

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

FORM 10-Q

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

For the quarterly period ended June 30, 2024

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: 001-40582

UNICYCIVE THERAPEUTICS, INC.
(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

2834

(Primary Standard Industrial
Classification Code Number)

81-3638692

(I.R.S. Employer
Identification Number)

4300 El Camino Real, Suite 210
Los Altos, CA 94022
(650) 351-4495

(Address and telephone number of principal executive offices)

Not applicable

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

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

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

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

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

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 Act). Yes No

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, par value \$0.001 per share	UNCY	The NASDAQ Stock Market, LLC

As of August 14, 2024, there were 94,356,212 shares of the Company's common stock, par value \$0.001 per share, issued and outstanding.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Unicycive Therapeutics, Inc.
Balance Sheets
(In thousands, except for share and per share amounts)

	As of December 31, 2023	As of June 30, 2024
	<u> </u>	<u> </u>
		(Unaudited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,701	\$ 41,780
Prepaid expenses and other current assets	3,698	2,274
Total current assets	<u>13,399</u>	<u>44,054</u>
Right of use asset, net	766	604
Property, plant and equipment, net	26	43
Total assets	<u>\$ 14,191</u>	<u>\$ 44,701</u>
Liabilities, mezzanine equity, and stockholders' deficit		
Current liabilities:		
Accounts payable	\$ 839	\$ 1,472
Accrued liabilities	3,234	3,122
Dividends payable	-	1
Warrant liability	13,134	8,131
Operating lease liability - current	327	360
Total current liabilities	<u>17,534</u>	<u>13,086</u>
Operating lease liability – long term	466	274
Total liabilities	<u>18,000</u>	<u>13,360</u>
Commitments and contingencies (Note 8)		
Mezzanine equity:		
Series B-1 preferred stock, \$0.001 par value per share – zero shares authorized at December 31, 2023, and 50,000 shares authorized at June 30, 2024; zero shares outstanding at December 31, 2023, and 50,000 shares outstanding at June 30, 2024	-	46,187
Stockholders' deficit:		
Series A-2 preferred stock, \$0.001 par value per share – 43,649 Series A-2 shares authorized at December 31, 2023 and 21,388.01 Series A-2 Prime shares authorized at June 30, 2024; 43,649 Series A-2 shares outstanding at December 31, 2023 and 17,073.07 Series A-2 Prime shares outstanding at June 30, 2024	-	-
Preferred stock: \$0.001 par value per share—9,926,161 and 9,904,773 shares authorized at December 31, 2023 and June 30, 2024, respectively; zero shares issued and outstanding at December 31, 2023 and June 30, 2024	-	-
Common stock, \$0.001 par value per share – 200,000,000 shares authorized at December 31, 2023 and 400,000,000 shares authorized at June 30, 2024; 34,756,049 and 43,573,212 shares issued and outstanding at December 31, 2023 and June 30, 2024, respectively	35	43
Additional paid-in capital	60,697	60,760
Accumulated deficit	<u>(64,541)</u>	<u>(75,649)</u>
Total stockholders' deficit	<u>(3,809)</u>	<u>(14,846)</u>
Total liabilities and stockholders' deficit	<u>\$ 14,191</u>	<u>\$ 44,701</u>

See accompanying notes to the financial statements

Unicycive Therapeutics, Inc.
Statements of Operations
(In thousands, except for share and per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
Licensing revenues	\$ -	\$ -	\$ 675	\$ -
Operating expenses:				
Research and development	2,267	4,868	5,297	11,681
General and administrative	2,055	2,533	3,902	4,925
Total operating expenses	4,322	7,401	9,199	16,606
Loss from operations	(4,322)	(7,401)	(8,524)	(16,606)
Other income (expenses):				
Interest income	234	462	248	532
Interest expense	(32)	(16)	(44)	(36)
Change in fair value of warrant liability	282	16,810	(10,093)	5,002
Total other income (expenses)	484	17,256	(9,889)	5,498
Net income (loss)	(3,838)	9,855	(18,413)	(11,108)
Deemed dividend to Series A-1 preferred stockholders	(603)	-	(795)	-
Dividend to Series B-1 preferred stockholders	-	(887)	-	(1,095)
Net income attributable to participating securities	-	(5,925)	-	-
Net income (loss) attributable to common stockholders	\$ (4,441)	\$ 3,043	\$ (19,208)	\$ (12,203)
Net income (loss) per share attributable to common stockholders, basic	\$ (0.29)	\$ 0.08	\$ (1.26)	\$ (0.34)
Net loss per share attributable to common stockholders, diluted	\$ (0.29)	\$ (0.15)	\$ (1.26)	\$ (0.34)
Weighted-average shares outstanding used in computing net income (loss) per share, basic	15,234,570	37,914,812	15,233,503	36,397,997
Weighted-average shares outstanding used in computing net loss per share, diluted	15,234,570	94,052,853	15,233,503	36,397,997

See accompanying notes to the financial statements

Unicycive Therapeutics, Inc.
Statements of Mezzanine Equity and Stockholders' Deficit
(In thousands, except share amounts)
(Unaudited)

	Series A-1 Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance at December 31, 2022	-	\$ -	15,231,655	\$ 15	\$ 33,516	\$ (33,997)	\$ (466)
Net loss	-	-	-	-	-	(14,575)	(14,575)
Issuance of Series A-1 preferred stock, net of issuance costs and allocated fair value of warrant liability	30,190	25,407	-	-	-	-	-
Deemed dividends on Series A-1 preferred stock	-	192	-	-	(192)	-	(192)
Issuance of common stock for exercise of options	-	-	2,181	-	7	-	7
Stock-based compensation expense	-	-	-	-	144	-	144
Balance at March 31, 2023	30,190	\$ 25,599	15,233,836	\$ 15	\$ 33,475	\$ (48,572)	\$ (15,082)
Net loss	-	-	-	-	-	(3,838)	(3,838)
Deemed dividends on Series A-1 preferred stock	-	603	-	-	(603)	-	(603)
Issuance of common stock for exercise of options	-	-	2,180	-	7	-	7
Stock-based compensation expense	-	-	-	-	144	-	144
Balance at June 30, 2023	30,190	\$ 26,202	15,236,016	\$ 15	\$ 33,023	\$ (52,410)	\$ (19,372)

	Series B-1 Preferred Stock		Common Stock		Series A-2 Preferred Stock		Series A-2 Prime Preferred Stock		Additional Paid-In Capital	Accumulated Deficit	Stockholder' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2023	-	\$ -	34,756,049	\$ 35	43,649	\$ -	-	\$ -	\$ 60,697	\$ (64,541)	\$ (3,809)
Net loss	-	-	-	-	-	-	-	-	-	(20,963)	(20,963)
Issuance of Series B-1 preferred stock, net of issuance costs	50,000	46,187	-	-	-	-	-	-	-	-	-
Dividends on Series B-1 preferred stock	-	-	-	-	-	-	-	-	(208)	-	(208)
Exchange of Series A-2 preferred stock for Series A-2 Prime preferred stock	-	-	-	-	(43,649)	-	21,388.01	-	-	-	-
Conversion of Series A-2 Prime preferred stock into common stock	-	-	2,850,000	2	-	-	(1,396.50)	-	(2)	-	-
Issuance of common stock for exercise of options	-	-	581	-	-	-	-	-	2	-	2
Stock-based compensation expense	-	-	-	-	-	-	-	-	522	-	522
Balance at March 31, 2024	50,000	\$ 46,187	37,606,630	\$ 37	-	\$ -	19,991.51	\$ -	\$ 61,011	\$ (85,504)	\$ (24,456)
Net income	-	-	-	-	-	-	-	-	-	9,855	9,855
Dividends Paid on Series B-1 preferred stock	-	-	-	-	-	-	-	-	(887)	-	(887)
Conversion of Series A-2 Prime preferred stock into common stock	-	-	5,956,000	6	-	-	(2,918.44)	-	(6)	-	-
Issuance of common stock for exercise of options	-	-	10,582	-	-	-	-	-	1	-	1
Stock-based compensation expense	-	-	-	-	-	-	-	-	641	-	641
Balance at June 30, 2024	50,000	\$ 46,187	43,573,212	\$ 43	-	\$ -	17,073.07	\$ -	\$ 60,760	\$ (75,649)	\$ (14,846)

See accompanying notes to the financial statements

Unicycive Therapeutics, Inc.
Statements of Cash Flows
(In thousands)
(Unaudited)

	Six Months Ended	
	June 30,	
	2023	2024
Cash flows from operating activities		
Net loss	\$ (18,413)	\$ (11,108)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	4	9
Stock-based compensation expense	288	1,163
Change in fair value of warrant liability	10,093	(5,002)
Amortization of operating lease right of use asset	119	162
Changes in assets and liabilities:		
Prepaid expense and other current assets	(771)	1,709
Accounts payable and accrued liabilities	(635)	450
Operating lease liability	(107)	(158)
Net cash used in operating activities	<u>(9,422)</u>	<u>(12,775)</u>
Cash flows from investing activities		
Purchases of property, plant, and equipment	(12)	(26)
Net cash used in investing activities	<u>(12)</u>	<u>(26)</u>
Cash flows from financing activities		
Payments on financed insurance policies	(240)	(212)
Issuance costs related to issuance of Series B-1 preferred stock	-	(3,813)
Proceeds from issuance of Series B-1 preferred stock	-	50,000
Issuance costs related to issuance of Series A-1 preferred stock and warrants	(2,153)	-
Proceeds from issuance of Series A-1 preferred stock and warrants	30,190	-
Dividends on preferred stock	-	(1,095)
Net cash provided by financing activities	<u>27,797</u>	<u>44,880</u>
Net increase in cash and cash equivalents	<u>18,363</u>	<u>32,079</u>
Cash and cash equivalents at the beginning of the period	455	9,701
Cash and cash equivalents at the end of the period	<u>\$ 18,818</u>	<u>\$ 41,780</u>
Supplemental cash flow information		
Accrued dividends on preferred stock	\$ 795	\$ 1
Fair value of warrants issued in connection with the issuance of preferred stock	\$ 2,831	\$ -
Deferred insurance charges included in prepaid expenses and other current assets	\$ -	\$ 15
Deferred preclinical and other charges included in prepaid expenses and other current assets	\$ 151	\$ 99
Cash paid for interest	\$ 44	\$ 36
Cash paid for income taxes	\$ -	\$ -

See accompanying notes to the financial statements

Unicycive Therapeutics, Inc.
Notes to the Financial Statements (Unaudited)

1. Organization and Description of Business

Overview

Unicycive Therapeutics, Inc. (“the Company”) was incorporated in the State of Delaware on August 18, 2016. The Company was dormant until July 2017 when it began evaluating a number of drug candidates for in-licensing.

The Company in-licensed the drug candidate UNI 494 from Sphaera Pharma Pte. Ltd, a Singapore-based corporation, (“Sphaera”) (Note 3). UNI 494 is a pro-drug of Nicorandill that is being developed as a treatment for acute kidney injury.

In September 2018, the Company purchased a second drug candidate, Renazorb RZB 012 and its trademark, RENALAN, and various patents from Spectrum Pharmaceuticals, Inc. (“Spectrum”) (Note 3). Renazorb (“oxylanthanum carbonate”) is being developed for the treatment of hyperphosphatemia in patients with Chronic Kidney Disease (“CKD”).

The Company continues to evaluate the licensing of additional technologies and drugs, targeting orphan diseases and other renal, liver and other metabolic diseases affecting fibrosis and inflammation.

Liquidity

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry including, but not limited to, development by competitors of new technological innovations, protection of proprietary technology, dependence on key personnel, compliance with governmental regulations and the need to obtain additional financing to fund operations. The Company’s product candidates currently under development will require significant additional research and development efforts prior to commercialization. Future revenue streams may consist of collaboration or licensing revenue as well as product sales. The Company has not generated any licensing revenue during the six months ended June 30, 2024.

The Company has incurred operating losses and negative cash flows from operations since inception and expects to continue to incur negative cash flows from operations in the future. As the Company increases its research and development activities, the operating losses are expected to increase. The Company has historically relied on private equity offerings, debt financing and loans from a stockholder to fund its operations. As of December 31, 2023 and June 30, 2024, the Company had an accumulated deficit of \$64.5 million and \$75.6 million, respectively.

In connection with its initial public offering (“IPO”), on July 13, 2021, the Company began trading on the Nasdaq Capital Market under the symbol “UNCY”, and on July 15, 2021, received approximately \$22.3 million in net proceeds after deducting the underwriting discounts, commissions and other offering expenses. The Company has used the net proceeds from the IPO to complete pre-clinical and clinical studies, prepare regulatory filings for the FDA, and for general and corporate purposes, including hiring additional management and conducting market research and other commercial planning.

On March 3, 2023, the Company entered into a securities purchase agreement with certain healthcare-focused institutional investors that may provide up to \$130.0 million in gross proceeds through a private placement and that included initial upfront funding of \$28.0 million in net proceeds.

On March 13, 2024, the Company entered into a securities purchase agreement with certain healthcare-focused institutional investors to provide \$50 million in gross proceeds through a private placement. Pursuant to the securities purchase agreement, the Company issued institutional investors \$50 million in shares of Series B Convertible Preferred Stock. The Company received \$46.2 million in net proceeds (net of issuance costs).

The Company expects to continue incurring losses in the future and will be required to raise additional capital in the future to complete its planned clinical trials, pursue product development initiatives and penetrate markets for the sale of its products. Management believes that the Company will continue to have access to capital resources through possible equity offerings, debt financings, corporate collaborations or other means. There can be no assurance that the Company will be able to obtain additional financing on terms acceptable to the Company, on a timely basis or at all. If the Company is unable to secure additional capital, it may be required to curtail any clinical trials and development of new or existing products and take additional measures to reduce expenses in order to conserve its cash in amounts sufficient to sustain operations and meet its obligations. Based on the Company’s current level of expenditures, the Company believes that it has sufficient resources such that there is not substantial doubt about the ability to continue operations for at least one year after the date that these financial statements are available to be issued.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The accompanying unaudited financial statements of the Company as of June 30, 2024 have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X and, accordingly, they do not include all information and footnote disclosures required by accounting principles generally accepted in the U.S. (“GAAP”). The Company believes the footnotes and other disclosures made in the financial statements are adequate for a fair presentation of the results of the interim periods presented. The financial statements include all adjustments (solely of a normal recurring nature) which are, in the opinion of management, necessary to make the information presented not misleading. You should read these financial statements and the accompanying notes in conjunction with the financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission (“SEC”) on March 28, 2024.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the periods presented. Management believes that these estimates and assumptions are reasonable; however, actual results may differ and could have a material effect on future results of operations and financial position. Significant items subject to such estimates and assumptions include revenues, stock-based compensation, research contract progress estimates, and the fair value of warrant liabilities. Actual results may materially differ from those estimates.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification (“ASC”) 606, Revenue from Contracts with Customers (“ASC 606”). The Company applies the five-step model in ASC 606 and recognizes revenue from product sales or services rendered when control of the promised goods or services are transferred to a counterparty in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. To achieve this core principle, the Company applies the following five steps: identify the contract with the client, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to performance obligations in the contract and recognize revenues when or as the Company satisfies a performance obligation.

Warrant Liability

In conjunction with the issuance of Series A-1 Preferred Stock (see Note 10), the Company established a warrant liability as of March 3, 2023, representing the fair value of warrants that may be issued (and have since been issued – see Note 12), subject to shareholder approval, upon conversion of the Series A-1 Preferred Stock. The Company accounts for these warrants as liabilities (in accordance with ASC 480, *Distinguishing Liabilities from Equity*) on the balance sheets as a result of certain redemption clauses that are not within the control of the Company. The warrant liability was initially measured at fair value and is remeasured at fair value each reporting period. Changes in the fair value of the warrant liability are recognized in earnings during each period. The warrant liability is measured using Level 3 fair value inputs. See Note 12 for a description of warrant liability and the related valuations.

Segment Information

The Company operates and manages its business as one reportable operating segment. The Company's Chief Executive Officer, who is the chief operating decision maker, reviews financial information on an aggregate basis for purposes of allocating resources and evaluating financial performance.

Risks and Uncertainties

The Company operates in a dynamic and highly competitive industry and believes that changes in any of the following areas could have a material adverse effect on the Company's future financial position, results of operations, or cash flows: ability to obtain future financing; advances and trends in new technologies and industry standards; results of clinical trials; regulatory approval and market acceptance of the Company's products; development of sales channels; certain strategic relationships; litigation or claims against the Company related to intellectual property, product, regulatory, or other matters; and the Company's ability to attract and retain employees necessary to support its growth.

The Company's general business strategy may be adversely affected by any such economic downturns (including the current downturn related to the COVID-19 pandemic), volatile business environments and continued unstable or unpredictable economic and market conditions.

Any product candidates developed by the Company will require approvals from the FDA or other international regulatory agencies prior to commercial sales. There can be no assurance that the Company's current product candidates or any future product candidates will receive the necessary approvals. If the Company is denied approval, approval is delayed or the Company is unable to maintain approval, it could have a materially adverse impact on the Company.

The Company has expended and will continue to expend substantial funds to complete the research, development and clinical testing of its product candidates. The Company also will be required to expend additional funds to establish commercial-scale manufacturing arrangements and to provide for the marketing and distribution of products that receive regulatory approval. The Company will require additional funds to commercialize its products. The Company is unable to entirely fund these efforts with its current financial resources. If adequate funds are unavailable on a timely basis from operations or additional sources of financing, the Company may have to delay, reduce the scope of or eliminate one or more of its research or development programs, which would materially and adversely affect its business, financial condition and operations.

The Company is dependent upon the services of its employees, consultants and other third parties.

Property, Plant and Equipment

Property, plant, and equipment are recorded at cost less accumulated depreciation. Additions, improvements, and major renewals or replacements that substantially extend the useful life of an asset are capitalized. Repairs and maintenance expenditures are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the remaining lease term.

Management assesses the carrying value of property and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If there is indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value at that time. At June 30, 2024, management determined there were no impairments of the Company's property and equipment.

Leases

The Company determines whether a contract is, or contains, a lease at inception. Right-of-use assets represent the Company's right to use an underlying asset during the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at lease commencement based upon the estimated present value of unpaid lease payments over the lease term. The Company uses its incremental borrowing rate based on the information available at lease commencement in determining the present value of unpaid lease payments.

Fair Value of Financial Instruments

The Company's financial instruments include the warrant liability, cash and cash equivalents, accounts payable and accrued liabilities.

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The fair value hierarchy contains the following levels:

- Level 1 — defined as observable inputs based on unadjusted quoted prices for identical instruments in active markets;
- Level 2 — defined as inputs other than Level 1 that are either directly or indirectly observable in the marketplace for identical or similar instruments in markets that are not active; and
- Level 3 — defined as unobservable inputs in which little or no market data exists where valuations are derived from techniques in which one or more significant inputs are unobservable.

