such Holder or such Holder’s designee, as applicable, with DTC for the number of Warrant Shares to which the Holder is entitled upon the Holder’s exercise hereunder (as the case may be) (and to issue such Warrant Shares) shall terminate, or (ii) promptly honor its obligation to so issue and deliver to the Holder a certificate or DRS Statement representing such Warrant Shares or credit the balance account of such Holder or such Holder’s designee, as applicable, with DTC for the number of Warrant Shares to which the Holder is entitled upon the Holder’s exercise hereunder (as the case may be) and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of Warrant Shares multiplied by (B) the price at which the sell order giving rise to such purchase obligation was executed. Nothing shall limit the Holder’s right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company’s failure to timely deliver certificates or DRS Statements representing Warrant Shares (or to electronically deliver such Warrant Shares) upon the exercise of this Warrant as required pursuant to the terms hereof. In addition to the foregoing rights, (i) if the Company fails to deliver the applicable number of Warrant Shares upon an exercise pursuant to Section 1 by the applicable Warrant Share Delivery Date, then the Holder shall have the right to rescind such exercise in whole or in part and retain and/or have the Company return, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Notice of Exercise; provided that the rescission of an exercise shall not affect the Company’s obligation to make any payments that have accrued prior to the date of such Notice of Exercise pursuant to this Section 1(b) or otherwise, and (ii) if a registration statement covering the resale of the Warrant Shares that are subject to a Notice of Exercise is not available for the resale of such Warrant Shares and the Holder has submitted a Notice of Exercise prior to receiving notice of the non-availability of such registration statement and the Company has not already delivered the Warrant Shares underlying such Notice of Exercise electronically without any restrictive legend by crediting such aggregate number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the Holder’s or its designee’s balance account with DTC through its DWAC system, the Holder shall have the option, by delivery of notice to the Company, to (x) rescind such Notice of Exercise in whole or in part and retain or have returned, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Notice of Exercise; provided that the rescission of a Notice of Exercise shall not affect the Company’s obligation to make any payments that have accrued prior to the date of such notice pursuant to this Section 1(b) or otherwise, and/or (y) switch some or all of such Notice of Exercise from a cash exercise to a Cashless Exercise.

(v) Notwithstanding the foregoing, the Holder may, in its sole and absolute discretion, elect to exercise this Warrant into pre-funded warrants to purchase same number of Warrant Shares as to which this Warrant is being exercised in the form of a pre-funded warrant attached as Exhibit D hereto (a “**Pre-Funded Warrant**”) (as subject to adjustment hereunder), with an exercise price of \$0.0001 per Common Share (the “**Pre-Funded Warrant Exercise Price**”). The purchase price of one Pre-Funded Warrant shall be the Exercise Price minus the Pre-Funded Warrant Exercise Price.

(c) Partial Exercise. This Warrant shall be exercisable, either in its entirety or, from time to time, for part of the number of Warrant Shares referenced by this Warrant. If this Warrant is submitted in connection with any exercise pursuant to Section 1 and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the actual number of Warrant Shares being acquired upon such an exercise and the Holder elects to receive a replacement Warrant, then the Company shall as soon as practicable and in no event later than ten (10) Business Days after any exercise and at its own expense, issue a new Warrant of like tenor representing the right to purchase the

number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised.

(d) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed and resolve such dispute in accordance with Section 16.

2. ISSUANCE OF WARRANT SHARES

(a) The Company covenants that all Warrant Shares will, upon issuance in accordance with the terms of this Warrant, be (i) duly authorized, fully paid and non-assessable, and (ii) free from all liens, charges and security interests, with the exception of claims arising through the acts or omissions of any Holder and except as arising from applicable U.S. federal and state securities laws, or applicable Canadian provincial securities laws.

(b) The Company shall register this Warrant upon records to be maintained by the Company for that purpose in the name of the record Holder of such Warrant from time to time. The Company may deem and treat the record Holder of this Warrant as the absolute owner thereof for the purpose of any exercise thereof, any distribution to the Holder thereof and for all other purposes.

(c) The Company will not, by amendment of its certificate of incorporation, by-laws or through any reorganization, transfer of assets, consolidation, merger, amalgamation, arrangement dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all action necessary or appropriate in order to protect the rights of the Holder to exercise this Warrant, or against impairment of such rights.

3. ADJUSTMENTS OF EXERCISE PRICE, NUMBER AND TYPE OF WARRANT SHARES

(a) The Exercise Price and the number of Warrant Shares issuable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 3. If the Company does not have the requisite number of authorized but unissued Common Shares to make any adjustment, then the Company shall, as soon as reasonably practicable, take all action necessary to increase the Company's authorized Common Shares to an amount sufficient to allow the Company to have the requisite number of authorized Common Shares to allow for such adjustment.

(i) Subdivision or Combination of Common Shares. In case the Company shall at any time subdivide (whether by way of stock dividend, stock split or otherwise) its outstanding Common Shares into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced and the number of Warrant Shares shall be proportionately increased, and conversely, in case the outstanding Common Shares of the Company shall be combined (whether by way of stock combination, reverse stock split or otherwise) into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased and the number of Warrant Shares shall be proportionately decreased. The Exercise Price and the Warrant Shares, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this Section 3(a)(i).

(ii) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Share Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Common Shares (the “**Purchase Rights**”), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that to the extent that the Holder’s right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Common Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

(iii) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “**Distribution**”), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the participation in such Distribution (provided, however, that to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Common Shares as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

(iv) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company (and all of its subsidiaries, taken as a whole), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of greater than 50% of the outstanding Common Shares or greater than 50% of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Shares or any compulsory share exchange pursuant to which the Common Shares is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires greater than 50% of the outstanding Common Shares or greater than 50% of the voting power of the common equity of the Company (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation on the exercise of this Warrant), the number of Common Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of common stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable contemplated Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value (as defined below) of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction; provided, however, that if (i) the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors or (ii) the consideration issuable in such Fundamental Transaction is all stock or other securities consideration, then, in each case, the Holder, in connection with the Holder's option to cause the Company or any Successor Entity to purchase this Warrant from the Holder, which option shall be exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable contemplated Fundamental Transaction), shall only be entitled to receive from the Company or any Successor Entity the same type or form of consideration (and in the same proportion), at the Black Scholes Value of the unexercised portion of this Warrant, that is being offered and paid to the holders of Common Shares of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Shares are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction; provided, further, that if holders of Common Shares of the Company are not offered or paid any consideration in such Fundamental Transaction, such holders of Common Shares will be deemed to have received common stock of the Successor Entity (which Successor Entity may be the Company following such Fundamental Transaction) in such Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (i) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the remaining term of this Warrant as of such date of request, (ii) an expected volatility equal to the remaining term of this Warrant obtained from the HVT function on Bloomberg as of the Trading Day

immediately prior to the public announcement of the applicable Fundamental Transaction or, if the Fundamental Transaction is not publicly announced, the date the Fundamental Transaction is consummated, (iii) the underlying price per share used in such calculation shall be the greater of (A) the sum of the price per share being offered in cash, if any, plus the per share value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (B) the greater of (x) the last weighted average price of the Common Shares immediately prior to the public announcement of such Fundamental Transaction and (y) the last weighted average price of the Common Shares immediately prior to the consummation of such Fundamental Transaction, (iv) a zero cost of borrow and (v) a 360 day annualization factor. The payment of the Black Scholes Value will be made by wire transfer of immediately available funds (or such other consideration) within the later of (i) five Business Days of the Holder's election and (ii) the effective date of the Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(a)(iv) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall be added to the term "Company" under this Warrant (so that from and after the occurrence or consummation of such Fundamental Transaction, each and every provision of this Warrant referring to the "Company" shall refer instead to each of the Company and the Successor Entity or Successor Entities, jointly and severally), and the Successor Entity or Successor Entities, jointly and severally with the Company, may exercise every right and power of the Company prior thereto and the Successor Entity or Successor Entities shall assume all of the obligations of the Company prior thereto under this Warrant with the same effect as if the Company and such Successor Entity or Successor Entities, jointly and severally, had been named as the Company herein.