The following table summarizes the fair value hierarchy of financial liabilities measured at fair value as of June 30, 2024 (in thousands):

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Warrant liability	\$ -	\$ -	\$ 8,131	\$ 8,131
Total liabilities at fair value	\$ -	\$ -	\$ 8,131	\$ 8,131

The following table summarizes the fair value hierarchy of financial liabilities measured at fair value as of December 31, 2023 (in thousands):

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Warrant liability	\$ -	\$ -	\$ 13,134	\$ 13,134
Total liabilities at fair value	\$ -	\$ -	\$ 13,134	\$ 13,134

The following table summarizes the changes in fair value of the warrant liability classified in Level 3. Gains and losses reported in this table include changes in fair value that are attributable to unobservable inputs (in thousands):

	Six Months Ended June 30, 2024
Fair value at January 1, 2023	\$ -
Issuance of Warrants (March 3, 2023)	2,831
Change in fair value of Warrants	<u>10,375</u>
Fair value at March 31, 2023	13,206
Change in fair value of warrants	<u>(282)</u>
Fair value at June 30, 2023	<u>\$ 12,924</u>
Fair value at January 1, 2024	\$ 13,134
Change in fair value of warrants	<u>11,807</u>
Fair value at March 31, 2024	24,941
Change in fair value of warrants	<u>(16,810)</u>
Fair value at June 30, 2024	<u>\$ 8,131</u>

The expense relating to the change in fair value of the warrant liability of \$0.3 million and \$16.8 million for the three months ended June 30, 2023 and June 30, 2024 respectively is included in other income (expense) in the statements of operations.

ASC 820, *Fair Value Measurement and Disclosures* requires all entities to disclose the fair value of financial instruments, both assets and liabilities, for which it is practicable to estimate fair value. As of December 31, 2023 and June 30, 2024, the recorded values of cash and cash equivalents, accounts payable, and accrued liabilities approximated fair value due to the short-term nature of the instruments. Cash and cash equivalents, accounts payable, and accrued liabilities are Level 1 financial instruments.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash and cash equivalents. The cash and cash equivalents the Company uses to satisfy working capital and operating expense needs are held in accounts at various financial institutions. Cash balances may at times exceed federally insured limits. Cash and cash equivalents could be adversely impacted, including the loss of uninsured deposits and other uninsured financial assets, if one or more of the financial institutions in which the Company holds its cash or cash equivalents fails or is subject to other adverse conditions in the financial or credit markets. No such losses have been incurred through June 30, 2024.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets represent costs incurred that benefit future periods. These costs are amortized over specific time periods based on the agreements.

Research and Development Expenses

Substantially all the Company's research and development expenses consist of expenses incurred in connection with the development of the Company's product candidates. These expenses include fees paid to third parties to conduct certain research and development activities on the Company's behalf, consulting costs, costs for laboratory supplies, product acquisition and license costs, certain payroll and personnel-related expenses, including salaries and bonuses, employee benefit costs and stock-based compensation expenses for the Company's research and product development employees. The Company expenses both internal and external research and development expenses as they are incurred.

General and Administrative Expenses

General and administrative expenses represent personnel costs for employees involved in general corporate functions, including finance, accounting, legal and human resources, among others. Additional costs included in general and administrative expenses consist of professional fees for legal (including patent costs), audit and other consulting services, stock-based compensation and other general corporate overhead expenses as well as costs from a service agreement with a related party (See Note 7).

Patent Costs

The Company expenses all costs as incurred in connection with patent licenses and applications (including direct application fees, and the legal and consulting expenses related to making such applications) and such costs are reflected in general and administrative expenses in the statements of operations.

Stock-Based Compensation

The Company accounts for stock-based compensation for all share-based payments made to employees and non-employees by estimating the fair value on the date of grant and recognizing compensation expense over the requisite service period on a straight-line basis. The Company recognizes forfeitures related to stock-based compensation as they occur. The Company estimates the fair value of stock options using the Black-Scholes option-pricing model. The Black-Scholes model requires the input of subjective assumptions, including expected common stock volatility, expected dividend yield, expected term, risk-free interest rate, and the estimated fair value (prior to the Company's initial public offering) or the public market closing price of the Company's underlying common stock on the date of grant.

Income Taxes

The Company accounts for corporate income taxes in accordance with GAAP as stipulated in ASC, Topic 740, Income Taxes, ("ASC 740"). This standard entails the use of the asset and liability method of computing the provision for income tax expense. Current tax expense results from corporate tax payable at the Federal and California jurisdictions for the Company, which relates to the current accounting period. Deferred tax expense results primarily from temporary differences between financial statement and tax return reporting, which result in additional tax payable in future periods. Deferred tax assets and liabilities are determined based on the differences between the financial statement basis and tax basis of assets and liabilities using enacted tax rates and law. Net future tax benefits are subject to a valuation allowance when management expects that it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized.

Current and non-current tax assets and liabilities are based upon an estimate of taxes refundable or payable for each of the jurisdictions in which the Company is subject to tax. In the ordinary course of business there is inherent uncertainty in quantifying income tax positions. The Company assess income tax positions and record the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit is recognized in the financial statements. The Company's policy is to recognize interest or penalties related to income tax matters in income tax expense.

The Tax Cuts and Jobs Act of 2017 eliminated the option to immediately deduct research and development expenditures in the year incurred under Section 174, which became effective January 1, 2022. We are monitoring legislation for any further changes to Section 174 and the impact, if any, to the financial statements in 2024.

Comprehensive Loss

Comprehensive loss includes all changes in equity (net assets) during a period from non-owner sources. There were no elements of other comprehensive income (loss) in the periods presented, as a result comprehensive loss is the same as net loss for each period presented.

Net Income (Loss) per Share

Basic and diluted net income (loss) per share is presented in conformity with the two-class method required for participating securities. Basic and diluted net income (loss) for common stock and for preferred stock is computed by dividing the sum of distributed earnings and undistributed earnings for each class of stock by the weighted average number of shares outstanding for each class of stock for the period. Diluted net income (loss) per share includes potentially dilutive securities outstanding for the period. See Note 14 for reconciliations of basic and diluted net income (loss) per share.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the impact of recently issued standards that are not yet effective are not expected to have a material impact on the Company’s financial position or results of operations upon adoption.

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires an enhanced disclosure of significant segment expenses on an annual and interim basis. This guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. Upon adoption, the guidance should be applied retrospectively to all prior periods presented in the financial statements. We do not expect the adoption of this guidance to have a material impact on our financial statements.

The Company adopted Accounting Standards Update (“ASU”) No. 2016-13, Financial Instruments – Credit Losses (“ASC 326”), as of October 1, 2023. This new standard adds to U.S. GAAP an impairment model, known as the current expected credit loss (“CECL”) model, that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which is intended to result in the timelier recognition of losses. Under the CECL model, entities estimate credit losses over the entire contractual term from the date of initial recognition of the financial instrument. As the Company does not currently have any trade receivables, there was no cumulative effect adjustment, and the adoption of this standard did not have a material impact on the Company’s financial statements.

Income Taxes Disclosures – In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” ASU 2023-09 requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as information on income taxes paid. ASU 2023-09 is effective for public entities with annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

3. Significant Agreements

With regards to manufacturing, testing and potential commercial supply of oxylanthanum carbonate, on October 31, 2020, the Company entered into an agreement with Shilpa Medicare Ltd (“Shilpa”) based in India. Pursuant to the Agreement, Shilpa provides certain development, manufacturing, supply and other CMC-related services related to the development and commercialization of oxylanthanum carbonate (“OLC”).

In June 2024, the Company entered into the First Amendment to Manufacturing and Supply Agreement with Shilpa (the “Amendment”). The Company has entered into the Amendment in anticipation of an increased manufacturing demand for OLC. Pursuant to the Amendment, the Company has agreed to make a binding purchase order for tablets of OLC and Shilpa has agreed to deliver such order by June 30, 2025. In addition, the Company has agreed to order additional tablets for delivery between December 31, 2025, and June 30, 2026. Further, the Company has agreed to make certain milestone payments and to provide certain funding to Shilpa for a new manufacturing line. The initial term of the Agreement shall continue until the eighth (8th) anniversary of the date of receipt by the Company of FDA approval of its NDA of OLC (the “Initial Term”). Following the Initial Term, the Agreement shall continue in effect for consecutive periods of four (4) years each unless earlier terminated pursuant to the terms of the Agreement.

In October 2017, the Company entered into an exclusive license agreement with Sphaera, a stockholder, for the rights to further develop the drug candidate, UNI 494, for commercialization. No payments were made upon execution of the agreement but payments for \$50,000 will be due commencing with the initiation by the Company of a second clinical trial and \$50,000 on completion of such trial. If the FDA accepts a NDA application submitted by the Company for the product, the Company will pay Sphaera \$1.65 million. Upon commercialization and sale of the drug product, royalty payments will also be payable quarterly to Sphaera equal to 2% of net sales on the preceding quarter.

In September 2018, the Company entered into an Assignment and Asset Purchase Agreement with Spectrum Pharmaceuticals, Inc. (“Spectrum Agreement”) pursuant to which the Company purchased certain assets from Spectrum, including Spectrum’s right, title, interest in and intellectual property related to Renazorb RZB 012, also known as RENALAN™ (“Renalan”) and RZB 014, also known as SPI 014 (“SPI” and together with Renalan, the “Compounds”), to further develop and commercialize oxylanthanum carbonate and related compounds. In partial consideration for the Spectrum Agreement, the Company issued 313,663 shares of common stock to Spectrum valued at approximately \$4,000 which represented four percent of the Company on a fully-diluted basis at the date of the execution of the Spectrum Agreement. The Spectrum Agreement has an anti-dilution provision, which provides that Spectrum maintain its ownership interest in the Company at 4% of the Company’s shares on a fully-diluted basis. Fully-diluted shares of common stock for purposes of the oxylanthanum carbonate Purchase Agreement assumes conversion of any security convertible into or exchangeable or exercisable for common stock or any combination thereof, including any common stock reserved for issuance under a stock option plan, restricted stock plan, or other equity incentive plan approved by the Board of Directors of the Company immediately following the issuance of additional shares of the Company’s common stock (but prior to the issuance of any additional shares of common stock to Spectrum). Spectrum’s ownership shall not be subject to dilution until the earlier of thirty-six months from the first date the Company’s stock trades on a public market, or the date upon which the Company attains a public market capitalization of at least \$50 million. On July 13, 2021, the Company’s initial public offering resulted in a public market capitalization of at least \$50 million, and as a result the Company was required to issue 438,374 anti-dilution shares of common stock. This issuance represented the final anti-dilution calculation required under the Spectrum Agreement, and no further anti-dilution shares will be issued. The Company calculated the fair value of the shares and recognized \$2.2 million to research and development expenses as cost to issue those shares during the third quarter of 2021. In the event an NDA filing for oxylanthanum carbonate is accepted by the FDA, the Company will be required to pay \$0.2 million to Altair Nanomaterials, Inc., (“Altair”) in accordance with the Spectrum Agreement. In addition, in the event FDA approval for oxylanthanum carbonate is received, the Company will be required to pay \$4.5 million to Altair. The Company is also required to pay Spectrum 40% of all the Company’s sublicense income for any sublicense granted to certain sublicensees during the first 12 months after the Closing Date (as that term is defined in the Spectrum Agreement) and 20% of all other sublicense income. The Company’s payment obligations to Spectrum will expire on the twentieth (20th) anniversary of the Closing Date of the Spectrum Agreement. In August 2022, the Company received an upfront payment of approximately \$1.0 million resulting from a sublicense development agreement with Lee’s Pharmaceutical (HK) Limited. In February 2023, the Company received an upfront payment of approximately \$0.7 million resulting from a sublicense development agreement with Lotus International Pte Ltd. The payment represents sublicense income as described in the Spectrum Agreement, and 20% of the amount received has been accrued as an R&D expense in the accompanying statements of operations for the six months ended June 30, 2023.

On July 19, 2021, the Company entered into an agreement with Syneos Health LLC (“Syneos”) pursuant to which Syneos will provide preclinical research and analysis services related to the development of UNI-494. The initial budget for the study, which includes clinical pharmacology, translational sciences, and bioanalytical services, was approximately \$2.3 million. Approximately \$2.0 million has been paid to Syneos and the research was completed during 2023.

On January 6, 2022, the Company entered into a Master Services Agreement with Quotient Sciences Limited (“Quotient”), a UK based company that provides drug development and analysis services, for the purpose of performing clinical research in support of UNI-494. The initial budget for the study is approximately \$3.7 million, and subsequent revisions reduced the overall budget to \$2.9 million. Related payments totaling approximately \$2.8 million have been paid to Quotient as of June 30, 2024, approximately \$2.7 million of related expense has been recorded, and approximately \$0.6 million and \$0.8 million has been recorded as prepaid expenses and other current assets in the accompanying balance sheets as of December 31, 2023 and June 30, 2024, respectively.

On February 9, 2022, the Company entered into a Master Services Agreement with CBCC Global Research Inc. (“CBCC”), a California based company that provides clinical trial and related services, for the purpose of performing clinical research in support of oxylanthanum carbonate. The budget for the initial study was approximately \$1.4 million. Payments relating to the initial agreement totaling approximately \$0.4 million have been paid to CBCC as of March 31, 2023, and approximately \$0.4 million of related expense has been recorded. In September 2022, a statement of work revised the remaining services budget to approximately \$0.1 million, and the research was completed as of March 31, 2023.

On June 29, 2022, the Company entered into an Agreement with Inotiv, an Indiana based company that provides preclinical trial and related services, for the purpose of performing research in support of oxylanthanum carbonate.

On April 10, 2023, the Company entered into an agreement with Inotiv that provides preclinical trial and related services, for the purpose of performing research in support of UNI-494. The budget for these services is approximately \$2.9 million. Approximately \$2.9 million has been paid to Inotiv as of June 30, 2024 and approximately \$0.3 million and \$0.1 million has been recorded as prepaid expenses and other current assets in the accompanying balance sheets as of December 31, 2023 and June 30, 2024, respectively.

On July 14, 2022, the Company entered into a license agreement with Lee's Pharmaceutical (HK) Limited (see Note 4). Under the terms of the agreement, Lee's Pharmaceutical will be responsible for development, registration filing and approval for oxylanthanum carbonate in China, Hong Kong, and certain other Asian markets. In addition, Lee's Pharmaceutical will have sole responsibility for the importation of the drug product from the Company and for the costs of commercialization of oxylanthanum carbonate in the licensed territories. The Company has received an upfront payment of \$1.0 million, expects to receive up to \$1.0 million in milestone payments upon product launch in China and will be eligible for tiered royalties of between 7% and 10% upon achievement of prespecified regulatory and commercial achievements.

On July 27, 2022, the Company entered into an Agreement with Celerion, a Nebraska based company that provides clinical trial and related services, for the purpose of performing research in support of oxylanthanum carbonate. The budget for the services is approximately \$2.7 million, and approximately \$2.7 million has been paid to Celerion as of December 31, 2023, and the research was completed during 2023.

On February 1, 2023, the Company entered into a license agreement with Lotus International Pte Ltd. ("Lotus") (see Note 4). Under the terms of the agreement, Lotus will be responsible for development, registration filing and approval for oxylanthanum carbonate in the licensed territory of South Korea. In addition, Lotus will have sole responsibility for the importation of the drug product from the Company and for the costs of commercialization of oxylanthanum carbonate in the licensed territory. The Company has received an upfront payment of \$0.7 million, may receive up to \$3.7 million in future milestone payments and will be eligible for tiered royalties upon achievement of specified commercial achievements.

On June 29, 2023 and October 26, 2023, the Company entered into services agreements with Shilpa Medicare Ltd related to NDA filing support for oxylanthanum carbonate. The agreements provide for total payments of up to \$3.7 million, and the Company has made \$3.0 million in payments pursuant to the agreements as of June 30, 2024.

4. Licensing Revenues

On July 14, 2022, the Company entered into a license agreement (the "Lee's Agreement") with Lee's Pharmaceutical (HK) Limited ("Lee's"). Under the terms of the agreement, Lee's Pharmaceutical will be responsible for development, registration filing and approval for oxylanthanum carbonate in China, Hong Kong, and certain other Asian markets. In addition, Lee's will have sole responsibility for the importation of the drug product from the Company and for the costs of commercialization of oxylanthanum carbonate in the licensed territories. Both parties agreed to enter into a separate manufacturing and supply agreement whereby Unicycive will supply Lee's with oxylanthanum carbonate product. The Company has received an upfront payment of approximately \$1.0 million, expects to receive up to \$1.0 million in milestone payments upon product launch in China and will be eligible for tiered royalties of between 7% and 10% upon achievement of prespecified regulatory and commercial achievements.

The Company has evaluated the Lee's Agreement in accordance with ASC 808, *Collaborative Arrangements* ("ASC 808") and ASC 606. The Company first assessed whether the contractual arrangement is within the scope of ASC 808 which defines a collaborative arrangement as a contractual arrangement that involves a joint operating activity. Under ASC 606, the counterparty is considered a customer only if it is acquiring goods or services that are an output of the entity's "ordinary activities". The Lee's Agreement is consistent with the Company's current ongoing operations, which is an operating model adopted by many early-stage biotech companies. The license portion of the contract as well as the future potential transactions under a manufacturing and supply agreement both represent a vendor-customer relationship.

The Company does not believe that its promise to provide goods under a future manufacturing and supply agreement represents a material right to Lee's, and therefore the promise does not represent a current performance obligation. The Company has concluded the agreement contains one performance obligation – the IP license.

ASC 606 indicates that constrained variable consideration should be included in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Variable considerations consisting of milestone payments and sales-based royalties may be received based on the completion of certain clinical, regulatory, and commercial activities. The Company has concluded that the future milestone payments should be excluded from the transaction price due to the uncertainty of achievement as of December 31, 2023 and June 30, 2024. The Company will reassess this conclusion at each reporting date until the uncertainties are resolved.

For the sales-based royalty payments, guidance requires an entity to recognize revenue for a sales-based royalty promised in exchange for a license of intellectual property only when the later of 1) the subsequent sale or usage occurs, or 2) the performance obligation to which some or all the sales-based or usage-based royalty has been allocated has been satisfied or partially satisfied. The Company has concluded that the future sales-based royalties should be excluded from the transaction price as of December 31, 2023 and June 30, 2024. The Company will reassess this conclusion at each reporting date.

The Company has concluded that at contract inception the total transaction price is the \$1.0 million upfront fee.

The Company has concluded that the license of the oxylanthanum carbonate IP is functional IP as it contains all the necessary information for Lee's to develop for commercialization in the Territory. Unicycive's ongoing activities do not significantly affect the standalone functionality of the IP. In addition, the functionality of the IP is not expected to substantially change during the license period based on Unicycive's activities. The revenue should therefore be recognized at a point in time. This intellectual property was transferred to Lee's in July 2022.

On February 1, 2023, the Company entered into a license agreement (the "Lotus Agreement") with Lotus International Pte Ltd. ("Lotus"). Under the terms of the agreement, Lotus will be responsible for development, registration filing and approval for oxylanthanum carbonate in the licensed territory of South Korea. In addition, Lotus will have sole responsibility for the importation of the drug product from the Company and for the costs of commercialization of oxylanthanum carbonate in the licensed territory. The Company has agreed to complete development of the drug product, at its own expense, as required for obtaining regulatory approval in the U.S. Both parties agreed to enter into a separate manufacturing and supply agreement whereby Unicycive will supply Lotus with oxylanthanum carbonate product. The Company has received an upfront payment of \$0.7 million, may receive up to \$3.7 million in future milestone payments and will be eligible for tiered royalties upon achievement of specified commercial achievements.