(b) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Section 3, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to the Holder of this Warrant a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall promptly furnish or cause to be furnished to such Holder a like certificate setting forth: (i) such adjustments and readjustments; and (ii) the number of shares and/or the amount, if any, of other securities, assets or property which at the time would be received upon the exercise of the Warrant.

(c) Certain Events. If any event occurs as to which the other provisions of this Section 3 are not strictly applicable but the lack of any adjustment would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, or if strictly applicable would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, then the Board of Directors will, in good faith, make an appropriate adjustment to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 3(c) will increase the Exercise Price or decrease the number of Warrant Shares except as determined pursuant to this Section 3.

4. RESTRICTION ON EXERCISE

(a) Notwithstanding anything to the contrary contained herein, the Company shall not effect any exercise of this Warrant, and the Holder shall not be entitled to exercise this Warrant for a number of Warrant Shares in excess of that number of Warrant Shares that, upon giving effect or immediately prior to such exercise, would cause (i) the aggregate number of Common Shares beneficially owned by the Holder, its Affiliates and any other Persons whose beneficial ownership of Common Shares would be aggregated with the Holder's for purposes of Section 13(d) of the

Exchange Act to exceed 4.99% (the "Maximum Percentage") of the total number of issued and outstanding Common Shares of the Company following such exercise, or (ii) the combined voting power of the securities of the Company beneficially owned by the Holder and its Affiliates and any other Persons whose beneficial ownership of Common Shares would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act to exceed 4.99% of the combined voting power of all of the securities of the Company then outstanding following such exercise. For purposes of this Warrant, in determining the number of outstanding Common Shares, the Holder may rely on the number of outstanding Common Shares as reflected in (x) the Company's most recent Form 10-Q or Form 10-K, as the case may be, filed with the Commission prior to the date hereof, (y) a more recent public announcement by the Company or (z) any other notice by the Company or its transfer agent setting forth the number of Common Shares outstanding. Upon the written request of the Holder, the Company shall within three (3) Trading Days confirm in writing or by electronic mail to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder since the date as of which such number of outstanding Common Shares was reported. By written notice to the Company, the Holder may from time to time increase or decrease the Maximum Percentage to any other percentage specified in such notice; provided that such Maximum Percentage shall not exceed 9.99% (or upon the election of the Holder prior to the issuance of this Warrant, 19.99%); provided, further, that any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Company.

For purposes of this Section 4(a), the aggregate number of Common Shares or voting securities beneficially owned by the Holder and its Affiliates and any other Persons whose beneficial ownership of Common Shares would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act shall include the Common Shares issuable upon the exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares that would be issuable upon (x) exercise of the remaining unexercised and non-cancelled portion of this Warrant by the Holder and (y) exercise or conversion of the unexercised, non-converted or non-cancelled portion of any other securities of the Company that do not have voting power (including without limitation any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares), is subject to a limitation on conversion or exercise analogous to the limitation contained herein and is beneficially owned by the Holder or any of its Affiliates and other Persons whose beneficial ownership of Common Shares would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act.

(b) This Section 4 shall not restrict the number of Common Shares that a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction as contemplated in Section 3(a)(iv) of this Warrant.

5. TRANSFERS AND EXCHANGES OF WARRANT AND WARRANT SHARES

(a) Registration of Transfers and Exchanges. Subject to Section 5(c), upon the Holder's surrender of this Warrant, with a duly executed copy of the Form of Assignment attached as Exhibit C, to the Chief Financial Officer of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder, the Company shall register the transfer of all or any portion of this Warrant. Upon such registration of transfer, the Company shall issue a new Warrant, in substantially the form of this Warrant, evidencing the acquisition rights transferred to the transferee and a new Warrant, in similar form, evidencing the remaining acquisition rights, if any, not transferred, to the Holder requesting the transfer.

(b) Warrant Exchangeable for Different Denominations. The Holder may exchange this Warrant for a new Warrant or Warrants, in substantially the form of this Warrant, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder, each of such new Warrants to be dated the date of such exchange and to represent the right to purchase such number of Warrant Shares as shall be designated by the Holder. The Holder shall surrender this Warrant with duly executed instructions regarding such re-certification of this Warrant to the Chief Financial Officer of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder.

(c) Restrictions on Transfers. This Warrant may not be transferred at any time without (i) registration under the Securities Act and all applicable state securities laws, or (ii) the availability of an exemption from such registration;

provided, however, that no opinion of counsel shall be required in connection with any transfer effected pursuant to Rule 144, and the Company shall accept customary Rule 144 seller representations in lieu thereof; and, in the case of any other exemption, delivery to the Company of a written opinion of legal counsel addressed to the Company that the proposed transfer of the Warrant may be effected without registration under the Securities Act, which opinion shall be in form and substance reasonably satisfactory to the Company.

(d) Permitted Transfers and Assignments. Notwithstanding any provision to the contrary in this Section 5, the Holder may transfer, with or without consideration, this Warrant or any of the Warrant Shares (or a portion thereof) to the Holder's Affiliates without obtaining the opinion from counsel that may be required by Section 5(c)(ii), provided that the Holder delivers to the Company and its counsel certifications, documentation, and other assurances, acceptable to the Company, and reasonably required by the Holder's counsel to enable the Holder's counsel to render an opinion to the Company's Transfer Agent that such transfer does not violate applicable U.S. federal securities laws

6. MUTILATED OR MISSING WARRANT CERTIFICATE

If this Warrant is mutilated, lost, stolen or destroyed, upon request by the Holder, the Company will, at the Holder's expense, issue, in exchange for and upon cancellation of the mutilated Warrant, or in substitution for the lost, stolen or destroyed Warrant, a new Warrant, in substantially the form of this Warrant, representing the right to acquire the equivalent number of Warrant Shares; provided, however, that, as a prerequisite to the issuance of a substitute Warrant, the Company may require satisfactory evidence of loss, theft or destruction as well as an indemnity from the Holder of a lost, stolen or destroyed Warrant.

7. PAYMENT OF TAXES

The Company will pay all transfer and stock issuance taxes attributable to the preparation, issuance and delivery of this Warrant and the Warrant Shares including, without limitation, all documentary and stamp taxes; provided, however, that the Company shall not be required to pay any tax in respect of the transfer of this Warrant, or the issuance or delivery of certificates for Warrant Shares or other securities in respect of the Warrant Shares to any person or entity other than to the Holder.

8. FRACTIONAL WARRANT SHARES

No fractional Warrant Shares shall be issued upon exercise of this Warrant. The Company, in lieu of issuing any fractional Warrant Share, shall round up the number of Warrant Shares issuable to nearest whole share.

9. NO SHAREHOLDER RIGHTS; LEGEND

No holder of this Warrant, as such, shall be entitled to vote or be deemed the holder of Common Shares or any other securities of the Company that may at any time be issuable on the exercise hereof, nor shall anything contained herein be construed to confer upon the holder of this Warrant, as such, the rights of a shareholder of the Company or the right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or give or withhold consent to any corporate action or to receive notice of meetings or other actions affecting shareholders (except as provided herein), or to receive dividends or subscription rights or otherwise (except as provide herein).

Each certificate or DRS Statement for Warrant Shares initially issued upon the exercise of this Warrant, and each certificate or DRS Statement for Warrant Shares issued to any subsequent transferee of any such certificate or DRS Statement, shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY [AND THE SECURITIES ISSUABLE UPON THE EXERCISE OF THESE SECURITIES] HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND SUCH SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE AND THE COMPANY RECEIVES AN OPINION OF

COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS.

The foregoing legends shall be removed pursuant to the terms and conditions set forth in the Registration Rights Agreement.

10. REGISTRATION RIGHTS

The Holder shall be entitled to the registration rights as are contained in the Registration Rights Agreement with respect to the Warrant Shares, the provisions of which are deemed incorporated herein by reference.

11. NOTICES

All notices, consents, waivers, and other communications under this Warrant must be in writing and will be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid), (b) sent by facsimile with confirmation of transmission by the transmitting equipment, (c) sent by email so long as the sender does not receive an automated message by the transmitting equipment that the email was rejected or (d) received or rejected by the addressee, if sent by certified mail, return receipt requested, if to the registered Holder hereof; to the Holder at the address, facsimile number, or e-mail address furnished by the registered Holder to the Company in accordance with the Purchase Agreement or if to the Company, to Mark Rosenblum at mrosenblum@decoytx.com; copy to Annie Yan at ayan@decoytx.com (or to such other address, facsimile number, or e-mail address as the Holder or the Company may designate by notice the other party).

12. SEVERABILITY

If a court of competent jurisdiction holds any provision of this Warrant invalid or unenforceable, the other provisions of this Warrant will remain in full force and effect. Any provision of this Warrant held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

13. BINDING EFFECT

This Warrant shall be binding upon and inure to the sole and exclusive benefit of the Company, its successors and assigns, the registered Holder or Holders from time to time of this Warrant.

14. SURVIVAL OF RIGHTS AND DUTIES

This Warrant shall terminate and be of no further force and effect on the earlier of 5:00 P.M., Eastern Time, on the Expiration Date or the date on which this Warrant has been exercised in full.

15. GOVERNING LAW

This Warrant will be governed by and construed under the laws of the State of New York without regard to conflicts of laws principles that would require the application of any other law.

16. DISPUTE RESOLUTION

In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall submit the disputed determinations or arithmetic calculations via facsimile or e-mail with confirmation of transmission by the transmitting equipment within two Business Days of receipt of the Notice of Exercise giving rise to such dispute, as the case may be, to the Holder. If the Holder and the Company are unable to agree upon such determination or calculation of the Exercise Price or the Warrant Shares within three Business Days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall, within two Business Days, submit via email or facsimile (a) the disputed determination of the Exercise

Price to an independent, reputable investment bank selected by the Company and approved by the Holder (which approval shall not be unreasonably withheld) or (b) the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

17. NOTICES OF RECORD DATE

Upon (a) any establishment by the Company of a record date of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or right or option to acquire securities of the Company, or any other right, or (b) any capital reorganization, reclassification, recapitalization, merger or consolidation of the Company with or into any other corporation, any transfer of all or substantially all the assets of the Company, or any voluntary or involuntary dissolution, liquidation or winding up of the Company, or the sale, in a single transaction, of a majority of the Company's voting shares (whether newly issued, or from treasury, or previously issued and then outstanding, or any combination thereof), the Company shall mail to the Holder at least ten (10) calendar days, or such longer period as may be required by law, prior to the record date specified therein, a notice specifying (i) the date established as the record date for the purpose of such dividend, distribution, option or right and a description of such dividend, distribution, option or right, (ii) the date on which any such reorganization, reclassification, recapitalization, merger, consolidation, transfer, dissolution, liquidation or winding up, or sale is expected to become effective and (iii) the date, if any, fixed as to when the holders of record of Common Shares shall be entitled to exchange their Common Shares for securities or other property deliverable upon such reorganization, reclassification, recapitalization, merger, consolidation, transfer, dissolution, liquidation or winding up.

18. RESERVATION OF SHARES

The Company shall reserve and keep available out of its authorized but unissued Common Shares for issuance upon the exercise of this Warrant, free from pre-emptive rights, such number of Common Shares for which this Warrant shall from time to time be exercisable. The Company will take all such commercially reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation. Without limiting the generality of the foregoing, the Company covenants that it will promptly take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and use best efforts to obtain all such authorizations, exemptions or consents, including but not limited to consents from the Board of Directors or any public regulatory body, as may be necessary to enable the Company to perform its obligations under this Warrant. In addition, the Company shall not amend its certificate of incorporation to impose any restriction on the number of Common Shares authorized for issuance.

19. NO THIRD PARTY RIGHTS

This Warrant is not intended, and will not be construed, to create any rights in any parties other than the Company and the Holder, and no person or entity may assert any rights as third-party beneficiary hereunder.

20. COUNTERPARTS

This Warrant may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Any counterpart delivered electronically (including without limitation by .pdf transmission) or by facsimile shall be binding to the same extent as an original counterpart with regard to any agreement subject to the terms hereof or any amendment thereto.

21. AMENDMENTS

Other than Section 4 and this Section 21, which may not be amended, neither this Warrant nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Warrant signed by the Company and the Holder.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the date first set forth above.

DECOY THERAPEUTICS INC.

Name: Mark J. Rosenblum
Title: Chief Financial Officer

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EXHIBIT A
NOTICE OF EXERCISE

(To be executed by the Holder of Warrant if such Holder desires to exercise Warrant)

To: Decoy Therapeutics Inc.:

The undersigned hereby irrevocably elects to exercise this Warrant and to purchase thereunder, _____ Decoy Therapeutics Inc. to purchase _____ Decoy Therapeutics Inc. Common Shares, par value 0.0001 per share, issuable upon exercise of the Warrant and delivery of:

(1) U.S. \$ _____ (in cash as provided for in the foregoing Warrant) and any applicable taxes payable by the undersigned pursuant to such Warrant; and/or

(2) _____ Decoy Therapeutics Inc. Common Shares (pursuant to a Cashless Exercise in accordance with Section 1(b)(ii) of the Warrant) (check here if the undersigned desires to deliver an unspecified number of shares equal the number sufficient to effect a Cashless Exercise [☐]).

The undersigned requests that certificates or direct registration system account statement for such shares be issued in the name of:

(Please print name, address and social security or federal employer
identification number (if applicable))

Capitalized terms used herein without definition have the meaning ascribed to them in the Warrant. Except if this Warrant is being exercised pursuant to a Cashless Exercise in accordance with Section 1(b)(ii) of the Warrant, the undersigned hereby reaffirms that the undersigned is an “accredited investor” as defined under Rule 501(a) of Regulation D of the Securities Act of 1933, as amended. The undersigned understands that the Common Shares may bear one or more legends restricting transfers, as set forth in the Purchase Agreement.