The Company has evaluated the Lotus Agreement in accordance with ASC 808 and ASC 606. The Company first assessed whether the contractual arrangement is within the scope of ASC 808 which defines a collaborative arrangement as a contractual arrangement that involves a joint operating activity. Under ASC 606, the counterparty is considered a customer only if it is acquiring goods or services that are an output of the entity's "ordinary activities". The Lotus Agreement is consistent with the Company's current ongoing operations, which is an operating model adopted by many early-stage biotech companies. The license portion of the contract as well as the future potential transactions under a manufacturing and supply agreement both represent a vendor-customer relationship.

The Company does not believe that its promise to provide goods under a future manufacturing and supply agreement represents a material right to Lotus, and therefore the promise does not represent a current performance obligation. The Company evaluated the development services and concluded that although not material in cost, they are highly interrelated with the license grant. If a promised good or service is not distinct, an entity is required to combine that good or service with other promised goods or services until it identifies a bundle of goods or services that is distinct. The combination of the license grant and development services is distinct as Lotus plans to use the product of this bundled unit for developing its regulatory applications. The Company concluded that the Lotus agreement contains one performance obligation, the bundle of the license grant and development services.

ASC 606 indicates that constrained variable consideration should be included in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Variable considerations consisting of milestone payments and sales-based royalties may be received based on the completion of certain clinical, regulatory, and commercial activities. The Company has concluded that the future milestone payments should be excluded from the transaction price due to the uncertainty of achievement as of June 30, 2024. The Company will reassess this conclusion at each reporting date until the uncertainties are resolved.

For the sales-based royalty payments, guidance requires an entity to recognize revenue for a sales-based royalty promised in exchange for a license of intellectual property only when the later of 1) the subsequent sale or usage occurs, or 2) the performance obligation to which some or all the sales-based or usage-based royalty has been allocated has been satisfied or partially satisfied. The Company has concluded that the future sales-based royalties should be excluded from the transaction price as of December 31, 2023 and June 30, 2024. The Company will reassess this conclusion at each reporting date.

The Company has concluded that at contract inception the total transaction price is \$675,000 amount of the upfront payment. ASC 606 generally requires an entity to allocate the transaction price to the performance obligations in proportion to their standalone selling prices (i.e., on a relative standalone selling price basis). The Company identified the bundle of the license grant and development services as the single performance obligation in the agreement. The \$675,000 initial transaction price will therefore be entirely allocated to this obligation.

The Company has concluded that the license of the oxylanthanum carbonate IP is functional IP. However, since it is not distinct, revenue must be recognized based on the combination of the functional IP and the related development services. Lotus will not simultaneously receive and consume the benefits of the oxylanthanum carbonate IP or development services. Since the performance of the development services creates an asset that will also be used by the Company and can be licensed to other customers outside of the Territory, the Company is considered to control the asset as it is created, and it does create an asset with an alternative use. Therefore, the Company concluded that control is not deemed to be transferred over time and is instead transferred at a point in time. The intellectual property was transferred to Lotus in February 2023, and the development services were determined to be immaterial to the contract. The Company has recognized a total of \$675,000 in the accompanying statements of operations as licensing revenue for the six months ended June 30, 2023.

5. Balance Sheet Components

Prepaid expenses and other current assets as of December 31, 2023 and June 30, 2024 consisted of the following (in thousands):

	As of December 31, 2023	As of June 30, 2024
Prepaid directors' and officers' liability insurance premiums	\$ 270	15
Prepaid preclinical services	3,103	1,665
Other	325	594
Total	<u>\$ 3,698</u>	<u>2,274</u>

Property, plant and equipment as of December 31, 2023 and June 30, 2024 consisted of the following (in thousands):

	As of December 31, 2023	As of June 30, 2024
Leasehold improvements	\$ 21	21
Furniture and fixtures	21	21
Lab Equipment	-	26
Subtotal	<u>42</u>	<u>68</u>
Less accumulated depreciation	<u>(16)</u>	<u>(25)</u>
Net	<u>\$ 26</u>	<u>43</u>

Accounts payable as of December 31, 2023 and June 30, 2024 consisted of the following (in thousands):

	As of December 31, 2023	As of June 30, 2024
Trade accounts payable	\$ 821	1,376
Credit card liability	18	96
Total	\$ 839	1,472

Accrued liabilities as of December 31, 2023 and June 30, 2024 consisted of the following (in thousands):

	As of December 31, 2023	As of June 30, 2024
Accrued labor costs	\$ 1,917	\$ 978
Accrued drug development costs	1,034	2,023
Other	283	121
Total	\$ 3,234	\$ 3,122

6. Operating Lease

The Company leases office space under an operating lease. In December 2021, the Company entered into a lease agreement for 2,367 square feet of office space commencing December 1, 2021. The initial lease term was for two years, and there was an option to extend the lease for an additional year. On March 3, 2023, the Company expanded its leased space through a lease amendment by an additional 2,456 square feet commencing March 15, 2023. The term of the amended lease is for three years with an option to extend the lease for three additional years.

The lease amendment represents a modification of the original lease, and the Company evaluated the new agreement under ASC 842, Leases. The Company classified the lease as an operating lease and, on March 15, 2023, determined that the present value of the lease was approximately \$1.0 million using an estimated incremental borrowing rate of 10%. During the six months ended June 30, 2024, the Company reflected amortization of right-of-use asset of approximately \$162,000, resulting in a right of use asset balance of approximately \$0.6 million.

During the six months ended June 30, 2024, the Company made cash payments on the lease of \$194,000 towards the lease liabilities. As of June 30, 2024, the total lease liability was approximately \$0.6 million.

As of June 30, 2024, maturities of the Company's lease liabilities are as follows (in thousands, unaudited):

	Operating Lease
Year ending December 31, 2024	197
Year ending December 31, 2025	424
Year ending December 31, 2026	72
Total lease payments	693
Less imputed interest rate / present value discount	(59)
Present value of lease liability	634
Less current portion	(360)
Long term portion	\$ 274

7. Related Party Transactions

Loan from Chief Executive Officer and Stockholder

The Company received advances from the stockholder of \$210,000 during February 2023. The Company repaid amounts owed to the stockholder of \$210,000 plus accrued interest during March 2023.

8. Commitments and Contingencies

Contingencies

The Company is subject to claims and legal proceedings that arise in the ordinary course of business. Such matters are inherently uncertain, and there can be no guarantee that the outcome of any such matter will be decided favorably to the Company or that the resolution of any such matter will not have a material adverse effect upon the Company's financial statements. The Company currently has no pending claims or legal proceedings.

In December 2022, the Company signed an advisory services agreement with Maxim Group LLC ("Maxim") pursuant to which the Company will pay Maxim \$100,000 upon the closing of a private placement of the Company's equity or equity-linked securities. Maxim provided advisory services with respect to a private placement securities purchase agreement with certain healthcare-focused institutional investors, which closed in March of 2023. The Company paid the \$100,000 advisory fee in March 2023.

Indemnification

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications, including for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent or other intellectual property infringement claim by any third party with respect to its technology. The term of these indemnification agreements is generally perpetual any time after the execution of the agreement. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future, but that have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations.

The Company believes that the likelihood of conditions arising that would trigger these indemnities is remote and, historically, the Company had not made any significant payment under such indemnification provisions. Accordingly, the Company has not recorded any liabilities relating to these agreements. However, the Company may record charges in the future as a result of these indemnification obligations.

Additionally, the Company has agreed to indemnify its directors and officers for certain events or occurrences while the director or officer is, or was serving, at the Company's request in such capacity. The indemnification period covers all pertinent events and occurrences during the director's or officer's service.

Employee Benefit Plan

In December 2021, the Company implemented a 401(k) Plan which covers all eligible employees of the Company (the "401(k) Plan"). Employer matching contributions are immediately 100% vested. The Company's 401(k) Plan provides that the Company match each participant's contribution at 100% up to 4% of the employee's eligible compensation. Company contributions to the 401(k) Plan totaled approximately \$107,000 and \$72,000 for the year ended December 31, 2023 and for the six months ended June 30, 2024, respectively.

9. Stockholders' Deficit

Authorized Common Stock

The Company is authorized to issue up to 400,000,000 shares of common stock at par value of \$0.001 per share.

Issuance of Common Stock and Warrants from Initial Public Offering

During July 2021, as a result of its initial public offering, the Company issued 5,000,000 shares of common stock and 4,000,000 warrants to investors in exchange for cash at \$5.00 per unit, consisting of \$4.99 per share of common stock and \$.0125 per four fifths of a warrant. The warrants have a 5-year term and an exercise price of \$6.00 per warrant. The underwriters exercised their option to purchase an additional 600,000 warrants, and the Company received \$7,500 in proceeds.

As a result of the initial public offering, the Company's outstanding convertible notes and unpaid accrued interest were converted into 736,773 shares of common stock. Additionally, in accordance with the original terms of the warrant agreements convertible noteholders were granted a total of 184,193 common stock warrants with a 5-year term and with an exercise price of \$6.00 per warrant.

The warrants from the initial public offering are equity classified. The following table summarizes activity for the Company's IPO warrants for the six months ended June 30, 2024:

	Number of Shares Underlying Outstanding Warrants	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2023	4,784,193	6.00	2.54	-
Warrants granted	-	-	-	-
Warrants exercised	-	-	-	-
Outstanding, June 30, 2024	<u>4,784,193</u>	6.00	2.04	-

See Note 12 for information on preferred stock warrants associated with our sale in March of Series A-1 Preferred Stock.

Issuance of Common Stock Upon Conversion of Series A-1 Preferred Stock

On June 26, 2023, the Company held its annual shareholder meeting and, as a result, shareholder approval for the issuance of common shares upon the conversion of the Series A-1 Preferred Stock was obtained (see Notes 10 and 11). On July 11, 2023, pursuant to the Certificate of Designation of Preferences, Rights and Limitations of the Series A Convertible Voting Preferred Stock (the "Series A Certificate of Designation"), the Company issued a total of 19,516,205 shares of common stock and 43,649 Series A-2 Preferred Stock in settlement of the auto-conversion of the Series A-1 Preferred Stock.

Voting Rights of Common Stock

Each holder of shares of common stock shall be entitled to one vote for each share thereof held.

Note 10. Issuance of Series A-1 Preferred Stock

As of December 31, 2022, the Company had 10,000,000 shares of preferred stock authorized, par value of \$0.001 per share, and no shares of preferred stock were issued or outstanding. As of March 31, 2023, as a result of the Company's private placement financing, there were 30,190 shares of Series A-1 Preferred Stock issued and outstanding.

On March 3, 2023, the Company issued and sold, in a private placement, 30,190 shares of Series A-1 Preferred Stock for an aggregate net proceeds of \$28.0 million (the "Preferred Stock Offering"), net of placement agent fees and offering expenses of \$2.2 million. The Company intends to use the net proceeds from the Preferred Stock Offering to support the Company's New Drug Application (NDA) submission for approval of oxylanthanum carbonate for the treatment of hyperphosphatemia and, if approved, for the commercial launch of oxylanthanum carbonate in the U.S.

Pursuant to the Series A Certificate of Designation, as of March 3, 2023, each share of Series A-1 Preferred Stock was, subject to approval of the Company's stockholders, convertible into a unit ("Unit") consisting of: (i) shares of common stock of the Company and, if applicable, shares of Series A-2 Preferred Stock, in lieu of common stock, (ii) a tranche A warrant to acquire approximately 46,675,940 shares (excluding deemed dividends) of Series A-3 Preferred Stock (the "Tranche A Warrant"), (iii) a tranche B warrant to acquire approximately 42,432,672 shares (excluding deemed dividends) of Series A-4 Preferred Stock (the "Tranche B Warrant"), and (iv) a tranche C warrant to acquire approximately 67,892,276 shares (excluding deemed dividends) of Series A-5 Preferred Stock (the "Tranche C Warrant", together with the Tranche A Warrant and the Tranche B Warrant, the "Warrants"). The Tranche A Warrant, for an aggregate exercise price of approximately \$25 million, is exercisable until 21 days following the Company's announcement of receipt of FDA approval for oxylanthanum carbonate, the Tranche B Warrant, for an aggregate exercise price of approximately \$25 million, is exercisable until 21 days following the Company's announcement of receipt of Transitional Drug Add-On Payment Adjustment ("TDAPA") approval for oxylanthanum carbonate, and the Tranche C Warrant for an aggregate exercise price of approximately \$50 million is exercisable until 21 days following four quarters of commercial sales of oxylanthanum carbonate following receipt of TDAPA approval.

The Company has designated 30,190 shares of Series A-1 Preferred Stock, 1,800,000 shares of Series A-2 Preferred Stock, 1,800,000 shares of Series A-3 Preferred Stock, 1,800,000 shares of Series A-4 Preferred Stock, and 3,600,000 shares of Series A-5 Preferred Stock, together the “Series A Preferred Stock”. The Series A Preferred Stock has a par value of \$0.001 per share. The Series A Certificate of Designation states that, to the extent that the conversion of the Series A-1 preferred stock as well as the exercise of the Warrants into Series A-2, Series A-3, Series A-4, and Series A-5 preferred stock results in a beneficial ownership interest in excess of the maximum percentage of common stock upon conversion, the holders will receive the as converted equivalent for the remaining shares in preferred stock.

The Company determined that the Warrants are freestanding from the Series A-1 Preferred Stock, because the stock will automatically convert into shares of common stock, and the holders will be able to sell those shares while retaining the Warrants. The Company noted that at contract inception, the Warrants were contingently issuable upon the occurrence of a specified event (shareholder approval).

In connection with the Series A-1 Preferred Stock issuance, the Company recognized liabilities for the associated Warrants, which had an aggregate fair value of \$2.8 million at the time of issuance. Offering costs of \$0.2 million were allocated to the Warrants and expensed during March 2023. The fair value of the Warrants was accounted for as a reduction to the net proceeds of the Preferred Stock Offering, which resulted in an initial carrying value of \$25.4 million for the Series A-1 Preferred Stock (net of \$2.0 million of placement agent fees and offering costs allocated to the Series A-1 Preferred Stock). Refer to Note 12 for disclosures related to the Warrants.

On June 26, 2023, the Company held its annual shareholder meeting and, as a result, shareholder approval for the conversion of the Series A-1 Preferred Stock was obtained. On July 11, 2023, pursuant to the Series A Certificate of Designation, the Company issued 19,516,205 shares of common stock (see Note 9) and 43,649 shares of Series A-2 Preferred Stock in partial settlement of the auto-conversion of the Series A-1 preferred shares. As of December 31, 2023, there were zero shares of Series A-1 preferred stock issued and outstanding and there were 43,649 shares of Series A-2 Preferred Stock issued and outstanding.

The Series A-2, A-3, A-4, and A-5 Preferred Stock have the following rights:

Dividends: While shares of Series A Preferred Stock are issued and outstanding, holders of Series A Preferred Stock shall be entitled to receive, and the Corporation shall pay, dividends on shares of Series A Preferred Stock equal (on an as-if-converted-to-Common-Stock basis) and in the same form as dividends (other than dividends in the form of Common Stock) actually paid on shares of the Common Stock when, as and if such dividends are paid on shares of the Common Stock.

Voting: Holders of the Series A-2, A-3, A-4, and A-5 Preferred Stock are entitled to vote together with the common stock on an as-if-converted-to-common-stock basis as determined by dividing the liquidation preference with respect to such shares of Preferred Stock by the conversion price. Holders of common stock are entitled to one vote for each share of common stock held on all matters submitted to a vote of stockholders. Accordingly, holders of Series A Preferred Stock will be entitled to one vote for each whole share of Common Stock into which their Series A Preferred Stock is then-convertible on all matters submitted to a vote of stockholders.

At the option of the holder thereof, each share of Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series A-4 Preferred Stock, or Series A-5 Preferred Stock shall be convertible into one share of common stock.

Exchange Agreement

On March 13, 2024, the Company entered into an exchange agreement (the “Exchange Agreement”) with certain accredited investors (the “Investors”), pursuant to which the Investors surrendered all shares of Series A-2 Preferred Stock held by them in exchange for an aggregate of 21,388.01 shares of new preferred stock to be known as “Series A-2 Prime Preferred” (the “Exchanged Preferred”) having rights set forth the Amended and Restated Certificate of Designation of Preferences, Rights and Limitations of the Series A Convertible Voting Preferred Stock (the “Amended Series A Certificate of Designation”).

Concurrent with execution of the Exchange Agreement, but prior to filing of the Amended Series A Certificate of Designation with the Delaware Secretary of State, the Company filed Certificates of Elimination for each of its Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series A-4 Preferred Stock and Series A-5 Preferred Stock (collectively, the “Certificates of Elimination”) with the Delaware Secretary of State.

Concurrent with the execution of the Exchange Agreement, the Company and each Investor have amended and restated the following warrants: (i) tranche A warrants to acquire an aggregate of 47,852,430 shares of Series A-3 Convertible Preferred Stock of the Company that were issued on July 11 2023 (the “Original Tranche A Warrants”) have been amended and restated to acquire an aggregate of 25,840.3122 shares of Series A-3 Convertible Preferred Stock (as amended, the “Amended Tranche A Warrants”); (ii) tranche B warrants to acquire an aggregate of 43,502,206 shares of Series A-4 Convertible Preferred Stock of the Company that were issued on July 11, 2023 (the “Original Tranche B Warrants”) have been amended and restated to acquire an aggregate of 25,666.30154 shares of Series A-4 Convertible Preferred Stock (as amended, the “Amended Tranche B Warrants”) and (iii) tranche C warrants to acquire an aggregate of 69,603,531 shares of Series A-5 Convertible Preferred Stock of the Company that were issued on July 11, 2023 (the “Original Tranche C Warrants”, and together with the Original Tranche A Warrants and Tranche B Warrants, the “Original Warrants”) have been amended and restated to acquire 51,506.61294 shares of Series A-5 Convertible Preferred Stock (as amended, the “Amended Tranche C Warrants,” together with the Amended Tranche A Warrants and the Amended Tranche B Warrants, the “Amended Warrants”). The Amended Warrants have the same terms and conditions as the original warrants except that such Amended Warrants: (i) reduced the amount of shares of Series A-3 Convertible Preferred Stock, Series A-4 Convertible Preferred Stock and Series A-5 Convertible Preferred Stock into which such Amended Warrants are convertible as described above; (ii) allow for the issuance of fractional shares of Series A-3 Preferred Stock, Series A-4 Preferred Stock and Series A-5 Preferred Stock, as applicable upon exercise of such Amended Warrants and (ii) revised the exercise price to be \$1,000 per share of Series A-3 Preferred Stock, Series A-4 Preferred Stock and Series A-5 Preferred Stock, as applicable in such Amended Warrants. The aggregate exercise price, the amount of shares of Common Stock upon conversion of the Series A-3 Preferred Stock, the Series A-4 Preferred Stock and the Series A-5 Preferred Stock and exercise period in the Amended Warrants did not change from the Original Warrants.