If the shares issuable upon this exercise of the Warrant are not all of the Warrant Shares which the Holder is entitled to acquire upon the exercise of the Warrant, the undersigned, by checking here [☐] requests that a new Warrant evidencing the rights not so exercised be issued in the name of and delivered to:

(Please print name, address and social security or federal employer identification number (if applicable))

Name of Holder (print): _____

(Signature): _____

(By:) _____

(Title:) _____

Dated: _____

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EXHIBIT B
ACKNOWLEDGMENT

The Company hereby acknowledges this Notice of Exercise and hereby directs _____ to issue the above indicated number of Common Shares in accordance with the Transfer Agent Instructions dated _____, 202_, from the Company and acknowledged and agreed to by _____.

DECOY THERAPEUTICS INC.

Name: [●]

Title: [●]

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EXHIBIT C
FORM OF ASSIGNMENT

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers to each assignee set forth below all of the rights of the undersigned under the Warrant (as defined in and evidenced by the attached Warrant) to acquire the number of Warrant Shares set opposite the name of such assignee below and in and to the foregoing Warrant with respect to said acquisition rights and the shares issuable upon exercise of the Warrant:

Name of Assignee	Address	Number of Shares

If the total of the Warrant Shares are not all of the Warrant Shares evidenced by the foregoing Warrant, the undersigned requests that a new Warrant evidencing the right to acquire the Warrant Shares not so assigned be issued in the name of and delivered to the undersigned. A written opinion of legal counsel addressed to the Company confirming that the proposed transfer of the Warrant may be effected without registration under the Securities Act of 1933, as amended, accompanies this Form of Assignment.

Name of Holder (print): _____

(Signature): _____

(By:) _____

(Title:) _____

Dated: _____

EXHIBIT D
PRE-FUNDED WARRANT

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Warrant Certificate No.

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS, AND SUCH SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT LAWS.

Issuance Date: June 29, 2026

DECOY THERAPEUTICS INC.

FORM OF SERIES C WARRANT TO PURCHASE COMMON SHARES OR PRE-FUNDED WARRANTS

Decoy Therapeutics Inc., a Delaware corporation (the “**Company**”), for value received on June 29, 2026 (the “**Issuance Date**”), hereby issues to **Armistice Capital Master Fund Ltd.** (the “**Holder**”) this Warrant (the “**Warrant**”) to purchase **1,184,434** Common Shares (as hereinafter defined) (each such share as from time to time adjusted as hereinafter provided being a “**Warrant Share**” and all such shares being the “**Warrant Shares**”), at the Exercise Price (as defined below), as from time to time adjusted as hereinafter provided, on or before the Expiration Date (as defined below), all subject to the following terms and conditions. This Warrant is one of a series of warrants of like tenor that have been issued in connection with the Company’s private offering solely to accredited investors (as defined under applicable U.S. federal securities laws) of units of Common Shares and Warrants in accordance with, and subject to, the terms and conditions described in that certain Securities Purchase Agreement between the Company and each purchaser thereunder, inclusive of all exhibits and all amendments, supplements and appendices thereto (the “**Purchase Agreement**”). Capitalized terms used, but not defined herein, shall have the meanings given to such terms in the Purchase Agreement.

As used in this Warrant, (i) “**Business Day**” means any day other than Saturday, Sunday or any other day on which commercial banks in the City of New York, New York, are authorized or required by law or executive order to close; (ii) “**Common Shares**” means the shares of the Company’s common stock, par value 0.0001 per share; (iii) “**Exercise Price**” means U.S. \$5.91 per Warrant Share, subject to adjustment as provided herein; (iv) “**Exercise Commencement Date**” means the Stockholder Approval Date (as defined below); (v) “**Expiration Date**” means the earlier of (i) the 90th day following the date of the Milestone Event, or if such 90th day falls on a day other than a Business Day, the next day that is a Business Day or (ii) June 29, 2031; (vi) “**Trading Day**” means any day on which the Common Shares are traded (or available for trading) on their principal trading market in the United States; (vii) “**Affiliate**” means, with respect to any specified person, any other person who, directly or indirectly, controls, is controlled by, or is under common control with such person; and (viii) “**Registration Rights Agreement**” means that certain Registration Rights Agreement among the Company and each of the Holders as contemplated in the Purchase Agreement. As used herein, “**Milestone Event**” means the later of (a) the Company’s public announcement that the Phase 2a human challenge trial conducted in the United Kingdom met its primary endpoint and (b) the date on which the shareholders of the Company approve a proposal to approve the exercise of the Series A Warrants to Purchase Common Stock, the Series B Warrants to Purchase Common Stock and the Series C Warrants to Purchase Common Stock, as may be required by the applicable rules and regulations of the Nasdaq Stock Market LLC (or any successor entity)(such date, the “**Stockholder Approval Date**”); provided that, if such shareholder approval is not obtained, the Company shall (i) call and hold a special meeting of shareholders within 90 days after such vote to again seek such approval and (ii) continue to seek such approval at least once every 90 days thereafter until such approval is obtained.

1. DURATION AND EXERCISE OF WARRANTS

(a) Exercise Period. Commencing on the Exercise Commencement Date, the Holder may, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, exercise this Warrant in whole or in part on any Business Day on or before 11:59 P.M., Eastern Time, on the Expiration Date, at which time this Warrant shall become void and of no value.

(b) Exercise Procedures.

(i) While this Warrant remains outstanding and exercisable in accordance with Section 1(a), in addition to the manner set forth in Section 1(b)(ii) below, the Holder may exercise this Warrant in whole or in part at any time and from time to time by delivery to the Company of a duly executed copy of the Notice of Exercise attached as Exhibit A (the “**Notice of Exercise**”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) following the date of exercise as aforesaid (the “**Warrant Share Delivery Date**”), the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier’s check drawn on a United States bank unless the cashless exercise procedure specified in Section 1(b)(ii) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation as soon as reasonably practicable of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. As used herein, “**Standard Settlement Period**” means the standard settlement period, expressed in a number of Trading Days, on the Company’s primary trading market with respect to the Common Shares as in effect on the date of delivery of the Notice of Exercise.

(ii) If at any time a registration statement is not effective or available (as provided in the Registration Rights Agreement) for the resale by the Holder of all of the Warrant Shares, then the Holder may, in its sole discretion, exercise all or any part of the Warrant in a “cashless” or “net-issue” exercise (a “**Cashless Exercise**”) by delivering to the Company a Notice of Exercise, in which case, the number of Warrant Shares to be issued to the Holder upon such exercise shall be calculated using the following formula:

$$X = \frac{Y * (A - B)}{A}$$

with: X = the number of Warrant Shares to be issued to the Holder

Y = the number of Warrant Shares with respect to which the Warrant is being exercised

A = the fair value per Common Share on the date of exercise of this Warrant

B = the then-current Exercise Price of the Warrant

Solely for the purposes of this paragraph, “**fair value**” per Common Share shall mean the Closing Price (as defined below) per Common Share for the Trading Day immediately preceding the date on which the Notice of Exercise is deemed to have been sent to the Company. “**Closing Price**” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed on a U.S. national securities exchange, the closing price per Common Share for such date (or the nearest preceding date) on the primary exchange in the United States on which the Common Shares are then listed; (b) if prices for the Common Shares are then quoted on the OTC Bulletin Board or any tier of the OTC Markets in the United States, the closing bid price per Common Share for such date (or the nearest preceding date) so quoted; or (c) if prices for the Common Shares are then reported

in the “Pink Sheets” published by the National Quotation Bureau Incorporated (or a similar organization or agency succeeding to its functions of reporting prices) in the United States, the most recent closing bid price per share of the Common Shares so reported. If the Common Shares are not publicly traded as set forth above, the “fair value” per Common Share shall be reasonably and in good faith determined by the board of directors of the Company (the “**Board of Directors**”) as of the date which the Notice of Exercise is deemed to have been sent to the Company.

For purposes of Rule 144 promulgated under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), it is intended, understood and acknowledged that the Warrant Shares issued in a Cashless Exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for such shares shall be deemed to have commenced, on the date this Warrant was originally issued.

(iii) Upon the exercise of this Warrant in compliance with the provisions of this Section 1(b), the Company shall, on or before the Warrant Share Delivery Date, cause the Warrant Shares purchased hereunder to be transmitted by the Company’s transfer agent, Equiniti Trust Company, LLC, (the “**Transfer Agent**”) to the Holder by crediting the account of the Holder’s or its designee’s balance account with The Depository Trust Company (the “**DTC**”) through its Deposit or Withdrawal at Custodian system (“**DWAC**”), if the Transfer Agent is then a participant in such system, and either (A) there is an effective and available registration statement permitting the resale of the Warrant Shares by the Holder (as provided in the Registration Rights Agreement) and the Holder has contracted for such a resale, or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 (assuming Cashless Exercise of the Warrants), and otherwise, at the election of the Holder, by physical delivery of a certificate or a direct registration system account statement (“**DRS Statement**”), registered in the Company’s share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the Holder. Each exercise of this Warrant shall be effective immediately prior to the close of business on the date (the “**Date of Exercise**”) that the Notice of Exercise has been delivered, so long as the Aggregate Exercise Price (if any) has been delivered within one Trading Day of the delivery of the Notice of Exercise. On or before the first (1st) Trading Day following the date on which the Company has received a Notice of Exercise, the Company shall transmit by electronic mail an acknowledgment of confirmation of receipt of such Notice of Exercise, in the form attached hereto as Exhibit B, to the Holder and the Transfer Agent, which confirmation shall constitute an instruction to the Transfer Agent to process such Notice of Exercise in accordance with the terms herein. On or before the Warrant Share Delivery Date, the Company shall cause the Transfer Agent to issue and deliver via DWAC in connection with any resale of such Warrant Shares with respect to which the Holder has instructed a broker to sell such Warrant Shares, and for which the Holder has not yet settled (or via reputable overnight courier to the address as specified in the Notice of Exercise, a certificate or a DRS Statement, registered in the name of the Holder or its designee), for the number of Warrant Shares to which the Holder shall be entitled pursuant to such exercise, the Company shall cause the Transfer Agent to deliver the Warrant Shares to the Holder (or its designee). From the Issuance Date through and including the Expiration Date, the Company shall maintain a transfer agent that participates in DTC’s Fast Automated Securities Transfer (“**FAST**”) Program. Upon delivery of a Notice of Exercise; provided that the payment of the Aggregate Exercise Price (if any) has been made within one (1) Trading Day of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates or DRS Statements evidencing such Warrant Shares, or crediting of such Holder’s (or designee’s) account with DTC (as the case may be).

(iv) If the Company shall fail, for any reason or for no reason, on or prior to the Warrant Share Delivery Date, to deliver to the Holder the Warrant Shares subject to a Notice of Exercise and the applicable Aggregate Exercise Price has been delivered (other than in the case of a Cashless Exercise), then the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each US\$1,000 of Warrant Shares subject to such exercise (based on the fair value of the Common Shares on the date of the applicable Notice of Exercise), US\$10 per Trading Day for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise; provided that such liquidated damages shall not begin to accrue until the first Trading Day after the Warrant Share Delivery Date and shall not exceed, in the aggregate, the aggregate Exercise Price in respect of the Warrant Shares subject to such exercise. In addition to the foregoing, if the Company fails to deliver the Warrant Shares in accordance with the provisions of Section 1(b)(iii) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if on or after such Warrant Share Delivery Date the Holder acquires (in an open market transaction, stock loan or otherwise) Common Shares corresponding to all or any portion of the number of Warrant Shares issuable upon such exercise that the Holder is entitled to receive from the Company and has not

received from the Company in connection with such failure to deliver (a “**Buy-In**”), then, in addition to all other remedies available to the Holder, the Company shall, within two (2) Business Days after the Holder’s request and in the Holder’s discretion, either (i) pay cash to the Holder in an amount equal to the Holder’s total purchase price (including brokerage commissions, stock loan costs and other out-of-pocket expenses, if any) for the Common Shares so acquired (including, without limitation, by any other Person in respect, or on behalf, of the Holder) (the “**Buy-In Price**”), at which point the Company’s obligation to so issue and deliver such certificate or DRS Statement (and to issue such Warrant Shares) or credit the balance account of such Holder or such Holder’s designee, as applicable, with DTC for the number of Warrant Shares to which the Holder is entitled upon the Holder’s exercise hereunder (as the case may be) (and to issue such Warrant Shares) shall terminate, or (ii) promptly honor its obligation to so issue and deliver to the Holder a certificate or DRS Statement representing such Warrant Shares or credit the balance account of such Holder or such Holder’s designee, as applicable, with DTC for the number of Warrant Shares to which the Holder is entitled upon the Holder’s exercise hereunder (as the case may be) and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of Warrant Shares multiplied by (B) the price at which the sell order giving rise to such purchase obligation was executed. Nothing shall limit the Holder’s right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company’s failure to timely deliver certificates or DRS Statements representing Warrant Shares (or to electronically deliver such Warrant Shares) upon the exercise of this Warrant as required pursuant to the terms hereof. In addition to the foregoing rights, (i) if the Company fails to deliver the applicable number of Warrant Shares upon an exercise pursuant to Section 1 by the applicable Warrant Share Delivery Date, then the Holder shall have the right to rescind such exercise in whole or in part and retain and/or have the Company return, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Notice of Exercise; provided that the rescission of an exercise shall not affect the Company’s obligation to make any payments that have accrued prior to the date of such Notice of Exercise pursuant to this Section 1(b) or otherwise, and (ii) if a registration statement covering the resale of the Warrant Shares that are subject to a Notice of Exercise is not available for the resale of such Warrant Shares and the Holder has submitted a Notice of Exercise prior to receiving notice of the non-availability of such registration statement and the Company has not already delivered the Warrant Shares underlying such Notice of Exercise electronically without any restrictive legend by crediting such aggregate number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the Holder’s or its designee’s balance account with DTC through its DWAC system, the Holder shall have the option, by delivery of notice to the Company, to (x) rescind such Notice of Exercise in whole or in part and retain or have returned, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Notice of Exercise; provided that the rescission of a Notice of Exercise shall not affect the Company’s obligation to make any payments that have accrued prior to the date of such notice pursuant to this Section 1(b) or otherwise, and/or (y) switch some or all of such Notice of Exercise from a cash exercise to a Cashless Exercise.

(v) Notwithstanding the foregoing, the Holder may, in its sole and absolute discretion, elect to exercise this Warrant into pre-funded warrants to purchase same number of Warrant Shares as to which this Warrant is being exercised in the form of a pre-funded warrant attached as Exhibit D hereto (a “**Pre-Funded Warrant**”) (as subject to adjustment hereunder), with an exercise price of \$0.0001 per Common Share (the “**Pre-Funded Warrant Exercise Price**”). The purchase price of one Pre-Funded Warrant shall be the Exercise Price minus the Pre-Funded Warrant Exercise Price.