Subject to the terms and limitations contained in the Amended Series A Certificate of Designation, each share of Series A-2 Prime Convertible Preferred Stock, Series A-3 Convertible Preferred Stock, Series A-4 Convertible Preferred Stock or Series A-5 Convertible Preferred Stock are convertible into a number shares of Common Stock obtained by dividing the Original Per Share Price (\$1,000) of each such share of Series A-2 Prime Convertible Preferred Stock, Series A-3 Convertible Preferred Stock, Series A-4 Convertible Preferred Stock or Series A-5 Convertible Preferred Stock by the applicable conversion price of \$0.49, \$0.54, \$0.59 and \$0.74 of each such share of Series A-2 Prime Convertible Preferred Stock, Series A-3 Convertible Preferred Stock, Series A-4 Convertible Preferred Stock or Series A-5 Convertible Preferred Stock, respectively.

Pursuant to the terms of the Exchange Agreement, effective March 13, 2024, the Company filed the Amended Certificate of Designation with the Delaware Secretary of State designating, 21,400 shares as Series A-2 Prime Preferred Stock, 25,900 shares as Series A-3 Convertible Preferred Stock, 25,700 shares as Series A-4 Convertible Preferred Stock, and 51,600 shares as Series A-5 Convertible Preferred Stock (all such series of preferred stock referred to herein collectively as “Series A Preferred Stock”), each with a stated value of \$1,000 per share (the “Original Per Share Price”). The Amended Certificate of Designation sets forth the rights, preferences and limitations of the shares of Series A Preferred Stock. Terms not otherwise defined in this item shall have the meanings given in the Amended Certificate of Designation. The Amended Certificate of Designation was filed with an effective date of March 14, 2024.

The following is a summary of terms of the Series A Preferred Stock under the Amended Series A Certificate of Designation:

Dividends. At all times following the Issuance Date, while shares of Series A Preferred Stock are issued and outstanding, holders of Series A Preferred Stock shall be entitled to receive, and the Company shall pay, dividends on shares of Series A Preferred Stock equal (on an as-if-converted-to-Common-Stock basis and without regard to any limitations on conversion set forth herein or otherwise) to and in the same form as dividends (other than dividends in the form of Common Stock, which shall be made in accordance with the terms of the Amended Certificate of Designation) actually paid on shares of the Common Stock when, as and if such dividends (other than dividends in the form of Common Stock, which shall be made in accordance with the terms of the Amended Certificate of Designation) are paid on shares of the Common Stock.

Voting Rights. Subject to certain limitations described in the Amended Certificate of Designation, the Series A Preferred Stock is voting stock. Holders of the Series A Preferred Stock are entitled to vote together with the Common Stock on an as-if-converted-to-Common-Stock basis. Holders of Common Stock are entitled to one vote for each share of Common Stock held on all matters submitted to a vote of stockholders. Accordingly, holders of Series A Preferred Stock will be entitled to one vote for each whole share of Common Stock into which their Series A Preferred Stock is then-convertible on all matters submitted to a vote of stockholders.

Liquidation. Upon any Liquidation, the assets of the Company available for distribution to its stockholders shall be distributed among the holders of the shares of Series A Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all shares of Series A Preferred Stock as if they had been converted to Common Stock pursuant to the terms of the Amended Certificate of Designation immediately prior to such Liquidation, without regard to any limitations on conversion set forth in the Amended Certificate of Designation or otherwise.

Conversion. Subject to the limitations set forth in the Amended Certificate of Designation, at the option of the holder, each share of Series A-2 Prime Preferred Stock, Series A-3 Convertible Preferred Stock, Series A-4 Convertible Preferred Stock or Series A-5 Convertible Preferred Stock shall be convertible into a number shares of Common Stock obtained by dividing the Original Per Share Price (\$1,000) of each such share of Series A-2 Prime Convertible Preferred Stock, Series A-3 Convertible Preferred Stock, Series A-4 Convertible Preferred Stock or Series A-5 Convertible Preferred Stock by the applicable conversion price of \$0.49, \$0.54, \$0.59 and \$0.74 for the Series A-2 Prime Convertible Preferred Stock, Series A-3 Convertible Preferred Stock, Series A-4 Convertible Preferred Stock or Series A-5 Convertible Preferred Stock, respectively.

Note 11. Issuance of Series B-1 Preferred Stock

On March 13, 2024, the Company entered into a securities purchase agreement (the “Purchase Agreement”) with certain accredited investors (the “Investors”), pursuant to which the Company agreed to issue and sell, in a private placement (the “Offering”), 50,000 shares of Series B Convertible Preferred Stock, par value \$0.001 per share (the “Series B-1 Preferred Stock”), at a purchase price of \$1,000 per share with an initial conversion price of \$1.00 per share, subject to adjustment (the “Conversion Price”), for an aggregate gross offering price of \$50 million. The Company received net proceeds of \$46.2 million (net of issuance costs).

Pursuant to the Certificate of Designation of Preferences, Rights and Limitations of the Series B Convertible Preferred Stock (the “Series B Certificate of Designation”), each share of Series B-1 Preferred Stock is, subject to the Stockholder Approval (as defined below), convertible into shares of common stock of the Company (the “Common Stock”) and, if applicable, shares of Series B-2 Convertible Preferred Stock of the Company (“Series B-2 Preferred Stock”) in an amount of shares equal to the Liquidation Preference (as defined below) divided by the Conversion Price.

Dividends will accrue, on all issued and outstanding shares of Series B-1 Preferred Stock, prior to and in preference to all other shares of capital stock of the Company, at an annual rate of eight percent (8%) compounded annually on the Original Per Share Price (plus any such accreted compounded amounts); provided that such annual dividend rate shall increase to fourteen percent (14%) if the Stockholder Approval is not obtained at the first meeting of stockholders following the Issuance Date (collectively, the “Accruing Dividends”). Such Accruing Dividends are to be paid monthly (including for any partial months) on the last day of each month beginning in the month of the Issuance Date according to the wiring instructions provided by the Holder.

At all times following the Issuance Date, while shares of Series B Preferred Stock are issued and outstanding, holders of Series B Preferred Stock shall be entitled to receive, and the Company shall pay, dividends on shares of Series B Preferred Stock equal (on an as-if-converted-to-Common-Stock basis and without regard to any limitations on conversion set forth herein or otherwise) to and in the same form as dividends (other than dividends in the form of Common Stock, which shall be made in accordance with the terms of the Series B Certificate of Designation) actually paid on shares of the Common Stock when, as and if such dividends (other than dividends in the form of Common Stock, which shall be made in accordance with the terms of the Series B Certificate of Designation) are paid on shares of the Common Stock.

Subject to certain limitations described in the Series B Certificate of Designation, the Series B Preferred Stock is voting stock. Holders of the Series B Preferred Stock are entitled to vote together with the Common Stock on an as-if-converted-to-Common-Stock basis. Holders of Common Stock are entitled to one vote for each share of Common Stock held on all matters submitted to a vote of stockholders. Accordingly, holders of Series B Preferred Stock will be entitled to one vote for each whole share of Common Stock into which their Series B Preferred Stock is then-convertible on all matters submitted to a vote of stockholders.

Unless and until the Company has obtained the Stockholder Approval, the number of shares of Common Stock that shall be deemed issued upon conversion of the Series B Preferred Stock (for purposes of calculating the number of aggregate votes that the holders of Series B Preferred Stock are entitled to on an as-converted basis) will be equal to that number of shares equal to 19.9% of the Company's outstanding Common Stock as of the Signing Date (excluding for purposes of the calculation, any securities issued on the Signing Date) (the "Cap"), which each such holder being able to vote the number of shares of Series B Preferred Stock held by it relative to the total number of shares of Series B Preferred Stock then outstanding multiplied by the Cap. Notwithstanding the foregoing, the holders of the Series B Preferred Stock are not entitled to vote together with the Common Stock on an as-if-converted-to-Common-Stock-basis with regard to the approval of the issuance of Common Stock upon conversion of the Series B Preferred Stock.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, including a change of control transaction, or Deemed Liquidation Event (any such event, a "Liquidation") the holders of shares of Series B Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders, and in the event of a Deemed Liquidation Event, the holders of shares of Series B Preferred Stock then outstanding shall be entitled to be paid out of the consideration payable to stockholders in such Deemed Liquidation Event or the other proceeds available for distribution to stockholders, before any payment shall be made to the holders of any other shares of capital stock of the Company by reason of their ownership thereof, an amount per share equal to the greater of (i) one times (1x) the Original Per Share Price, plus any Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon (the "Liquidation Preference") or (ii) such amount per share as would have been payable had all shares of Series B Preferred Stock been converted into Common Stock (without regard to any limitations on conversion set forth in the Series B Certificate of Designation or otherwise) immediately prior to such Liquidation (the amount payable pursuant to this sentence is hereinafter referred to as the "Series B Liquidation Amount"). If upon any such Liquidation, the assets of the Company available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series B Preferred Stock the full Liquidation Preference, the holders of shares of Series B Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. After the payment in full of all Series B Liquidation Amount, the remaining assets of the Company available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, the consideration not payable to the holders of shares of Series B Preferred Stock pursuant to the Series B Certificate of Designation shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares held by each such holder.

Following the Stockholder Approval, upon any Liquidation, the assets of the Company available for distribution to its stockholders shall be distributed among the holders of the shares of Series B Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all shares of Series B Preferred Stock as if they had been converted to Common Stock pursuant to the terms of the Series B Certificate of Designation immediately prior to such Liquidation, without regard to any limitations on conversion set forth in the Series B Certificate of Designation or otherwise.

Subject to the terms and limitations contained in the Series B Certificate of Designation, the Series B-1 Preferred Stock issued in the Private Placement will not become convertible until the Company's stockholders approve the issuance of Common Stock upon conversion of the Series B Preferred Stock (as defined below) in excess of 19.99% of the Common Stock outstanding on the closing date (the "Stockholder Approval"). On the tenth (10th) Trading Day (as defined in the Series B Certificate of Designation) following the announcement of the Stockholder Approval, each share of Series B-1 Preferred Stock shall automatically convert into Common Stock and if applicable, Series B-2 Preferred Stock. Subject to the limitations set forth in the Series B Certificate of Designation, at the option of the holder, each share of Series B-2 Preferred Stock shall be convertible into shares of Common Stock in an amount of shares equal to the Liquidation Preference (as defined below) divided by the Conversion Price.

The Corporation shall, as soon as practicable following the Issuance Date, but not more than sixty (60) days thereafter, file a preliminary proxy statement for a vote of its stockholders to approve the issuance of Common Stock upon conversion of the Series B Preferred Stock in excess of the Cap (the "Proposal").

Issuance of Common Stock Upon Conversion of Series B-1 Preferred Stock

On June 20, 2024, the Company held its annual shareholder meeting and, as a result, shareholder approval for the conversion of the Series B-1 Preferred Stock was obtained. On July 5, 2024, pursuant to the Series B Certificate of Designation, the Company issued 42,118,000 shares of common stock and 7,882 shares of Series B-2 Preferred Stock in settlement of the auto-conversion of the Series B-1 preferred shares. As of June 30, 2024, there were 50,000 shares of Series B-1 Preferred Stock issued and outstanding and there were zero shares of Series B-2 Preferred Stock issued and outstanding.

12. Warrant Liability

In connection with the Series A Preferred Stock Offering (see Note 10), the Company issued the Warrants.

After the Warrants were legally issued as a result of the automatic conversion of the Series A-1 Preferred Stock upon shareholder approval, they became immediately exercisable at the option of the holder. The Company determined that the Warrants, while initially contingently issuable, qualified as derivative instruments pursuant to ASC 815-40, *Contracts in an Entity's Own Equity* and that the Warrants were considered issued for accounting purposes concurrently with the Series A-1 Preferred Stock.

On June 26, 2023, the Company held its annual shareholder meeting, and as a result, shareholder approval for the conversion of the Series A-1 Preferred Stock was obtained. On July 11, 2023, pursuant to the Series A Certificate of Designation, the Company issued, in addition to common stock and Series A-2 Preferred Stock, (i) a Tranche A Warrant to acquire 47,852,430 shares of Series A-3 Preferred Stock, (ii) a Tranche B Warrant to acquire 43,502,206 shares of Series A-4 Preferred Stock, and (iii) a Tranche C Warrant to acquire 69,603,531 shares of Series A-5 Preferred Stock. See Note 10 for discussion of exchange agreement related to Series A-2 Preferred Stock and warrants.

The Warrants are recognized as liabilities in the balance sheets and were initially recognized at fair value at the time of issuance. The Warrants are also subject to remeasurement at each balance sheet date after issuance. Any change in fair value is recognized as a component of other income (expense) in the statements of operations in the period of change.

The valuation of the Warrants contains unobservable inputs that reflect the Company's own assumptions for which there is little market data. Accordingly, the Warrants are measured at fair value on a recurring basis using unobservable inputs and are classified as Level 3 inputs. The significant unobservable inputs used in the fair value measurement of the Company's Warrants include, but are not limited to, probability of obtaining certain shareholder approvals, probability of reaching certain technical milestones related to the development of oxylanthanum carbonate, and the estimated term of the Warrants. Significant increases (decreases) in any of those inputs in isolation would result in a significantly higher (lower) fair value measurement. Generally, a change in the assumption used for the probability of obtaining certain shareholder approvals is not correlated to a change in the probability of reaching certain technical milestones. However, a change to the assumption used for the probability of obtaining certain shareholder approvals or a change in the probability of reaching certain technical milestones would have been accompanied by a directionally opposite change and a directionally similar change, respectively, in the assumption used for the estimated term.

The fair value of the Warrants associated with the Company's March 2023 private placement transaction was determined as of March 3, 2023, and March 31, 2023, by using a Monte Carlo simulation technique ("MCS") to value the embedded derivatives associated with the Warrants. The MCS methodology calculates the theoretical value of a warrant based on certain parameters, including: (i) the threshold of exercising the warrant, (ii) the price of the underlying security, (iii) the time to expiration, or expected term, (iv) the expected volatility of the underlying security, (v) the risk-free rate, (vi) the number of paths, (vii) estimated probability assumptions surrounding shareholder approval as well as the achievement by the Company of technical milestones associated with regulatory and commercial progress, and (viii) an estimated discount for lack of marketability.

The MCS valuation model was used for the valuation performed as of the transaction inception on March 3, 2023, and on March 31, 2023, due to uncertainty in the timing of shareholder approval and the potential variability in the Warrant exercise price. On June 26, 2023, the Company held its annual shareholder meeting, and as a result, shareholder approval for the issuance of common shares upon the conversion of the Series A-1 Preferred Stock was obtained and the exercise price for the Warrants became fixed. Therefore, as of December 31, 2023 and June 30, 2024, the fair value of the Warrants was determined using a Black Scholes model using parameters including (i) the exercise price of the warrant, (ii) the price of the underlying security, (iii) the time to expiration, or expected term, (iv) the expected volatility of the underlying security, (v) the risk-free rate, and (vi) estimated probability assumptions surrounding the achievement by the Company of technical milestones associated with regulatory and commercial progress.

These valuation techniques involve management's estimates and judgment based on unobservable inputs and are classified in Level 3. The fair value estimates may not be indicative of the amounts that would be realized in a market exchange. Additionally, there may be inherent uncertainties or changes in the underlying assumptions used, which could significantly affect the current or future fair value estimates. Generally, a significant increase (decrease) in the probabilities of shareholder approval and the achievement of technical milestones would have resulted in a significantly higher (lower) fair value measurement; however, changes in other inputs such as expected term and price of the underlying common stock will have a directionally opposite impact on fair value measurement.

The Company uses a third-party valuation expert to assist in the determination of the fair value of the Warrants. The tables below summarize the valuation inputs into the Black Scholes model for the liability associated with the three tranches of Warrants at December 31, 2023 and June 30, 2024.

	At December 31, 2023	At June 30, 2024
Tranche A Warrant		
Fair value of underlying stock	\$ 0.87	\$ 0.50
Exercise price	\$ 0.54	\$ 0.54
	96.5% -	
Volatility	139.2%	104.7% - 131.4%
Risk free rate	4.6% - 5.3%	4.8% - 5.5%
Dividend yield	0%	0%
Term (in years)	0.5 - 1.5	1.0 - 2.0
Discount for lack of marketability	12.5%	12.5%
Probability for FDA approval	29.3%	36.55 - 38.11%
	At December 31, 2023	At June 30, 2024
Tranche B Warrant		
Fair value of underlying stock	\$ 0.87	\$ 0.50
Exercise price	\$ 0.59	\$ 0.59
	114.6% -	114.7% -
Volatility	139.2%	131.4%
Risk free rate	4.4% - 4.8%	4.7% - 4.8%
Dividend yield	0%	0%
Term (in years)	1.0 - 2.0	1.5 - 2.5
Discount for lack of marketability	12.5%	12.5%
Probability for FDA approval	12.0%	11.0%

	At December 31, 2023	At June 30, 2024
Tranche C Warrant		
Fair value of underlying stock	\$ 0.87	\$ 0.50
Exercise price	\$ 0.74	\$ 0.74
Volatility	107.8% - 114.6%	113.4% - 120.8%
Risk free rate	4.0%- 4.4%	4.5% - 4.8%
Dividend yield	0%	0%
Term (in years)	2.0 - 3.0	2.0 - 3.0
Discount for lack of marketability	12.5%	12.5%
Probability for FDA approval	4.3 % - 12.5%	1.56%-21.6%

As of the issuance date (March 3, 2023), the Company estimated the fair value of the Warrants to be \$2.8 million. As of December 31, 2023 and June 30, 2024, the Company estimated the fair value of the Warrants to be \$13.1 million and \$8.1 million, respectively.

The following table summarizes activity for the Company's preferred stock warrants for the six months ended June 30, 2024:

	Number of Shares Underlying Outstanding Warrants	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2023	160,958,167	\$ 0.64	2.34	\$ 36,864
Warrants contingently issuable	-	-	-	-
Warrants exercised	-	-	-	-
Outstanding, June 30, 2024	<u>160,958,167</u>	\$ 0.64	2.63	\$ -

13. Stock-based Compensation

On July 15, 2021, in connection with the completion of the Company's IPO, the Company adopted a new comprehensive equity incentive plan, the 2021 Omnibus Equity Incentive Plan (the "2021 Plan"). Following the effective date of the 2021 Plan, no further awards may be issued under the 2018 Plan or the 2019 Plan (collectively, the "Prior Plans"). However, all awards under the Prior Plans that are outstanding as of the effective date of the 2021 Plan will continue to be governed by the terms, conditions and procedures set forth in the Prior Plans and any applicable award agreements. A total of 1,302,326 shares of common stock were reserved for issuance pursuant to the 2021 Plan prior to our annual meeting on June 26, 2023. Shareholders approved an increase to the number of shares reserved on June 26, 2023, for a total of 12,775,996 shares. On June 20, 2024, shareholders approved a further increase of 8,000,000 shares, to the number of shares reserved, for a total of 20,775,996 shares. The 2021 Plan provides for the issuance of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock, restricted stock units, and other stock-based awards. As of December 31, 2023, approximately 2,815,503 shares of common stock were available under the 2021 Plan. As of June 30, 2024, there are approximately 8,027,805 shares of common stock available under the 2021 Plan.