(c) Partial Exercise. This Warrant shall be exercisable, either in its entirety or, from time to time, for part of the number of Warrant Shares referenced by this Warrant. If this Warrant is submitted in connection with any exercise pursuant to Section 1 and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the actual number of Warrant Shares being acquired upon such an exercise and the Holder elects to receive a replacement Warrant, then the Company shall as soon as practicable and in no event later than ten (10) Business Days after any exercise and at its own expense, issue a new Warrant of like tenor representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised.

(d) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed and resolve such dispute in accordance with Section 16.

2. ISSUANCE OF WARRANT SHARES

(a) The Company covenants that all Warrant Shares will, upon issuance in accordance with the terms of this Warrant, be (i) duly authorized, fully paid and non-assessable, and (ii) free from all liens, charges and security interests, with the exception of claims arising through the acts or omissions of any Holder and except as arising from applicable U.S. federal and state securities laws, or applicable Canadian provincial securities laws.

(b) The Company shall register this Warrant upon records to be maintained by the Company for that purpose in the name of the record Holder of such Warrant from time to time. The Company may deem and treat the record Holder of this Warrant as the absolute owner thereof for the purpose of any exercise thereof, any distribution to the Holder thereof and for all other purposes.

(c) The Company will not, by amendment of its certificate of incorporation, by-laws or through any reorganization, transfer of assets, consolidation, merger, amalgamation, arrangement dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all action necessary or appropriate in order to protect the rights of the Holder to exercise this Warrant, or against impairment of such rights.

3. ADJUSTMENTS OF EXERCISE PRICE, NUMBER AND TYPE OF WARRANT SHARES

(a) The Exercise Price and the number of Warrant Shares issuable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 3. If the Company does not have the requisite number of authorized but unissued Common Shares to make any adjustment, then the Company shall, as soon as reasonably practicable, take all action necessary to increase the Company's authorized Common Shares to an amount sufficient to allow the Company to have the requisite number of authorized Common Shares to allow for such adjustment.

(i) Subdivision or Combination of Common Shares. In case the Company shall at any time subdivide (whether by way of stock dividend, stock split or otherwise) its outstanding Common Shares into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced and the number of Warrant Shares shall be proportionately increased, and conversely, in case the outstanding Common Shares of the Company shall be combined (whether by way of stock combination, reverse stock split or otherwise) into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased and the number of Warrant Shares shall be proportionately decreased. The Exercise Price and the Warrant Shares, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this Section 3(a)(i).

(ii) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Share Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Common Shares (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Common Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

(iii) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other

securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “**Distribution**”), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the participation in such Distribution (provided, however, that to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Common Shares as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

(iv) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company (and all of its subsidiaries, taken as a whole), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of greater than 50% of the outstanding Common Shares or greater than 50% of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Shares or any compulsory share exchange pursuant to which the Common Shares is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires greater than 50% of the outstanding Common Shares or greater than 50% of the voting power of the common equity of the Company (each a “Fundamental Transaction”), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of Common Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the “Alternate Consideration”) receivable as a result of such Fundamental Transaction by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of common stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, the Company or any Successor Entity (as defined below) shall, at the Holder’s option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable contemplated Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value (as defined below) of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction; provided, however, that if (i) the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors or (ii) the consideration issuable in such Fundamental Transaction is all stock or other securities consideration, then, in each case, the Holder, in connection with the Holder’s option to cause the Company or any Successor Entity to purchase this Warrant from the Holder, which option shall be exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable contemplated Fundamental Transaction), shall only be entitled to receive from the Company or any Successor Entity the same type or form of consideration (and in the same proportion), at

the Black Scholes Value of the unexercised portion of this Warrant, that is being offered and paid to the holders of Common Shares of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Shares are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction; provided, further, that if holders of Common Shares of the Company are not offered or paid any consideration in such Fundamental Transaction, such holders of Common Shares will be deemed to have received common stock of the Successor Entity (which Successor Entity may be the Company following such Fundamental Transaction) in such Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (i) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the remaining term of this Warrant as of such date of request, (ii) an expected volatility equal to the remaining term of this Warrant obtained from the HVT function on Bloomberg as of the Trading Day immediately prior to the public announcement of the applicable Fundamental Transaction or, if the Fundamental Transaction is not publicly announced, the date the Fundamental Transaction is consummated, (iii) the underlying price per share used in such calculation shall be the greater of (A) the sum of the price per share being offered in cash, if any, plus the per share value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (B) the greater of (x) the last weighted average price of the Common Shares immediately prior to the public announcement of such Fundamental Transaction and (y) the last weighted average price of the Common Shares immediately prior to the consummation of such Fundamental Transaction, (iv) a zero cost of borrow and (v) a 360 day annualization factor. The payment of the Black Scholes Value will be made by wire transfer of immediately available funds (or such other consideration) within the later of (i) five Business Days of the Holder's election and (ii) the effective date of the Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(a)(iv) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall be added to the term "Company" under this Warrant (so that from and after the occurrence or consummation of such Fundamental Transaction, each and every provision of this Warrant referring to the "Company" shall refer instead to each of the Company and the Successor Entity or Successor Entities, jointly and severally), and the Successor Entity or Successor Entities, jointly and severally with the Company, may exercise every right and power of the Company prior thereto and the Successor Entity or Successor Entities shall assume all of the obligations of the Company prior thereto under this Warrant with the same effect as if the Company and such Successor Entity or Successor Entities, jointly and severally, had been named as the Company herein.

(b) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Section 3, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to the Holder of this Warrant a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall promptly furnish or cause to be furnished to such Holder a like certificate setting forth: (i) such adjustments and readjustments; and (ii) the number of shares and/or the amount, if any, of other securities, assets or property which at the time would be received upon the exercise of the Warrant.

(c) Certain Events. If any event occurs as to which the other provisions of this Section 3 are not strictly applicable but the lack of any adjustment would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, or if strictly applicable would not fairly protect the purchase rights of the Holder under this Warrant in accordance with the basic intent and principles of such provisions, then the Board of Directors will, in good faith, make an appropriate adjustment to protect the rights of the Holder, provided that no such adjustment pursuant to this Section 3(c) will increase the Exercise Price or decrease the number of Warrant Shares except as determined pursuant to this Section 3.

4. RESTRICTION ON EXERCISE

(a) Notwithstanding anything to the contrary contained herein, the Company shall not effect any exercise of this Warrant, and the Holder shall not be entitled to exercise this Warrant for a number of Warrant Shares in excess of that number of Warrant Shares that, upon giving effect or immediately prior to such exercise, would cause (i) the aggregate number of Common Shares beneficially owned by the Holder, its Affiliates and any other Persons whose beneficial ownership of Common Shares would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act to exceed 4.99% (the "Maximum Percentage") of the total number of issued and outstanding Common Shares of the Company following such exercise, or (ii) the combined voting power of the securities of the Company beneficially owned by the Holder and its Affiliates and any other Persons whose beneficial ownership of Common Shares would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act to exceed 4.99% of the combined voting power of all of the securities of the Company then outstanding following such exercise. For purposes of this Warrant, in determining the number of outstanding Common Shares, the Holder may rely on the number of outstanding Common Shares as reflected in (x) the Company's most recent Form 10-Q or Form 10-K, as the case may be, filed with the Commission prior to the date hereof, (y) a more recent public announcement by the Company or (z) any other notice by the Company or its transfer agent setting forth the number of Common Shares outstanding. Upon the written request of the Holder, the Company shall within three (3) Trading Days confirm in writing or by electronic mail to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder since the date as of which such number of outstanding Common Shares was reported. By written notice to the Company, the Holder may from time to time increase or decrease the Maximum Percentage to any other percentage specified in such notice; provided that such Maximum Percentage shall not exceed 9.99% (or upon the election of the Holder prior to the issuance of this Warrant, 19.99%); provided, further, that any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Company.

For purposes of this Section 4(a), the aggregate number of Common Shares or voting securities beneficially owned by the Holder and its Affiliates and any other Persons whose beneficial ownership of Common Shares would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act shall include the Common Shares issuable upon the exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares that would be issuable upon (x) exercise of the remaining unexercised and non-cancelled portion of this Warrant by the Holder and (y) exercise or conversion of the unexercised, non-converted or non-cancelled portion of any other securities of the Company that do not have voting power (including without limitation any securities of the Company that would entitle the holder thereof to acquire at any time Common Shares, including without limitation any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares), is subject to a limitation on conversion or exercise analogous to the limitation contained herein and is beneficially owned by the Holder or any of its Affiliates and other Persons whose beneficial ownership of Common Shares would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act.

(b) This Section 4 shall not restrict the number of Common Shares that a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction as contemplated in Section 3(a)(iv) of this Warrant.

5. TRANSFERS AND EXCHANGES OF WARRANT AND WARRANT SHARES

(a) Registration of Transfers and Exchanges. Subject to Section 5(c), upon the Holder's surrender of this Warrant, with a duly executed copy of the Form of Assignment attached as Exhibit C, to the Chief Financial Officer of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the

Holder, the Company shall register the transfer of all or any portion of this Warrant. Upon such registration of transfer, the Company shall issue a new Warrant, in substantially the form of this Warrant, evidencing the acquisition rights transferred to the transferee and a new Warrant, in similar form, evidencing the remaining acquisition rights, if any, not transferred, to the Holder requesting the transfer.

(b) Warrant Exchangeable for Different Denominations. The Holder may exchange this Warrant for a new Warrant or Warrants, in substantially the form of this Warrant, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder, each of such new Warrants to be dated the date of such exchange and to represent the right to purchase such number of Warrant Shares as shall be designated by the Holder. The Holder shall surrender this Warrant with duly executed instructions regarding such re-certification of this Warrant to the Chief Financial Officer of the Company at its principal offices or at such other office or agency as the Company may specify in writing to the Holder.

(c) Restrictions on Transfers. This Warrant may not be transferred at any time without (i) registration under the Securities Act and all applicable state securities laws, or (ii) the availability of an exemption from such registration; provided, however, that no opinion of counsel shall be required in connection with any transfer effected pursuant to Rule 144, and the Company shall accept customary Rule 144 seller representations in lieu thereof; and, in the case of any other exemption, delivery to the Company of a written opinion of legal counsel addressed to the Company that the proposed transfer of the Warrant may be effected without registration under the Securities Act, which opinion shall be in form and substance reasonably satisfactory to the Company.

(d) Permitted Transfers and Assignments. Notwithstanding any provision to the contrary in this Section 5, the Holder may transfer, with or without consideration, this Warrant or any of the Warrant Shares (or a portion thereof) to the Holder's Affiliates without obtaining the opinion from counsel that may be required by Section 5(c)(ii), provided that the Holder delivers to the Company and its counsel certifications, documentation, and other assurances, acceptable to the Company, and reasonably required by the Holder's counsel to enable the Holder's counsel to render an opinion to the Company's Transfer Agent that such transfer does not violate applicable U.S. federal securities laws

6. MUTILATED OR MISSING WARRANT CERTIFICATE

If this Warrant is mutilated, lost, stolen or destroyed, upon request by the Holder, the Company will, at the Holder's expense, issue, in exchange for and upon cancellation of the mutilated Warrant, or in substitution for the lost, stolen or destroyed Warrant, a new Warrant, in substantially the form of this Warrant, representing the right to acquire the equivalent number of Warrant Shares; provided, however, that, as a prerequisite to the issuance of a substitute Warrant, the Company may require satisfactory evidence of loss, theft or destruction as well as an indemnity from the Holder of a lost, stolen or destroyed Warrant.

7. PAYMENT OF TAXES

The Company will pay all transfer and stock issuance taxes attributable to the preparation, issuance and delivery of this Warrant and the Warrant Shares including, without limitation, all documentary and stamp taxes; provided, however, that the Company shall not be required to pay any tax in respect of the transfer of this Warrant, or the issuance or delivery of certificates for Warrant Shares or other securities in respect of the Warrant Shares to any person or entity other than to the Holder.

8. FRACTIONAL WARRANT SHARES

No fractional Warrant Shares shall be issued upon exercise of this Warrant. The Company, in lieu of issuing any fractional Warrant Share, shall round up the number of Warrant Shares issuable to nearest whole share.

9. NO SHAREHOLDER RIGHTS; LEGEND

No holder of this Warrant, as such, shall be entitled to vote or be deemed the holder of Common Shares or any other securities of the Company that may at any time be issuable on the exercise hereof, nor shall anything contained herein be construed to confer upon the holder of this Warrant, as such, the rights of a shareholder of the Company or the right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or give or withhold consent to any corporate action or to receive notice of meetings or other actions affecting shareholders (except as provided herein), or to receive dividends or subscription rights or otherwise (except as provide herein).

Each certificate or DRS Statement for Warrant Shares initially issued upon the exercise of this Warrant, and each certificate or DRS Statement for Warrant Shares issued to any subsequent transferee of any such certificate or DRS Statement, shall be stamped or otherwise imprinted with a legend in substantially the following form:

“THE SECURITIES REPRESENTED HEREBY [AND THE SECURITIES ISSUABLE UPON THE EXERCISE OF THESE SECURITIES] HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS, AND SUCH SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS.

The foregoing legends shall be removed pursuant to the terms and conditions set forth in the Registration Rights Agreement.

10. REGISTRATION RIGHTS

The Holder shall be entitled to the registration rights as are contained in the Registration Rights Agreement with respect to the Warrant Shares, the provisions of which are deemed incorporated herein by reference.

11. NOTICES

All notices, consents, waivers, and other communications under this Warrant must be in writing and will be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid), (b) sent by facsimile with confirmation of transmission by the transmitting equipment, (c) sent by email so long as the sender does not receive an automated message by the transmitting equipment that the email was rejected or (d) received or rejected by the addressee, if sent by certified mail, return receipt requested, if to the registered Holder hereof; to the Holder at the address, facsimile number, or e-mail address furnished by the registered Holder to the Company in accordance with the Purchase Agreement or if to the Company, to Mark Rosenblum at mrosenblum@decoytx.com; copy to Annie Yan at ayan@decoytx.com (or to such other address, facsimile number, or e-mail address as the Holder or the Company may designate by notice the other party).

12. SEVERABILITY

If a court of competent jurisdiction holds any provision of this Warrant invalid or unenforceable, the other provisions of this Warrant will remain in full force and effect. Any provision of this Warrant held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

13. BINDING EFFECT

This Warrant shall be binding upon and inure to the sole and exclusive benefit of the Company, its successors and assigns, the registered Holder or Holders from time to time of this Warrant.

14. SURVIVAL OF RIGHTS AND DUTIES

This Warrant shall terminate and be of no further force and effect on the earlier of 5:00 P.M., Eastern Time, on the Expiration Date or the date on which this Warrant has been exercised in full.