The following table summarizes activity for stock options under all plans for the six months ended June 30, 2024:

	Number of Shares Underlying Outstanding Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2023	10,302,086	\$ 1.00	9.34	\$ 1,196
Options granted	2,787,698	\$ 1.14	9.80	\$ -
Options forfeited	-	\$ -	-	\$ -
Options exercised	(1,163)	\$ 3.27	-	\$ -
Outstanding, June 30, 2024	13,088,621	\$ 1.03	9.05	\$ 48
Options vested and exercisable as of June 30, 2024	3,877,191	\$ 1.31	8.5	\$ 48

As of June 30, 2024, the unrecognized compensation cost related to outstanding stock options was \$6.5 million, which is expected to be recognized as expense over approximately 3.0 years.

During August 2023, the Company granted a consultant 10,000 restricted stock units with a grant date fair value of \$7,500, resulting in a fair value per share of \$0.75. Subject to the consultant's continued service, the restricted stock units shall vest upon the two-year anniversary of the date of grant. As of June 30, 2024, the unrecognized compensation cost related to the grant was approximately \$2,500, which is expected to be recognized as expense over approximately 9 months.

During the year ended December 31, 2021, employees and consultants exercised a total of 383,721 stock options and the Company received \$119,000 in proceeds. A portion of these options were exercised early (prior to vesting), and as of June 30, 2024, 194 of the options remained unvested. Proceeds received related to the unvested options of approximately \$631 at June 30, 2024 were included in accrued liabilities on the accompanying balance sheet and will be reclassified to equity as vesting occurs, provided the employees and consultants continue to provide services to the Company. Proceeds received related to the vested portion of options of \$2,500 were reclassified to equity during the six months ended June 30, 2024. The vested portion of the exercises was 383,521 shares at June 30, 2024.

During May 2022, the Company granted a consultant 10,000 restricted stock units with a grant date fair value of \$7,200, resulting in a fair value per share of \$0.72. The restricted stock units vested in May 2024.

The Company has recorded stock-based compensation expense, which includes expense related to restricted stock units, allocated by functional cost as follows for the three and six months ended June 30, 2023 and 2024 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
Research and development	\$ 82	\$ 282	\$ 164	\$ 510
General and administrative	62	359	124	653
Total stock-based compensation	\$ 144	\$ 641	\$ 288	\$ 1,163

Fair Value of Stock Options

The assumptions are based on the following for each of the periods presented:

Expected Term - The expected term is calculated using the simplified method which is used when there is insufficient historical data about exercise patterns and post-vesting employment termination behavior. The simplified method is based on the vesting period and the contractual term for each grant, or for each vesting-tranche for awards with graded vesting. The mid-point between the vesting date and the maximum contractual expiration date is used as the expected term under this method.

Common Stock Fair Value - The fair value of the common stock underlying the Company's stock options prior to the initial public offering was estimated at each grant date and was determined on a periodic basis and based either on transactions with third parties in which common stock was sold for cash or with the assistance of an independent third-party valuation expert. Subsequent to our initial public offering, the fair value underlying the Company's common stock is determined based on the public market closing price on each date of grant. The assumptions underlying these valuations represented management's best estimates, which involved inherent uncertainties and the application of significant levels of management judgment.

Volatility - The expected volatility being used is derived from the historical stock volatilities of a representative industry peer group of comparable publicly listed companies over a period approximately equal to the expected term of the options.

Risk-free Interest Rate - The risk-free interest rate is based on median U.S. Treasury zero coupon issues with remaining terms similar to the expected term on the options.

Expected Dividend – Through June 30, 2024, the Company has never declared nor paid any cash dividends. The Company shall modify its dividend policy to state that the Company intends to pay dividends to all stockholders, including holders of Series A Preferred Stock on an as-if-converted-to-common-stock basis, on a quarterly basis in an amount of which the aggregate of all quarterly dividends shall equal at least seventy-five percent (75%) of its annual net cash flow from operations following the approval of oxylanthanum carbonate by the FDA if obtained, and the commencement of commercial sales.

There were no equity awards granted to employees, directors and non-employees for the six months ended June 30, 2023. The following averaged assumptions were used to calculate the fair value of awards granted to employees, directors and non-employees for the six months ended June 30, 2024:

	Six Months Ended	
	June 30,	
	2023	2024
Expected volatility	-	104%
Risk-free interest rate	-	4.49% - 4.65%
Dividend yield	-	-%
Expected term	-	6.25 years

14. Net Income (Loss) Per Share

The Company computes net income (loss) per share using the two-class method. The two-class method uses an earnings allocation formula that determines net income (loss) per share for common stock and any participating securities according to dividends declared and participation rights in undistributed earnings.

Diluted net income (loss) per share includes the potential dilutive effect of common stock equivalents as if such securities were converted or exercised during the period, when the effect is dilutive. Common stock equivalents include: (i) outstanding stock options and restricted stock units; (ii) common stock to be issued upon the assumed exercise of the Company's common stock warrants; (iii) convertible preferred stock; and (iv) prior to issuance, the issuable warrants related to the Company's March private placement financing.

The following table sets forth the computation of basic and diluted net income (loss) per share of common and preferred stock (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
Basic net income (loss) per share				
<i>Numerator:</i>				
Net income (loss)	\$ (3,838)	\$ 9,855	\$ (18,413)	\$ (11,108)
Net income (loss) attributable to participating securities	-	(5,925)	-	-
Deemed dividends on preferred stock	(603)	(887)	(795)	(1,095)
Net income (loss) attributable to common shares, basic	(4,441)	3,043	(19,208)	(12,203)
<i>Denominator:</i>				
Weighted-average shares outstanding used in computing net income (loss) per share attributable to common stockholders, basic	15,234,570	37,914,812	15,233,503	36,397,997
Net income (loss) per share attributable to common stockholders, basic	\$ (0.29)	\$ 0.08	\$ (1.26)	\$ (0.34)
Diluted net income (loss) per share				
<i>Numerator:</i>				
Net income (loss) attributable to common shares, basic	\$ (4,441)	\$ 3,043	\$ (19,208)	\$ (12,203)
Change in fair value of preferred stock warrant liability	-	(16,810)	-	-
Net (loss) attributable to common shares, diluted	(4,441)	(13,767)	(19,208)	(12,203)
<i>Denominator:</i>				
Weighted-average shares outstanding used in computing net loss per share attributable to common stockholders, basic	15,234,570	37,914,812	15,233,503	36,397,997
Weighted-average effect of diluted securities:				
Tranche warrants to purchase convertible preferred stock	-	56,138,041	-	-
Weighted-average shares outstanding used in computing net loss per share attributable to common stockholders, diluted	15,234,570	94,052,853	15,233,503	36,397,997
Net loss per share attributable to common stockholders, diluted	\$ (0.29)	\$ (0.15)	\$ (1.26)	\$ (0.34)

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share for the periods presented because including them would have been antidilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2024	2023	2024
Options to purchase common stock	1,334,309	13,088,427	1,334,309	13,088,427
Warrants to purchase common stock	4,784,193	4,784,193	4,784,193	4,784,193
Restricted stock units	-	10,000	-	10,000
Common stock issuable upon conversion of Series B-1 convertible preferred stock	-	50,000,000	-	50,000,000
Common stock issuable upon conversion of Series A-2 Prime convertible preferred stock	-	34,843,000	-	34,843,000
Warrants to purchase convertible preferred stock	160,958,167	-	160,958,167	160,958,167
Total	167,076,669	102,725,620	167,076,669	263,683,787

15. Subsequent Events

On July 5, 2024, the Company completed the automatic conversion of the Series B-1 convertible preferred stock whereby each share of Series B-1 preferred stock converted into a combination of common stock and Series B-2 convertible preferred stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward Looking Statements

This Quarterly Report on Form 10-Q for the three-month period ended June 30, 2024 contains "forward-looking statements" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements contain information about our expectations, beliefs or intentions regarding our product development and commercialization efforts, business, financial condition, results of operations, strategies or prospects, and other similar matters. These forward-looking statements are based on management's current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. These statements may be identified by words such as "expects," "plans," "projects," "will," "may," "anticipates," "believes," "should," "intends," "estimates," and other words of similar meaning.

Actual results could differ materially from those contained in forward-looking statements. Many factors could cause actual results to differ materially from those in forward-looking statements, including those matters discussed below. Readers are urged to read the risk factors set forth in the Company's recent filings with the U. S. Securities and Exchange Commission (the "SEC"). These filings are available at the SEC's website (www.sec.gov).

Other unknown or unpredictable factors that could also adversely affect our business, financial condition and results of operations may arise from time to time. Given these risks and uncertainties, the forward-looking statements discussed in this report may not prove to be accurate. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of the Company's management as of the date of this report. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results or expectations, except as required by law.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes to those statements included elsewhere in this quarterly report and in our previously filed Form 10-K. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under "Risk Factors" and elsewhere in this quarterly report. See "Information Regarding Forward-Looking Statements." All amounts in this report are in U.S. dollars, unless otherwise noted.

Overview

We are a biotechnology company dedicated to developing treatments for kidney disease that have the potential to offer medical benefit. Our development programs are focused on the development of two novel therapies: oxylanthanum carbonate, for treatment of hyperphosphatemia in patients with chronic kidney disease, and UNI 494, for treatment of acute kidney injury (AKI).

Chronic kidney disease (CKD) is the gradual loss of kidney function that can get worse over time leading to lasting damage. Our initial focus is developing drugs and getting them approved in the U.S., and then to partner with the other global biopharmaceutical companies in the rest of the world. According to United States Renal Data System (USRDS) 2022 Annual Data Report, 30 million (14%) of adults in the United States are estimated to have CKD and, of these, approximately 13 million patients have advanced CKD (stage 3-5). Approximately 550,000 patients (ESRD) are on dialysis and of those, approximately 450,000 patients (~80%) take phosphate binders to control hyperphosphatemia (too much phosphorus in their blood). The number of patients with ESRD in the U.S. is increasing steadily and is projected to reach between 971,000 and 1,259,000 patients in 2030.

AKI is a sudden episode of kidney failure or kidney damage (within the first 90 days of injury). After 90 days, the patient is considered to have progressed into CKD. AKI affects more than 2 million US patients and costs the healthcare system in excess of \$9 billion per year. More than 300,000 patients per year in the U.S. die due to AKI that has many causes.

Our business model is to license technologies and drugs and pursue development, regulatory approval, and commercialization of those products in global markets. Many biotechnology companies utilize similar strategies of in-licensing and then developing and commercializing drugs. We believe, however, that our management team's broad network, expertise in the biopharmaceutical industry, and successful track record gives us an advantage in identifying and bringing these assets into the Company at an attractive price with limited upfront cost.

Since our formation we have devoted substantially all of our resources to developing our product candidates. We have incurred significant operating losses to date. Our net losses were \$18.4 million and \$11.1 million for the six months ended June 30, 2023 and June 30, 2024, respectively. As of June 30, 2024, we had an accumulated deficit of \$75.6 million. We expect that our operating expenses will increase significantly as we advance our product candidates through pre-clinical and clinical development, seek regulatory approval, and prepare for and, if approved, proceed to commercialization; acquire, discover, validate and develop additional product candidates; obtain, maintain, protect and enforce our intellectual property portfolio; and hire additional personnel.

We have funded our operations primarily from the sale and issuance of common and preferred stock, convertible promissory notes and from a loan, including cash and deferred salary from our Chief Executive Officer and principal stockholder.

Our ability to generate product revenue will depend on the successful development, regulatory approval and eventual commercialization of our current product candidates and future product candidates. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through private or public equity or debt financings, collaborative or other arrangements with corporate sources, or through other sources of financing. Adequate funding may not be available to us on acceptable terms, or at all. If we fail to raise capital or enter into agreements to raise capital as and when needed, we may have to significantly delay, scale back or discontinue the development and commercialization of our current product candidates and future product candidates.

We plan to continue to use third-party service providers, including contract manufacturing organizations, to carry out our pre-clinical and clinical development and to manufacture and supply the materials to be used during the development and commercialization of our product candidates.

Recent Developments

On March 13, 2024, we signed a securities purchase agreement with certain healthcare-focused institutional investors that provided \$50 million in gross proceeds to us through a private placement. Pursuant to the securities purchase agreement, we issued to institutional investors \$50.0 million in shares of our Series B Convertible Preferred Stock. 50,000 Shares of Series B Convertible Preferred Stock were issued at a price of \$1,000.00 per share and are convertible into common stock at \$1.00 per share.

The COVID-19 Pandemic and its Impact on Our Business

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. This pandemic could result in difficulty securing clinical trial site locations, CROs, and/or trial monitors and other critical vendors and consultants supporting our trial. These situations, or others associated with COVID-19, could cause delays in our clinical trial plans and could increase expected costs, all of which could have a material adverse effect on our business and financial condition. At the current time, we are unable to quantify the potential effects of this pandemic on our future financial statements.

Components of Results of Operations

Revenues

We recognize revenue from product sales or services rendered when control of the promised goods is transferred to a counterparty in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods and services. To achieve this core principle, we apply the following five steps: identify the contract with the client, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to performance obligations in the contract and recognize revenues when or as we satisfy a performance obligation. We may earn licensing revenue in the future if we negotiate business development arrangements with third parties.

Research and Development Expenses

Substantially all of our research and development expenses consist of expenses incurred in connection with the development of our product candidates. These expenses include fees paid to third parties to conduct certain research and development activities on our behalf, consulting costs, costs for laboratory supplies, product acquisition and license costs, certain payroll and personnel-related expenses, including salaries and bonuses, employee benefit costs and stock-based compensation expenses for our research and product development employees and allocated overheads, including information technology costs and utilities and expenses for the issuance of shares pursuant to the anti-dilution clause in the purchase of in process research and development technology. We expense both internal and external research and development expenses as they are incurred.

We do not allocate our costs by product candidate, as a significant amount of research and development expenses include internal costs, such as payroll and other personnel expenses, laboratory supplies and allocated overhead, and external costs, such as fees paid to third parties to conduct research and development activities on our behalf, are not tracked by product candidate.

We expect our research and development expenses to increase substantially for at least the next few years, as we seek to initiate additional clinical trials for our product candidates, complete our clinical programs, pursue regulatory approval of our product candidates and prepare for the possible commercialization of such product candidates. Predicting the timing or cost to complete our clinical programs or validation of our commercial manufacturing and supply processes is difficult and delays may occur because of many factors, including factors outside of our control. For example, if the FDA or other regulatory authorities were to require us to conduct clinical trials beyond those that we currently anticipate, we could be required to expend significant additional financial resources and time on the completion of clinical development. Furthermore, we are unable to predict when or if our product candidates will receive regulatory approval with any certainty.

General and Administrative Expenses

General and administrative expenses consist principally of payroll and personnel expenses, including salaries and bonuses, benefits and stock-based compensation expenses, professional fees for legal, consulting, accounting and tax services, including information technology costs and utilities, and other general operating expenses not otherwise classified as research and development expenses.

We anticipate that our general and administrative expenses will increase as a result of increased personnel costs, expanded infrastructure and higher consulting, legal and accounting services costs associated with complying with the applicable stock exchange and the SEC requirements, investor relations costs and director and officer insurance premiums associated with being a public company.

Other Expenses

Other expenses consist of the change in fair value of our warrant liability, interest income and interest expense.

Results of Operations

Comparison of the Three Months Ended June 30, 2023 and 2024

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

	Three Months Ended June 30,		Change	% Change
	2023 (unaudited)	2024 (unaudited)		
Licensing revenues:	\$ -	\$ -	\$ -	-
Operating expenses:				
Research and development	2,267	4,868	2,601	115%
General and administrative	2,055	2,533	478	23%
Total operating expenses	4,322	7,401	3,079	71%
Loss from operations	(4,322)	(7,401)	(3,079)	71%
Other income (expenses):				
Interest income	234	462	228	97%
Interest expense	(32)	(16)	16	(50)%
Change in fair value of warrant liability	282	16,810	16,528	5,861%
Total other income (expenses)	484	17,256	16,772	3,465%
Net income (loss)	\$ (3,838)	\$ 9,855	\$ 13,693	(357)%

Licensing Revenues

There was no Licensing revenue recorded in the three months ended June 30, 2023 or in the three months ended June 30, 2024. We may earn additional licensing revenue in the future if we negotiate business development arrangements with third parties.

Research and Development Expenses

Research and development expenses increased by approximately \$2.6 million, or 115%, from approximately \$2.3 million for the three months ended June 30, 2023, to approximately \$4.9 million for the three months ended June 30, 2024. The increase in research and development expenses was primarily due to a \$2.2 million increase in drug development costs. Labor costs increased \$88,000 from the prior period. Consulting and other costs increased \$147,000. Non-cash stock compensation costs increased \$200,000.

General and Administrative Expenses

General and administrative expenses increased by \$478,000, or 23%, from approximately \$2.1 million for the three months ended June 30, 2023, to approximately \$2.5 million for the three months ended June 30, 2024 primarily due to an increase of \$297,000 in non-cash stock compensation costs. Insurance expense decreased \$68,000. Labor costs increased \$92,000 from the prior period. Travel, rent, and other costs increased \$157,000.

Other Income (Expenses)

Other income (expenses) increased \$ 16.8 million, or 3465%, from \$0.5 in the three months ended June 30, 2023 to \$17.3 million for the three months ended June 30, 2024 due primarily to a change in fair value of our warrant liability.

Comparison of the Six Months Ended June 30, 2023 and 2024

	Six Months Ended June 30,		Change	% Change
	2023 (unaudited)	2024 (unaudited)		
Licensing revenues:	\$ 675	\$ -	\$ (675)	100%
Operating expenses:				
Research and development	5,297	11,681	6,384	121%
General and administrative	3,902	4,925	1,023	26%
Total operating expenses	9,199	16,606	7,407	81%
Loss from operations	(8,524)	(16,606)	(8,082)	95%
Other income (expenses):				
Interest income	248	532	284	115%
Interest expense	(44)	(36)	8	(18)%
Change in fair value of warrant liability	(10,093)	5,002	15,095	(150)%
Total other income (expenses)	(9,889)	5,498	15,387	(156)%
Net loss	\$ (18,413)	\$ (11,108)	\$ 7,305	(40)%

Licensing Revenues

Licensing revenues decreased approximately \$0.7 million, or 100%, from the six months ended June 30, 2023 due to an upfront payment of approximately \$0.7 million associated with a licensing agreement entered into with Lotus International Pte Ltd. in February 2023. There was no comparable revenue earned in the current period. We may earn additional licensing revenue in the future if we negotiate business development arrangements with third parties.

Research and Development Expenses

Research and development expenses increased by approximately \$6.4 million, or 121%, from approximately \$5.3 million for the six months ended June 30, 2023 to approximately \$11.7 million for the six months ended June 30, 2024. The increase in research and development expenses was primarily due to a \$5.8 million increase in drug development costs. Labor costs increased \$137,000 from the prior period. Consulting and other costs increased \$93,000. Non-cash stock compensation increased \$345,000.

General and Administrative Expenses

General and administrative expenses increased by \$1.0 million, or 26%, from approximately \$3.9 million for the six months ended June 30, 2023 to approximately \$4.9 million for the six months ended June 30, 2024 primarily due to an increase of \$530,000 in noncash stock compensation expense. Labor costs increased \$281,000. Insurance, travel and other costs increased \$212,000 from the prior period.

Other Income (Expenses)

Other income (expenses) increased by \$15.4 million (income), or 156%, from \$9.9 million expense in the six months ended June 30, 2023 to \$5.5 million income for the six months ended June 30, 2024 due primarily to the change in fair value of our warrant liability.

Liquidity and Capital Resources

Sources of Liquidity

Since our formation through December 31, 2020, we have funded our operations with the sale of common and preferred stock, convertible notes and from a loan from our Chief Executive Officer and principal stockholder.

As a result of our initial public offering (“IPO”), on July 13, 2021 we began trading on the Nasdaq Capital Market under the symbol “UNCY”, and on July 15, 2021 we received approximately \$22.3 million in net proceeds after deducting the underwriting discounts, commissions and offering expenses. We have used the net proceeds from the IPO to complete pre-clinical and clinical studies, submit regulatory filings to the FDA, and for general and corporate purposes, including hiring additional management and conducting market research and other commercial planning.

Future revenue streams may consist of collaboration or licensing revenue as well as product sales.

On March 3, 2023, we entered into a securities purchase agreement with certain healthcare-focused institutional investors that may provide up to \$130.0 million in gross proceeds through a private placement and that included initial upfront funding of \$30.0 million. Proceeds from the offering will be used to support our NDA submission with the FDA for approval of oxylanthanum carbonate for the treatment of hyperphosphatemia in the U.S. and, if approved, for the commercial launch of oxylanthanum carbonate in the U.S.

On March 13, 2024, we entered into a securities purchase agreement with certain accredited investors pursuant to which we agreed to issue and sell, in a private placement, 50,000 shares of our Series B Convertible Preferred Stock, par value \$0.001 per share at a purchase price of \$1,000 per share with an initial conversion price of \$1.00 per share, for an aggregate purchase price of \$50.0 million.

Future Funding Requirements

We have incurred net losses since our inception. For the six months ended June 30, 2024, we had a net loss of \$11.1 million, and we expect to incur substantial additional losses in future periods. As of June 30, 2024, we had an accumulated deficit of \$75.6 million.

We expect to continue incurring losses in the future and will be required to raise additional capital in the future to complete our clinical trials, pursue product development initiatives and penetrate markets for the sale of our products. We believe that we will continue to have access to capital resources through possible equity offerings, debt financings, corporate collaborations or other means. There can be no assurance that we will be able to obtain additional financing on terms acceptable to us, on a timely basis or at all. If we are unable to secure additional capital, we may be required to curtail any clinical trials and development of new or existing products and take additional measures to reduce expenses in order to conserve our cash in amounts sufficient to sustain operations and meet our obligations. Based on our current level of expenditures, we believe that we have sufficient resources such that there is not substantial doubt about our ability to continue operations for at least one year after the date that these financial statements are available to be issued.

We anticipate that we will need to raise substantial additional capital, the requirements for which will depend on many factors, including:

- the scope, timing, rate of progress and costs of our drug discovery efforts, pre-clinical development activities, laboratory testing and clinical trials for our current product candidates and future product candidates;
- the number and scope of clinical programs we decide to pursue;
- the cost, timing and outcome of preparing for and undergoing regulatory review of our current product candidates and future product candidates;
- the scope and costs of development and commercial manufacturing activities;
- the cost and timing associated with commercializing our current product candidates and future product candidates, if they receive marketing approval;
- the extent to which we acquire or in-license other product candidates and technologies;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- our ability to establish and maintain collaborations on favorable terms, if at all;
- our efforts to enhance operational systems and our ability to attract, hire and retain qualified personnel, including personnel to support the development of our current product candidates and future product candidates and, ultimately, the sale of our products, following FDA approval;
- the impact, if any, of the coronavirus pandemic on our business operations;
- our ability to access capital;
- our implementation of operational, financial and management systems; and
- the costs associated with being a public company.

A change in the outcome of any of these or other variables with respect to the development of any of our current product candidates or future product candidates could significantly change the costs and timing associated with the development of that product candidate. Furthermore, our operating plans may change in the future, and we will continue to require additional capital to meet operational needs and capital requirements associated with such operating plans. If we raise additional funds by issuing equity securities, our stockholders may experience dilution. Any future debt financing into which we enter may impose upon us additional covenants that restrict our operations, including limitations on our ability to incur liens or additional debt, pay dividends, repurchase our common stock, make certain investments or engage in certain merger, consolidation or asset sale transactions. Any debt financing or additional equity that we raise may contain terms that are not favorable to us or our stockholders.

Adequate funding may not be available to us on acceptable terms or at all. Our failure to raise capital as and when needed could have a negative impact on our financial condition and our ability to pursue our business strategies. If we are unable to raise additional funds when needed, we may be required to delay, reduce, or terminate some or all of our development programs and clinical trials or we may also be required to sell or license to others rights to our product candidates in certain territories or indications that we would prefer to develop and commercialize ourselves. If we are required to enter into collaborations and other arrangements to supplement our funds, we may have to give up certain rights that limit our ability to develop and commercialize our product candidates or may have other terms that are not favorable to us or our stockholders, which could materially affect our business and financial condition.

Related Party Payable

The Company received advances from the stockholder of \$210,000 during February 2023. The Company repaid amounts owed to the stockholder of \$210,000 plus accrued interest during March 2023.

Summary of Cash Flows

The following table sets forth the primary sources and uses of cash for each of the periods presented below (in thousands):

	Six Months Ended	
	June 30,	
	2023	2024
	(unaudited)	(unaudited)
Net cash (used in) provided by:		
Operating activities	\$ (9,422)	\$ (12,775)
Investing activities	(12)	(26)
Financing activities	27,797	44,880
Net increase in cash and cash equivalents	<u>\$ 18,363</u>	<u>\$ 32,079</u>

Cash Flows from Operating Activities

Net cash used in operating activities was \$ 12.8 million for the six months ended June 30, 2024. Cash used in operating activities was primarily due to the use of funds for development costs associated with our drug candidates, labor costs, consulting services, and other corporate expenditures for investor relations, compliance, and legal services.

Net cash used in operating activities was \$9.4 million for the six months ended June 30, 2023. Cash used in operating activities was primarily due to the use of funds for development costs associated with our drug candidates, labor costs, consulting services, and other corporate expenditures for investor relations, compliance, and legal services.

Cash Flows from Investing Activities

Net cash used in investing activities was \$26,000 for the six months ended June 30, 2024 and was due to the purchase of lab equipment.

Net cash used in investing activities was \$12,000 for the six months ended June 30, 2023 and was due to the purchase of furniture and fixtures for our corporate office.

Cash Flows from Financing Activities

Net cash provided by financing activities was \$44.9 million during the six months ended June 30, 2024 due primarily to the private placement financing agreement we signed on March 13, 2024.

Net cash provided by financing activities was \$27.8 million during the six months ended June 30, 2023 due primarily to the private placement financing agreement we signed on March 3, 2023.

Critical Accounting Policies, Significant Judgments and Use of Estimates

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We consider our critical accounting policies and estimates to be related to revenue, research and development, stock-based compensation, debt and equity classification and warrant liabilities. There have been no other material changes to our critical accounting policies and estimates during the six months ended June 30, 2024 from those used for the year ended December 31, 2023. The below policies represent our critical accounting policies.

Revenue Recognition

We implemented ASC 606, Revenue from Contracts with Customers. This included the development of new policies based on the five-step model provided in the new revenue standard, ongoing contract review requirements, and gathering of information provided for disclosures. We recognize revenue from product sales or services rendered when control of the promised goods are transferred to a counterparty in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods and services. To achieve this core principle, we apply the following five steps: identify the contract with the client, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to performance obligations in the contract and recognize revenues when or as we satisfy a performance obligation.

Debt and Equity Classification

In conjunction with the issuance of Series A-1 Preferred Stock in March 2023, and in conjunction with the issuance of Series B-1 Preferred Stock in March 2024, we initially account for the preferred stock as temporary, or mezzanine, equity. The Series A-1 and Series B-1 Preferred Stock do not fall within the scope of ASC 480, *Distinguishing Liabilities from Equity*, do not contain any embedded derivatives that require bifurcation, and are not classified as liabilities. However, as the Series A-1 and Series B-1 Preferred Stock, at issuance, are contingently redeemable upon the occurrence of an event that is not solely within our control, they are required to be initially classified as mezzanine equity and measured at the amount of net proceeds received. As the Series A-1 and Series B-1 Preferred Stock are not currently redeemable or probable of becoming redeemable, no subsequent remeasurement is required.

Warrant Liabilities

In conjunction with the issuance of Series A-1 Preferred Stock (see Note 10), we established a warrant liability as of March 3, 2023, representing the fair value of warrants that may be issued, subject to shareholder approval, upon conversion of the Series A-1 Preferred Stock. We account for these warrants as liabilities (in accordance with ASC 480, *Distinguishing Liabilities from Equity*) on the balance sheets as a result of certain redemption clauses that are not within the control of the Company. The warrant liabilities are initially measured at fair value, resulting in an implied discount on the related preferred stock financing arrangement (recognized as a partial offset to the carrying value of the Series A-1 Preferred Stock), and are remeasured at fair value each reporting period. Changes in the fair value of the warrant liabilities are recognized in earnings during each period. The warrant liabilities are measured using Level 3 fair value inputs. See Note 12 for a description of warrant liabilities and the related valuations.

Research and Development

We expense costs when incurred related to the research and development associated with the design, development and testing of product candidates, as well as acquisition of product candidates or compounds. Research and development expenses include fees paid to third parties to conduct certain research and development activities on our behalf, consulting costs, costs for laboratory supplies, product acquisition and license costs, certain payroll and personnel-related expenses, including salaries and bonuses, employee benefit costs and stock-based compensation expenses for our research and product development employees and allocated overheads, including information technology costs and utilities and expenses for issuance of shares pursuant to anti-dilution clause in the purchase of IPR&D technology. We expense both internal and external research and development expenses as they are incurred.

Stock-Based Compensation

We account for stock-based compensation for all share-based payments made to employees and non-employees by estimating the fair value on the date of grant and recognizing compensation expense over the requisite service period on a straight-line basis. We recognize forfeitures related to stock-based compensation as they occur. We estimate the fair value of stock options using the Black-Scholes option-pricing model. The Black-Scholes model requires the input of subjective assumptions, including expected common stock volatility, expected dividend yield, expected term, and the risk-free interest rate.

JOBS Act Accounting Election

On April 5, 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

We have chosen to take advantage of the extended transition periods available to emerging growth companies under the JOBS Act for complying with new or revised accounting standards until those standards would otherwise apply to private companies provided under the JOBS Act. As a result, our financial statements may not be comparable to those of companies that comply with public company effective dates for complying with new or revised accounting standards.

Subject to certain conditions set forth in the JOBS Act, as an “emerging growth company,” we intend to rely on certain of these exemptions, including, without limitation, (i) providing an auditor’s attestation report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (ii) complying with the requirement adopted by the Public Company Accounting Oversight Board (“PCAOB”) regarding the communication of critical audit matters in the auditor’s report on financial statements. We will remain an “emerging growth company” until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of \$1.235 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the completion of our initial public offering; (iii) the date on which we have issued more than \$1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

Recent Accounting Pronouncements

See the section titled “Summary of Significant Accounting Policies—Recent Accounting Pronouncements” in Note 2 to our financial statements included elsewhere in this quarterly report for additional information.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements as defined under SEC rules.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer each concluded that our disclosure controls and procedures were not effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and that such information has been accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure.

In evaluating the effectiveness of our internal control over financial reporting, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework 2013. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer determined, based upon the existence of the material weakness described below, that we did not maintain effective internal control over financial reporting as of June 30, 2024. Specifically, we lack a sufficient number of professionals with an appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose accounting matters timely and accurately while maintaining appropriate segregation of duties. Without such professionals, we did not design and maintain formal accounting policies, procedures and controls to achieve complete, accurate and timely financial accounting, reporting and disclosures, including controls over the preparation and review of account reconciliations and journal entries.

The lack of adequate staffing levels and expertise of unusual or infrequent transactions with complex or infrequently applied accounting topics resulted in the insufficient level of supervision, review and approval of certain information used to prepare our financial statements and the maintenance of effective controls to adequately monitor and review significant transactions for financial statement completeness and accuracy. These control deficiencies, although varying in severity, contributed to the material weakness in the control environment. If one or more material weaknesses persist or if we fail to establish and maintain effective internal control over financial reporting, our ability to accurately report our financial results could be adversely affected.

The above material weakness did not result in a material misstatement of our previously issued financial statements, however, it could result in a misstatement of our account balances or disclosures that would result in a material misstatement of our annual or interim financial statements that would not be prevented or detected.

Management is taking steps to remediate the material weakness in our internal control over financial reporting. To address the issues, we plan to hire additional personnel. Specifically, management has:

- Increased the number of accounting personnel;
- Engaged third party experts to assist management in analyses and conclusions involving complex or infrequently applied accounting treatment; and
- Engaged third party experts to assist management in completing a comprehensive risk assessment to identify, design and implement control activities.

In addition, management is taking steps to review and enhance business policies, procedures and related internal controls to standardize business processes.

We expect to complete the remediation by the end of 2024. We expect to incur additional costs to remediate this weakness.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation that occurred during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not currently a party to any material legal proceedings and we are not aware of any pending or threatened legal proceeding against us that we believe could have a material adverse effect on our business, operating results, cash flows or financial condition. We may periodically be the subject of various pending or threatened legal actions and claims arising out of our operations in the normal course of business. Regardless of the outcome, such proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained. In the opinion of management, adequate provision has been made in our financial statements at June 30, 2024 with respect to such matters.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in our Form 10-K for the year ended December 31, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1	Manufacturing and Supply Agreement dated as of October 31, 2020 by and between Unicycive Therapeutics, Inc. and Shilpa Medicare Ltd. @.
10.2	First Amendment to Manufacturing and Supply Agreement dated June 25, 2024 by and between Unicycive Therapeutics, Inc. and Shilpa Medicare Ltd. @.
10.3	Employment Agreement (this “Agreement”), dated August 12, 2024, by and among Unicycive Therapeutics Inc. and Doug Jermasek.
31.1	Certification of Principal Executive Officer required under Rule 13a-14(a)/15d-14(a) under the Exchange Act.
31.2	Certification of Principal Financial Officer required under Rule 13a-14(a)/15d-14(a) under the Exchange Act.
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

@ Pursuant to Item 601(b)(10) of Regulation S-K, certain confidential portions of this exhibit were omitted by means of marking such portions with an asterisk because such information is both not material and is the type that the Company treats as private or confidential.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on the 14th day of August, 2024.

Signature	Title	Date
<u>/s/ Shalabh Gupta</u> Shalabh Gupta	Chief Executive Officer, President and Chairman <i>(Principal Executive Officer)</i>	August 14, 2024
<u>/s/ John Townsend</u> John Townsend	Chief Financial Officer <i>(Principal Financial and Accounting Officer)</i>	August 14, 2024

[*] Certain information in this document has been omitted from this exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

MANUFACTURING AND SUPPLY AGREEMENT

This Manufacturing and Supply Agreement, effective as of 31st October 2020 (the “Effective Date”), is entered into by and between **Unicycive Therapeutics Inc.**, a Delaware corporation having offices at 5150 El Camino Real, Suite A-32, Los Altos, CA 94022 (“Unicycive”), and **Shilpa Medicare Ltd.**, an India corporation having offices at # 12-6-214/ A I, Hyderabad Road, Raichur - 584 135, Karnataka, India (“Shilpa”).

RECITALS

WHEREAS, UNICYCIVE owns or otherwise controls all current proprietary information, intellectual property rights and technology relating to the drug known as Renazorb, a description of and information relating to which is set forth in Exhibit A of this Agreement (“Renazorb”); and

WHEREAS, UNICYCIVE wishes Shilpa to provide, and Shilpa has agreed to provide, pursuant to the terms and conditions set forth in this Agreement, certain development, manufacturing, supply and other CMC-related services related to the development and commercialization of Renazorb,

THEREFORE, UNICYCIVE and Shilpa hereby agree as follows:

1. Definitions. When used in this Agreement the capitalized terms listed in this Section 1 shall have the following meanings:

1.1 “Affiliate” means any entity controlling, controlled by or under common control with a party to this Agreement. For purposes of this definition, the term “control” shall mean the direct or indirect beneficial ownership of 50% or more of the voting or income interest in such entity.

1.2 “Agreement” means this Manufacturing and Supply Agreement, including any exhibits or schedules hereto, as such may be amended from time to time, in writing, by mutual agreement of the parties.

1.3 “Certificate of Analysis” means a certificate provided by Shilpa or a Third-Party Manufacturer for each Renazorb Shipment, certifying that the Renazorb Shipment meets all applicable Legal Requirements and the Renazorb Specifications.

1.4 “Delivery Date” shall have the meaning specified in Section 7.

1.5 “Effective Date” means the date first written above.

1.6 “Hazardous Substances” means any chemical, waste, compound, element, material or substance: (i) which is or becomes defined as “extremely hazardous”, “hazardous”, “toxic”, “dangerous”, or as “pollutant” or “contaminant” or which otherwise is or becomes listed or regulated under any applicable federal, state or local laws, regulatory or other requirements pertaining to health safety or the environment; or (ii) the presence, release or threatened release of which requires any investigation, containment, removal, remediation or other response action of any kind whatsoever, such Hazardous Substances to include, without limitation, gasoline, diesel fuel or other petroleum hydrocarbons.

1.7 “Inability to Supply” means Shilpa’s failure for any reason, including without limitation *force majeure* reasons or otherwise, to supply UNICYCIVE and/or UNICYCIVE Designees with quantities of Renazorb meeting the Legal Requirements and Renazorb Specifications in the quantities ordered in the applicable Purchase Orders.

1.8 “Legal Requirements” means any present and future national, state or local laws (whether under statute, rule, regulation or otherwise), requirements under permits, orders, decrees, judgments or directives, requirements of any Regulatory Authority (including without limitation all regulatory filings necessary to support Unicycive applications for Renazorb throughout the Territory), Good Manufacturing Practices, and those requirements applicable to Shilpa’s obligations hereunder.

1.9 “Process” or “Processing” means the act of compounding, component preparation, filling, packaging, testing and any other Unicycive manufacturing procedures, or any part thereof, involved in manufacturing Renazorb.

1.10 “Purchase Order” shall have the meaning specified in Section 6.

1.11 “Regulatory Authority” means the authority(ies) in each country in the Territory with responsibility for granting regulatory approval for the manufacturing and sale of Renazorb in such country, and any successor(s) thereto, including without limitation the United States Food and Drug Administration and any similar state agencies.