15. GOVERNING LAW

This Warrant will be governed by and construed under the laws of the State of New York without regard to conflicts of laws principles that would require the application of any other law.

16. DISPUTE RESOLUTION

In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall submit the disputed determinations or arithmetic calculations via facsimile or e-mail with confirmation of transmission by the transmitting equipment within two Business Days of receipt of the Notice of Exercise giving rise to such dispute, as the case may be, to the Holder. If the Holder and the Company are unable to agree upon such determination or calculation of the Exercise Price or the Warrant Shares within three Business Days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall, within two Business Days, submit via email or facsimile (a) the disputed determination of the Exercise Price to an independent, reputable investment bank selected by the Company and approved by the Holder (which approval shall not be unreasonably withheld) or (b) the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

17. NOTICES OF RECORD DATE

Upon (a) any establishment by the Company of a record date of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or right or option to acquire securities of the Company, or any other right, or (b) any capital reorganization, reclassification, recapitalization, merger or consolidation of the Company with or into any other corporation, any transfer of all or substantially all the assets of the Company, or any voluntary or involuntary dissolution, liquidation or winding up of the Company, or the sale, in a single transaction, of a majority of the Company's voting shares (whether newly issued, or from treasury, or previously issued and then outstanding, or any combination thereof), the Company shall mail to the Holder at least ten (10) calendar days, or such longer period as may be required by law, prior to the record date specified therein, a notice specifying (i) the date established as the record date for the purpose of such dividend, distribution, option or right and a description of such dividend, distribution, option or right, (ii) the date on which any such reorganization, reclassification, recapitalization, merger, consolidation, transfer, dissolution, liquidation or winding up, or sale is expected to become effective and (iii) the date, if any, fixed as to when the holders of record of Common Shares shall be entitled to exchange their Common Shares for securities or other property deliverable upon such reorganization, reclassification, recapitalization, merger, consolidation, transfer, dissolution, liquidation or winding up.

18. RESERVATION OF SHARES

The Company shall reserve and keep available out of its authorized but unissued Common Shares for issuance upon the exercise of this Warrant, free from pre-emptive rights, such number of Common Shares for which this Warrant shall from time to time be exercisable. The Company will take all such commercially reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any

applicable law or regulation. Without limiting the generality of the foregoing, the Company covenants that it will promptly take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and use best efforts to obtain all such authorizations, exemptions or consents, including but not limited to consents from the Board of Directors or any public regulatory body, as may be necessary to enable the Company to perform its obligations under this Warrant. In addition, the Company shall not amend its certificate of incorporation to impose any restriction on the number of Common Shares authorized for issuance.

19. NO THIRD PARTY RIGHTS

This Warrant is not intended, and will not be construed, to create any rights in any parties other than the Company and the Holder, and no person or entity may assert any rights as third-party beneficiary hereunder.

20. COUNTERPARTS

This Warrant may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Any counterpart delivered electronically (including without limitation by .pdf transmission) or by facsimile shall be binding to the same extent as an original counterpart with regard to any agreement subject to the terms hereof or any amendment thereto.

21. AMENDMENTS

Other than Section 4 and this Section 21, which may not be amended, neither this Warrant nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Warrant signed by the Company and the Holder.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the date first set forth above.

DECOY THERAPEUTICS INC.

Name: Mark J. Rosenblum
Title: Chief Financial Officer

EXHIBIT A
NOTICE OF EXERCISE

(To be executed by the Holder of Warrant if such Holder desires to exercise Warrant)

To: Decoy Therapeutics Inc.:

The undersigned hereby irrevocably elects to exercise this Warrant and to purchase thereunder, _____ Decoy Therapeutics Inc. to purchase _____ Decoy Therapeutics Inc. Common Shares, par value 0.0001 per share, issuable upon exercise of the Warrant and delivery of:

(1) U.S. \$ _____ (in cash as provided for in the foregoing Warrant) and any applicable taxes payable by the undersigned pursuant to such Warrant; and/or

(2) _____ Decoy Therapeutics Inc. Common Shares (pursuant to a Cashless Exercise in accordance with Section 1(b)(ii) of the Warrant) (check here if the undersigned desires to deliver an unspecified number of shares equal the number sufficient to effect a Cashless Exercise [☐]).

The undersigned requests that certificates or direct registration system account statement for such shares be issued in the name of:

(Please print name, address and social security or federal employer
identification number (if applicable))

Capitalized terms used herein without definition have the meaning ascribed to them in the Warrant. Except if this Warrant is being exercised pursuant to a Cashless Exercise in accordance with Section 1(b)(ii) of the Warrant, the undersigned hereby reaffirms that the undersigned is an “accredited investor” as defined under Rule 501(a) of Regulation D of the Securities Act of 1933, as amended. The undersigned understands that the Common Shares may bear one or more legends restricting transfers, as set forth in the Purchase Agreement.

If the shares issuable upon this exercise of the Warrant are not all of the Warrant Shares which the Holder is entitled to acquire upon the exercise of the Warrant, the undersigned, by checking here [☐] requests that a new Warrant evidencing the rights not so exercised be issued in the name of and delivered to:

(Please print name, address and social security or federal employer identification number (if applicable))

Name of Holder
(print):

(Signature):

(By:)

(Title:)

Dated:

EXHIBIT B
ACKNOWLEDGMENT

The Company hereby acknowledges this Notice of Exercise and hereby directs _____ to issue the above indicated number of Common Shares in accordance with the Transfer Agent Instructions dated _____, 202_, from the Company and acknowledged and agreed to by _____.

DECOY THERAPEUTICS INC.

Name: [●]

Title: [●]

EXHIBIT C
FORM OF ASSIGNMENT

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers to each assignee set forth below all of the rights of the undersigned under the Warrant (as defined in and evidenced by the attached Warrant) to acquire the number of Warrant Shares set opposite the name of such assignee below and in and to the foregoing Warrant with respect to said acquisition rights and the shares issuable upon exercise of the Warrant:

Name of Assignee	Address	Number of Shares

If the total of the Warrant Shares are not all of the Warrant Shares evidenced by the foregoing Warrant, the undersigned requests that a new Warrant evidencing the right to acquire the Warrant Shares not so assigned be issued in the name of and delivered to the undersigned. A written opinion of legal counsel addressed to the Company confirming that the proposed transfer of the Warrant may be effected without registration under the Securities Act of 1933, as amended, accompanies this Form of Assignment.

Name of Holder (print):
(Signature):
(By):
(Title):
Dated:

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EXHIBIT D
PRE-FUNDED WARRANT

Certification Pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Frederick E. Pierce, Chief Executive Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Decoy Therapeutics 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 12, 2026

/s/ Frederick E. Pierce

Frederick E. Pierce

Chief Executive Officer (Principal Executive Officer)

Certification Pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Mark J. Rosenblum, Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Decoy Therapeutics 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Mark J. Rosenblum

Mark J. Rosenblum

Executive Vice President and Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

August 12, 2026

Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Decoy Therapeutics Inc. (the "Company") for the fiscal quarter ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of their knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 12, 2026

/s/ Frederick E. Pierce
 Frederick E. Pierce
 Chief Executive Officer (Principal Executive Officer)

August 12, 2026

/s/ Mark J. Rosenblum
 Mark J. Rosenblum
 Executive Vice President and Chief Financial Officer
 (Principal Financial Officer and Principal Accounting Officer)