1.12 “Renazorb Shipment” means the delivery of Renazorb to UNICYCIVE or a UNICYCIVE Designee to the appropriate Shipping Destination pursuant to a Purchase Order.

1.13 “Services” means development, manufacturing, supply and other CMC-related services related to the development and commercialization of Renazorb, which will be provided by Shilpa to UNICYCIVE or a UNICYCIVE Designee under this Agreement, and which are further described in this Agreement, including in Exhibit B of this Agreement, and in the Development Plan (as such term is defined below).

1.14 “Shipping Destination” means the facilities to which UNICYCIVE desires Shilpa to ship Renazorb, as specified in a Purchase Order.

1.15 “Specifications” means the specifications for the production and manufacture of Renazorb, which will be formulated and agreed upon by the parties within the framework of the Development Plan, and which will be governed by and deemed part of this Agreement.

1.16 “Term” means the period of time specified in Section 12.

1.17 “Territory” means worldwide.

1.18 “Third Party” means any person who or which is neither a party to this Agreement, nor an Affiliate of a party to this Agreement.

1.19 “Third Party Manufacturer” shall have the meaning specified in Section 5.

1.20 “UNICYCIVE Designee” means any entity Processing Renazorb under any product manufacturing or license agreement then in effect, including without limitation any UNICYCIVE Licensee, and any Third Party manufacturing Renazorb on behalf of UNICYCIVE or a UNICYCIVE Licensee.

1.21 “UNICYCIVE Licensee” shall mean a Third Party or an Affiliate to which UNICYCIVE has granted a sublicense to develop, manufacture, have manufactured, use, sell or offer to sell Renazorb.

2. Scope of Work. The parties shall use commercially reasonable efforts to complete, within * days from the Effective Date, a mutually agreed upon, comprehensive and detailed scope of work and development plan for Renazorb API and tablet formulations, which will include related timelines and the parties’ respective obligations (the “Development Plan”).

3. Joint Committee. Within * days from the Effective Date, the parties shall meet to form a joint committee consisting of one senior member from each party, having the requisite experience and knowledge, to address all issues that may arise under or in connection with this Agreement and attempt to jointly resolve all such issues in good faith and in a cooperative manner consistent with the mutual aims of the parties under this Agreement. The joint committee shall establish procedures regarding periodic meetings and other related matters and may, at its joint discretion, increase the size of the committee provided that both parties continue to have equal representation therein.

4. UNICYCIVE Obligations. UNICYCIVE shall use commercially reasonable efforts to perform, in a professional, timely and diligent manner, in accordance with the terms and conditions of this Agreement and all applicable laws and regulations, the obligations expressly assigned to it under the Development Plan and under this Agreement, including in Exhibit C of this Agreement. Further, UNICYCIVE acknowledges and agrees that during the term of this Agreement it shall work with Shilpa * in connection with all of the Renazorb-related tasks and services contemplated and set forth in this Agreement.

5. Shilpa Obligations. Shilpa shall use commercially reasonable efforts to perform, in a professional, timely and diligent manner, in accordance with the terms and conditions of this Agreement, the highest prevailing standards in Shilpa’s industry, and all applicable laws and regulations, the obligations expressly assigned to it under the Development Plan and under this Agreement, including in Exhibit B of this Agreement. Further, Shilpa acknowledges and agrees that during the term of this Agreement it shall provide the Services to UNICYCIVE * in connection with all of the Renazorb-related tasks and services contemplated and set forth in this Agreement and shall refrain from performing such tasks and providing such services to third party competitors of UNICYCIVE or manufacturers or distributors of lanthanum drugs for a period of * years after the *. Additionally, Shilpa shall comply with the following obligations:

5.1 * Supplier of Requirements. Shilpa shall supply UNICYCIVE with all of UNICYCIVE’s requirements for Renazorb * meeting the Renazorb Specifications, and UNICYCIVE shall purchase * from Shilpa all of such requirements for Renazorb. UNICYCIVE shall place orders *, and either have Shilpa ship directly to UNICYCIVE Designees, or to UNICYCIVE for its reshipment to such UNICYCIVE Designees. *.

5.2 Inspection Period. Upon delivery of a Renazorb Shipment to the applicable Shipping Destination, Shilpa shall provide to UNICYCIVE, or to the applicable UNICYCIVE Designee (with a copy to UNICYCIVE), a Certificate of Analysis with respect to such Renazorb Shipment. UNICYCIVE or the applicable UNICYCIVE Designee shall sample and analyze each Renazorb Shipment for, among other things, identification, appearance and packaging integrity, within * working days after receipt thereof. UNICYCIVE or the UNICYCIVE Designee shall provide written notice to Shilpa of any shortage of Renazorb or any failure of such Renazorb Shipment to pass the testing, or of any other damage to the Renazorb Shipment. , promptly after becoming aware thereof, but in any event within * working days of receipt of the Renazorb Shipment concerned, but in any case it shall not be beyond shelf life of the product. In no event shall any testing of any Renazorb Shipment performed by UNICYCIVE or a UNICYCIVE Designee pursuant to this Section 5.2 constitute an acceptance of such Renazorb Shipment, relieve Shilpa of any of its obligations hereunder, or constitute a waiver by UNICYCIVE of any of its rights hereunder. Upon request of UNICYCIVE, Shilpa shall provide UNICYCIVE with a material safety data sheet with respect to the Renazorb Shipment.

5.3 Nonconforming Renazorb. Upon receipt of a written notice from UNICYCIVE or the applicable UNICYCIVE Designee under Section 5.2, Shilpa shall, at Shilpa's expense, arrange for the delivery of additional Renazorb to the appropriate Shipment Destination. Shilpa shall use its best efforts to provide UNICYCIVE or the UNICYCIVE Designee with such additional Renazorb within * weeks from the date of such notification to Shilpa. UNICYCIVE or the UNICYCIVE Designee shall, in accordance with Shilpa's reasonable instructions, and at Shilpa's expense, dispose of any nonconforming Renazorb.

5.4 An Independent Laboratory: In case Shilpa disagrees with findings of UNICYCIVE or UNICYCIVE designee in this respect, product samples will be referred to an independent mutually acceptable laboratory for testing of the product. The finding of such testing shall be final and the cost of such testing will be to the account of the losing party.

5.5 Retention of Renazorb Samples. Shilpa shall retain and make available to UNICYCIVE or the applicable UNICYCIVE Designee, upon request by UNICYCIVE or the UNICYCIVE Designee, such reserve samples of each Renazorb Shipment shipped by Shilpa, of sufficient quantity to perform the complete release testing twice. In addition, whether or not required by applicable Legal Requirements, Shilpa shall retain and make available to UNICYCIVE, upon request by UNICYCIVE or UNICYCIVE Designees, samples of each Renazorb Shipment for the shelf life of the product, plus an additional * month period, following delivery to the applicable Shipping Destination.

5.6 Inspections. UNICYCIVE and UNICYCIVE Designees shall have the right, from time to time during the Term, to audit and inspect any manufacturing, testing or quality control facilities used by Shilpa or by Third Party Manufacturers for the Renazorb provided to UNICYCIVE and/or UNICYCIVE Designees hereunder, including but not limited to all compliance and other filings to applicable Regulatory Authorities as required under the Legal Requirements. Shilpa shall make available to UNICYCIVE its representatives for auditing once in every * month period for up to * days on not less than * days' prior notice. Shilpa shall immediately notify UNICYCIVE of any inspections performed by any Regulatory Authority at any of the aforementioned facilities and the results of such inspections.

5.7 Third Party Manufacturers. The parties acknowledge and agree that Shilpa may satisfy its supply obligations to UNICYCIVE and UNICYCIVE Licensees hereunder through arrangements with Third Parties who are engaged to perform services or supply facilities or goods in connection with the manufacture, testing and/or packaging of Renazorb (each, a “Third Party Manufacturer”), subject to the following:

(a) Shilpa shall ensure that all such services, facilities and goods provided by a Third Party Manufacturer comply with all applicable provisions of this Agreement and the applicable Legal Requirements and Renazorb Specifications in effect from time to time, including but not limited to UNICYCIVE’s and UNICYCIVE Designees’ rights to inspect any such Third Party Manufacturer’s facilities.

(b) If Shilpa intends to make arrangements with any Third Party Manufacturer, Shilpa shall notify UNICYCIVE thereof as promptly as possible, but in no event more than * days after Shilpa has determined that it may want to make such arrangements with a Third Party Manufacturer. If UNICYCIVE objects to a particular Third Party Manufacturer that Shilpa intends to use to satisfy its obligations under this Agreement and UNICYCIVE continues to object to a second proposed Third Party Manufacturer that Shilpa intends to use, then the parties shall meet and confer in good faith in an attempt to reach a reasonable and mutually acceptable resolution of the issue. In the event Shilpa uses a Third Party Manufacturer in connection with this Agreement, Shilpa shall ensure that such Manufacturer meets all standards and obligations required under this Agreement, and Shilpa shall be responsible and liable toward UNICYCIVE for all acts and omissions of such Manufacturer as related to this Agreement.

(c) For any agreement entered into between Shilpa and a Third Party Manufacturer pursuant to this Section 2.6, such agreement must include: (i) a provision referencing this Section of the Agreement with the Third Party Manufacturer agreeing to be bound to these terms; (ii) an express indemnity flowing to the benefit of UNICYCIVE and UNICYCIVE Designees that is at least as broad as the indemnity provision contained in this Agreement; and (iii) an express provision stating that UNICYCIVE and UNICYCIVE Designees are third party beneficiaries of such agreement. Shilpa acknowledges and agrees that each Third Party Manufacturer shall be subject to all applicable provisions of this Agreement, and that use of a Third Party Manufacturer shall in no event relieve Shilpa of any of its obligations under this Agreement. Refusal of Shilpa to include the provisions referenced in this Section in its agreement with a Third Party Manufacturer shall be grounds for UNICYCIVE to object pursuant to Section 5.6(b).

5.8 Regulatory Approvals and Filings. Shilpa shall provide all necessary data, reports, plans and documents required by UNICYCIVE or UNICYCIVE Designees for seeking regulatory approval of Renazorb in different regions and countries of the Territory. Shilpa also agrees to apply for, obtain and maintain all regulatory approvals of its facilities and operations from Regulatory Authorities in the Territory, and comply with all Legal Requirements, so as to enable expedited regulatory approval of Renazorb as necessary for UNICYCIVE and/or UNICYCIVE Licensees to sell Renazorb Products in the Territory and as necessary to support UNICYCIVE’s and UNICYCIVE Licensees’ drug applications in the Territory.

5.9 *.

6. Purchase Orders. All purchases and sales between UNICYCIVE and Shilpa hereunder will be initiated by UNICYCIVE's issuance of written purchase orders sent via overnight courier (such as Fed Ex), air mail or by email (a "Purchase Order"). Each Purchase Order will state unit quantities, the Shipping Destination, and a delivery date of not less than * days from the date of receipt of the Purchase Order (the "Delivery Date"). Each Purchase Order shall be accepted within * working days by Shilpa. Except as otherwise provided herein, no term or condition contained in a Purchase Order may add, delete, supplement or otherwise modify any term or condition contained in this Agreement. In case of any conflict between any term or condition contained in a Purchase Order and this Agreement, the terms and conditions of this Agreement shall prevail.

7. Renazorb Delivery.

7.1 Renazorb Delivery. Shilpa shall arrange for the delivery of each Renazorb Shipment, via a carrier reasonably acceptable to UNICYCIVE, on or before the Delivery Date, to the Shipping Destination. All Renazorb Shipments shall be shipped *. Shilpa shall ensure that the delivery of all Renazorb Shipments is accomplished in accordance with applicable Legal Requirements, including without limitation all applicable customs, import and export requirements.

7.2 Delivery & Timing. Shilpa shall ensure that all deliveries of Renazorb Shipments are made on a timely basis to meet the Delivery Date. Shilpa will use its best efforts to reduce its lead times for production and delivery of Renazorb.

7.3 Packaging; Labeling. Shilpa shall ensure that all Renazorb Shipments are properly packaged and labeled in accordance with all applicable Legal Requirements.

7.4 Serialization. Shilpa shall ensure that parties shall mutually agree all Renazorb shipments are properly serialized as per the guidelines and the cost.

8. *. Price and Payment.

8.1 *. The parties shall engage and participate in the * arrangement set forth in Exhibit D of this Agreement.

8.2 Price. The purchase price for Renazorb purchased hereunder is as specified on Exhibit D of this Agreement.

8.3 Method of Invoicing and Payment. The purchase price for each Renazorb Shipment shall be paid by UNICYCIVE or a UNICYCIVE Designee, as the case may be, in United States dollars, **% advance along with Purchase order and balance within * days from the date of Invoice, after delivery of product to the designated Shipping Destination. In no event, however, shall UNICYCIVE be required to pay for any Renazorb Shipment, or any portion thereof, which does not meet the Purchase Order, Legal Requirements or Specifications.

8.4 Late Payment. If any payment due under this Agreement is delayed for any reason, including, without limitation, as a result of any short payment, interest shall accrue and be payable, on such unpaid principal amounts from and after the date on which the same became due, at the rate of **% per annum.

8.5 UNICYCIVE shall use the payment route provided in the Agreement and noted in the invoice for the payment. UNICYCIVE shall not accept any changes in respect of payment route or bank account details received via email or fax or by any other communication. However, UNICYCIVE shall only accept amendments to the payment route or bank account details on receipt of a hard copy of such amendment to the Agreement on the letter head of Shilpa, signed by the Managing Director of Shilpa. If UNICYCIVE breaches this clause, UNICYCIVE shall bear any financial loss or other consequences, and indemnify Shilpa for such loss.

9. Environmental Compliance. Shilpa shall take steps as necessary to prevent a release of any Renazorb or any Hazardous Substances related to Renazorb during the transport of Renazorb to the Shipping Destination or during any unloading thereof. In the event of such a release, Shilpa shall promptly notify applicable governmental authorities and investigate, remediate or otherwise respond to such release in accordance with applicable Legal Requirements.

10. Representations and Warranties.

10.1 Shilpa. Shilpa represents and warrants that:

(a) Shilpa has the requisite experience, knowledge, skill and resources to perform all of its obligations under or in connection with this Agreement, and shall manufacture and supply Renazorb to UNICYCIVE and UNICYCIVE Designees: (i) as necessary to seek regulatory approval of Renazorb in different regions and countries of the Territory, (ii) as necessary to meet all Purchase Orders submitted by UNICYCIVE; (iii) in accordance with all applicable Legal Requirements (including without limitation the process specified in the drug master files for Renazorb held by Regulatory Authorities); and (iv) in complete conformance with the Specifications and all obligations and requirements under this Agreement.

(b) With respect patent rights (if any) owned or otherwise controlled by Shilpa relating to Renazorb: (i) Shilpa hereby grants to UNICYCIVE a worldwide, perpetual, irrevocable, royalty-free, fully paid-up, transferable and sub-licensable license under such patent rights to use, make, have made, sell and otherwise commercially exploit Renazorb; (ii) Shilpa is the sole and exclusive owner of or otherwise controls the entire right and interest in and to such patent rights; UNICYCIVE's use of such patent rights in accordance with the terms and conditions of this Agreement does not and will not infringe the intellectual property rights of any third party; and there are no actions, suits, investigations, claims or proceedings, or threats thereof, pending or threatened against Shilpa relating to Renazorb or such patent rights

(c) Shilpa has full power and authority to execute, deliver and perform this Agreement; it is a corporation duly organized, validly existing and in good standing under the laws governing its incorporation and has full corporate power and authority to execute, deliver and perform this Agreement.

(d) The execution, delivery and performance of this Agreement have been duly authorized by all necessary action of Shilpa. Shilpa is qualified to do business in all jurisdictions where such qualification is required for its performance hereunder. This Agreement constitutes a legal, valid and binding agreement of Shilpa, enforceable against Shilpa in accordance with its terms, except as limited by bankruptcy, insolvency, receivership and similar creditor's rights laws in effect from time to time.

(e) Shilpa holds all required permits, licenses, approvals or other authorizations, and is in compliance with all necessary filing requirements necessary to perform its obligations hereunder and under the License Agreement.

10.2 UNICYCIVE. UNICYCIVE warrants and represents that:

(a) It has full power and authority to execute, deliver and perform this Agreement; it is a corporation duly organized, validly existing and in good standing under the laws governing its incorporation and has full corporate power and authority to execute, deliver and perform this Agreement.

(b) The execution, delivery and performance of this Agreement have been duly authorized by all necessary action of UNICYCIVE; this Agreement constitutes a legal, valid and binding agreement of UNICYCIVE, enforceable against UNICYCIVE in accordance with its terms, except as limited by bankruptcy, insolvency, receivership and similar creditor's rights laws in effect from time to time.

10.3 Warranty Disclaimer. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH ABOVE IN THIS AGREEMENT, SHILPA AND UNICYCIVE GRANT TO EACH OTHER NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND SHILPA AND UNICYCIVE SPECIFICALLY DISCLAIM ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON INFRINGEMENT.

11. Indemnity.

11.1 Indemnification by Shilpa. Provided that the procedure for indemnification contained in Section 11.2 below is followed, Shilpa shall defend, indemnify, and hold harmless UNICYCIVE, UNICYCIVE Licensees and UNICYCIVE Designees, and their respective officers, directors, employees, independent contractors, and agents from and against any and all actual or threatened loss, liability, claims, demands, suits, proceedings, expenses, recoveries, and damages, including attorneys' fees, expert witness fees, and court costs, arising out of or related to any aspect of Shilpa's obligations under this Agreement, or from the negligent or willful misconduct of Shilpa, including any misrepresentation or false statement of fact relating to any Certificate of Analysis, or any breach of a representation, warranty or covenant given herein by Shilpa. The foregoing liabilities of Shilpa shall in no case exceed \$*, with a total cap of US \$*.

11.2 Indemnification by UNICYCIVE. UNICYCIVE shall defend, indemnify, and hold harmless Shilpa, Shilpa's Licensees and Shilpa Designees, and their respective officers, directors, employees, independent contractors, and agents from and against any and all actual or threatened loss, liability, claims, demands, suits, proceedings, expenses, recoveries, and damages, including attorneys' fees, expert witness fees, and court costs, arising out of or related to any aspect of UNICYCIVE's obligations under this Agreement, or from the negligent or willful misconduct of UNICYCIVE, or any breach of a representation, warranty or covenant given herein by UNICYCIVE.

11.3 Procedure for Indemnification. Indemnified Party shall promptly notify Indemnifying Party of any claim for which such Indemnified Party seeks indemnification. Upon receiving such notice, Indemnifying Party shall, within * days, notify Indemnified Party as to whether it shall defend the claim. If Shilpa agrees to defend the claim, it shall have the sole right to defend or settle the claim; provided, that: (i) Indemnified Party may retain counsel at its own expense to monitor such defense or settlement; (ii) if there is an actual or potential conflict of interest between Indemnifying Party and Indemnified Party in such proceedings, Indemnified Party may retain counsel at the expense of Indemnifying Party and participate in such defense; and (iii) Indemnified Party shall have the right to consent to any settlement, such consent not to be unreasonably withheld. If Indemnified Party withholds consent from a settlement that includes an unconditional release of Indemnified Party, then Indemnifying Party's indemnification obligations shall be limited to the amount payable under such proposed settlement, and Indemnifying Party shall have no further obligation to defend such claim. Indemnifying Party shall consult with Indemnified Party and keep it informed with respect to the proceedings. Indemnified Party shall offer its full cooperation in defense of a claim.

11.4 Control of Defense. If Indemnifying Party fails to assume or diligently defend any claim, Indemnified Party, at its sole and absolute discretion, may assume control over such defense or settlement, with fees and expenses to be paid by Indemnifying Party; provided, that Indemnifying Party shall have the right to consent to any settlement, such consent not to be unreasonably withheld.

11.5 Insurance. Shilpa is insured, and throughout the term of this Agreement shall remain insured, by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in Shilpa's business. Shilpa has not been refused any insurance coverage sought or applied for and has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not materially and adversely affect the condition, financial or otherwise, or the earnings, business or operations of Shilpa, taken as a whole. Shilpa shall have UNICYCIVE named as an additional insured party on any applicable insurance policies maintained by Shilpa.

12. Term and Termination.

12.1 Term. This Agreement shall become effective and binding upon the parties as of the Effective Date. Unless earlier terminated, as provided in this Section 12, the initial term of this Agreement shall continue in effect until *, and for an additional * years from the * (the * plus * years being the “Initial Term”). Following the Initial Term, this Agreement shall automatically continue and continue in effect for consecutive periods of * years each (each a “Renewal Term”), unless earlier terminated as provided in this Section 12. This agreement may be terminated without cause upon (a) the payment by UNICYCIVE to Shilpa of a total * Dollars (US\$ *) per the terms of this Agreement, or (b) during a Renewal Term, provided that the terminating party provides * years’ written notice of such termination. Such written notice may be given without cause, and termination pursuant to such notice shall come into effect * years after such notice has been provided to the other party, as aforesaid. The Initial Term and the Renewal Terms are collectively referred to in this Agreement as the “Term.”

12.2 Material Breach. In the event of any material breach of this Agreement by any party hereto, the other party shall be entitled to dispatch to the party alleged to be in breach a written demand for correction of such breach within a stipulated period, which period shall not be less than * days following the date of dispatch of the written demand, and if the party alleged to be in breach fails to correct the breach within the period so stipulated in the written demand for correction, the other party shall have the unconditional right and option to terminate this Agreement by giving the party hereto in breach written notice to that effect, termination being effective on the effective date of such notice.

12.3 Other Termination Rights. This Agreement also may be terminated:

(a) By mutual assent of the parties.

(b) By UNICYCIVE if Shilpa’s payment requirements under this Agreement should at any time be * percent (*%) or more higher than pricing available to UNICYCIVE by any Third Party provider of substantially similar services to those provided hereunder by Shilpa; provided, however, that prior to such termination UNICYCIVE shall provide Shilpa with * days prior written notice of such termination and, upon Shilpa’s request, shall engage during this period in good faith discussions with Shilpa regarding a commercially reasonable adjustment of Shilpa’s payment requirements.

(c) By either party, upon the other party’s material breach of this Agreement that is not cured within * days written notice of such breach.

(d) By either party, upon the other party’s filing of a voluntary petition for bankruptcy, reorganization or arrangement under any state statute, or upon assignment for the benefit of creditors, or upon the appointment of a receiver or trustee with respect to such party or its assets, or upon the filing of a petition of the kind referenced above, against a party or its assets by a third party, which filing is made without the agreement of the subject party and is not dismissed within * days of the date of such filing.

12.4 Effect of Termination.

(a) Upon termination of this Agreement Shilpa shall, at UNICYCIVE's request, fill all orders for Renazorb necessary for UNICYCIVE (and UNICYCIVE Designees and UNICYCIVE Licensees), subject to UNICYCIVE's payment pursuant to Section 8.

(b) Upon termination of this Agreement during the process of development by UNICYCIVE (excluding termination for a breach by Shilpa), UNICYCIVE shall pay Shilpa as follows:

- a. If the project is terminated during or completion of the * then Unicycive will be Liable to Pay \$*.
- b. If the project is terminated during or completion of the * then Unicycive will be Liable to Pay a total of \$*.
- c. If the project is terminated during or completion of the * then Unicycive will be Liable to Pay a total of \$*.
- d. If the project is terminated after *, then Unicycive will be Liable to Pay a total of \$*.

(c) On termination of this Agreement according to clause 12.4(b), Shilpa will provide an invoice to UNICYCIVE for the actual value of unused raw materials, packaging material any Equipment purchased by Shilpa for this project and is in Shilpa's possession, and UNICYCIVE shall make the payment within * days from the date of invoice.

12.5 Survival. The following sections of this Agreement, in accordance with the terms and conditions of such sections shall survive expiration or termination of this Agreement: Sections 10, 11, 12.4, 15, 17-24 and any provisions in other sections that by their nature and purpose would generally be deemed to survive such expiration or termination.

13. Force Majeure. Either party shall be excused for the period of any suspension in the performance of its obligations hereunder, when such party is prevented from performing by cause or causes which are beyond the reasonable control of such party, its agents, subcontractors or assignees and which could not have been reasonably foreseen or prevented, including without limitation, acts of God, civil commotion, war, invasion, rebellion, hostilities, strikes, or delays in the Regulatory Authority review process or orders of Regulatory Authorities pertaining to the subject matter of this Agreement (excluding, in each case, any such event caused in whole or in part by the party claiming a *force majeure* hereunder). The party making a claim of a *force majeure* event hereunder (an "Affected Party") shall provide prompt written notice to the other party describing the particulars of the occurrence, including an estimate of its expected duration and the probable impact on the performance of the Affected Party's obligations. The Affected Party also shall furnish periodic reports with respect thereto. Notwithstanding the foregoing: (i) the permitted suspension of the Affected Party's performance shall be of no greater scope and of no longer duration than is reasonably required by the *force majeure* event; (ii) no liability of either party which arose prior to the occurrence of the *force majeure* event shall be excused because of such occurrence; and (iii) the Affected Party shall use reasonable efforts to continue to perform its obligations hereunder and to cure or correct the *force majeure* event and to limit or mitigate damages to the other party.

14. Shortage of Supply.

14.1 Notice of Shortage of Supply. Shilpa shall notify UNICYCIVE as promptly as possible, but in no event more than * days after Shilpa's receipt of a Purchase Order from UNICYCIVE, or immediately upon becoming aware of an event of *force majeure* under Section 13 or any other event that would render Shilpa unable to supply the quantity of Renazorb to UNICYCIVE (or the applicable UNICYCIVE Designees) that Shilpa is required to supply hereunder. In such event, Shilpa shall implement all reasonable measures to remedy such shortage.

14.2 Inability to Supply; Election of Remedies. In the event of any Inability to Supply Renazorb, UNICYCIVE may elect either to (i) assume full responsibility for the supply of all of UNICYCIVE's and UNICYCIVE Licensees' requirements for Renazorb under this Agreement, or to (ii) terminate this Agreement pursuant to Section 12. In any case, Shilpa shall cooperate with UNICYCIVE in taking all actions that the parties deem reasonably necessary in order to remedy such Inability to Supply, including consideration to use external vendors to remediate failure to supply. In the case of clause (i), UNICYCIVE's right to supply shall continue until such time as Shilpa provides UNICYCIVE with * months' written notice of Shilpa's desire to resume manufacturing and reasonably demonstrates that Shilpa is able adequately to supply UNICYCIVE's and UNICYCIVE Licensees' requirements for Renazorb.

14.3 Right to Manufacture. Unicycive shall make reasonable concessions to Shilpa in order to enable Shilpa to address supply delays, including: (a) accept *% lower product volumes agreed by Shilpa in purchase orders, (b) offer cure period of * days to remediate failure to supply, and (c) cooperate with Shilpa in qualification or use of external vendors. However, despite these measures, if Shilpa fails to supply and if UNICYCIVE duly exercises the option provided in this Section 14.2, Shilpa hereby grants to UNICYCIVE, and UNICYCIVE hereby accepts, a royalty free license (the "Manufacturing License") under all of Shilpa's intellectual property rights necessary to make, have made, use, sell and offer to sell Renazorb for UNICYCIVE's and UNICYCIVE Licensees' requirements therefor. Such Manufacturing License shall be subject to all other terms and conditions of this Agreement. In such event: (i) Shilpa shall provide to UNICYCIVE copies of all documentation within Shilpa's possession and control that is reasonably necessary for UNICYCIVE to manufacture (or have manufactured) Renazorb and to sell Renazorb in the Territory; (ii) Shilpa shall provide such technical assistance to UNICYCIVE as is reasonably necessary to enable UNICYCIVE to manufacture (or have manufactured) Renazorb in accordance with the Legal Requirements and Specifications; (iii) to the extent that UNICYCIVE manufactures (or has manufactured) Renazorb pursuant to the Manufacturing License, UNICYCIVE shall be relieved of its obligation to purchase from Shilpa such quantities of Renazorb; and (iv) Shilpa shall reasonably cooperate with UNICYCIVE to establish an alternative supply, including locating qualified Third Party Manufacturers and sources of materials.

15. **Limitation of Liability**. In no event will a party hereto be liable to the other party hereto for any special, incidental, consequential or indirect damages arising in any way out of this agreement, however caused and on any theory of liability. This limitation will apply even if such other party has been advised of the possibility of such damage. Notwithstanding the above, the limitations of this section 12 shall not apply to Shilpa's indemnification obligations under this agreement; provided, however, that Shilpa's indemnification liability shall be capped at *.

Notwithstanding any provisions under this Agreement, in the below situation the liability of Manufacturer Shall not exceed *. In any given situation, the overall liability of Shilpa shall not exceed more than USD \$ *.

16. Notices. Any notice, communication or consent required or permitted by this Agreement will be in writing and will be sent: (i) by prepaid mail, return receipt requested; or (ii) via email, followed within * days by a copy mailed in the preceding manner, addressed to the other party at the following address or at such other address for which such party gives notice as provided under this Agreement. Such notice will be deemed to have been given when delivered or, if delivery is not accomplished by some fault of the addressee, when tendered:

If to Shilpa, addressed to:

Shilpa Medicare Ltd.
#12-6-214/A1, Hyderabad Road,
Raichur - 584 135, Karnataka, India
*

If to UNICYCIVE, addressed to:

Unicycive Therapeutics Inc. 5150
El Camino Real,
Suite A-32
Los Altos, CA 94022
*

17. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of England and Wales, excluding the Convention on Contracts for the International Sale of Goods and that body of law known as conflicts of laws. The exclusive jurisdiction shall be with the courts of London.

18. Assignment. The parties agree that their rights and obligations under this Agreement may not be transferred or assigned to a third party without the prior written consent of the other party hereto. Notwithstanding the foregoing: (i) either party may transfer or assign its rights and obligations under this Agreement to a successor to all or substantially all of its business or assets relating to this Agreement whether by sale, merger, operation of law or otherwise; and (ii) Parties may transfer or assign its rights and obligations under this Agreement to their Affiliate.

19. Entire Agreement. This Agreement, including the Exhibits hereto and the Development Plan, constitute the entire agreement between the parties hereto pertaining to the subject matter hereof and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein.

20. Modification and Waiver. No modification to this Agreement, nor any waiver of any rights, shall be effective unless assented to in writing by the party to be charged and the waiver of any breach or default shall not constitute a waiver of any other right hereunder or any subsequent breach or default.

21. Independent Contractors. The relationship of Shilpa and UNICYCIVE established by this Agreement is that of independent contractors, and nothing contained in this Agreement shall be construed to: (i) give either party the power to direct or control the day-to-day activities of the other party; (ii) constitute the parties as partners, joint venturers, co-owners or otherwise as participants in a joint or common undertaking; or (iii) allow either party to create or assume any obligation on behalf of the other party for any purpose whatsoever.

22. Severability. If any provision of this Agreement shall be determined to be void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby, and every other provision of this Agreement shall remain in full force and effect and enforceable to the fullest extent permitted by law.

23. Further Assurances. The parties each agree to execute additional instruments and documents and to do all such further things as the other party may reasonably require in order to carry out the intent of this Agreement. In addition, the parties agree to reasonably cooperate with one another in connection with the execution of the other parties' obligations hereunder.

24. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have by duly authorized persons executed this Agreement as of the Effective Date.

Shilpa Medicare Ltd.

By: *
Print Name: *
Title: *

Unicycive Therapeutics Inc.

By: *
Print Name: *
Title: *

Exhibit A
RENAZORB

*

Exhibit B

SHILPA SERVICES

SHILPA SHALL BE RESPONSIBLE FOR AND PROVIDE THE FOLLOWING SERVICES IN ACCORDANCE WITH THE BELOW:

*

Exhibit C

UNICYCIVE OBLIGATIONS

UNICYCIVE SHALL BE RESPONSIBLE FOR FOLLOWING:

*

Exhibit D

***, Price and Payment**

The following assumptions shall apply:

- NDA filing in *;
- Product launch in US in *;
- *.

UNICYCIVE will pay Shilpa \$2MM in the first calendar year when UNICYCIVE net revenue reaches \$10MM from sales of Renazorb supplied by Shilpa (First Payment).

UNICYCIVE will pay \$2MM after the first payment for four consecutive years after the first year with the total payments of \$10MM (Total Payment), provided all commercial supplies for the four consecutive years after the first year are continued to be manufactured and supplied by Shilpa in timely manner and as otherwise required under this Agreement.

Shilpa acknowledges and agrees that the aforesaid payment obligations are subject to the achievement of the above milestones, and unless such milestones are achieved no such payment obligations or other payment obligations of any kind shall apply.

*.

[*] Certain information in this document has been omitted from this exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

**FIRST AMENDMENT
to
MANUFACTURING AND SUPPLY AGREEMENT**

This First Amendment to the Manufacturing and Supply Agreement (this "First Amendment") is made by and between **Unicycive Therapeutics Inc.**, a Delaware corporation having offices at 4300 El Camino Real, Suite 210, Los Altos, CA 94022, USA ("UNICYCIVE"), and **Shilpa Medicare Ltd.**, an Indian corporation having offices at #12-6-214/A1, Hyderabad Road, Raichur – 584 135, Karnataka, India ("Shilpa"). This First Amendment is effective as of June 25, 2024 (the "First Amendment Effective Date"). UNICYCIVE and Shilpa may be referred to herein individually as "Party" and together as the "Parties".

WHEREAS, UNICYCIVE and Shilpa are parties to that certain Manufacturing and Supply Agreement, dated as of October 31, 2020 (the "Agreement"), and pursuant to the Agreement, Shilpa provides certain development, manufacturing, supply and other CMC-related services related to the development and commercialization of Renazorb, also called lanthanum dioxycarbonate (LDC), or oxylanthanum carbonate ("OLC");

WHEREAS, in anticipation of an increased manufacturing demand for OLC, the Parties wish to reaffirm commitment to the Agreement and address a facility expansion for Shilpa to increase its manufacturing capabilities for OLC; and

WHEREAS, the Parties now desire to amend the Agreement as provided herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound, the Parties hereby agree to modify, replace or supplement the terms of the Agreement, as the case may be, as follows:

1. **Definitions.** All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Agreement. The following capitalized terms are hereby added to Article 1 of the Agreement:

"FDA" shall mean the United States Food and Drug Administration or any successor agency thereto.

"NDA" shall mean a new drug application, including all necessary documents, data, and other information concerning OLC, required for NDA Approval of OLC as a pharmaceutical product by the FDA.

"NDA Acceptance" shall mean the acceptance by the FDA of an NDA for filing pursuant to 21 C.F.R. §314.101 (as evidenced by receipt of a "day-74 letter" or equivalent written communication).

“NDA Approval” shall mean receipt by UNICYCIVE or any of its Affiliates of a written letter of approval by the FDA of an NDA pursuant to 21 C.F.R. § 314.105.

“NDA Filing” shall mean the submission by or on behalf of UNICYCIVE or its Affiliates to the FDA of an NDA for OLC.

“PDUFA” shall mean the Prescription Drug User Fee Act.

2. Addition of Section 4.1 (First Amendment Commercial Purchase Orders). A new Section 4.1 shall be appended within Article 4 and shall read as follows:

“4.1 First Amendment Commercial Purchase Orders.

(a) Promptly following the First Amendment Effective Date, UNICYCIVE shall make a binding Purchase Order for * tablets of OLC. Upon receipt of such binding purchase order, Shilpa commits to * supply of product *, with a Delivery Date of June 30, 2025 (the “Initial First Amendment Purchase Order”), at the price set forth in Exhibit D to this Agreement, with the tablet strength breakdown as follows:

Tablet Strength	Percentage Quantity of Order	Number of Tablets Ordered
* mg	*%	*
* mg	*%	*
* mg	*%	*
TOTAL		*

(b) Following *, UNICYCIVE shall make a series of binding Purchase Orders for * tablets of OLC for commercial distribution, at the price set forth in Exhibit D, in strengths and amounts to be determined by the parties with anticipated Delivery Dates between December 31, 2025 and June 30, 2026 (the “* Purchase Orders”).

(c) Following receipt of each Purchase Order, Shilpa shall issue to UNICYCIVE an invoice for * percent (*%) of the total amount of each such Purchase Order. Subject to the terms and conditions of this Agreement, UNICYCIVE shall pay to Shilpa such invoiced amount within * days after receipt of such invoice. UNICYCIVE shall pay to Shilpa the remaining * percent (*%) of the total amount of each such Purchase Order within * days of dispatch by Shilpa of the OLC ordered. If the goods are not picked up within delivery date as per the Purchase orders, Shilpa shall receive the balance **% of the payment within * days.”

3. Addition of Section 5.10 (New Manufacturing Line Construction Support). A new Section 5.10 shall be appended after Section 5.9 of the Agreement and shall read as follows:

“5.10 New Manufacturing Line Construction Support.

(a) General. As a result of UNICYCIVE’s anticipated increased demands for OLC, UNICYCIVE agrees to provide funding towards Shilpa’s new manufacturing line construction (the “New Manufacturing Line Construction”). UNICYCIVE agrees to commit a total of * Dollars (US\$*) (such amount, the “Construction Financing Amount”) to Shilpa to be used for the New Manufacturing Line Construction, payable upon the first achievement of each construction event as set forth in the below table (each a “Construction Event” and each such payment, a “New Line Construction Support Payment”); provided, however, if Shilpa fails to meet a Construction Event by the anticipated timing as set forth in the table below, UNICYCIVE may withhold the applicable New Line Construction Support Payment until such Construction Event is completed, as determined in UNICYCIVE’s sole discretion.

Payment #	Construction Event	New Line Construction Support Payment (US\$)	Timeline
1	*	\$*	*
2	*	\$*	*
3	*	\$*	*
	TOTAL	\$*	

Upon the first achievement of a Construction Event during the term of this Agreement, Shilpa shall issue to UNICYCIVE an invoice for the corresponding New Line Construction Support Payment and referencing the applicable Construction Event. Subject to the terms and conditions of this Agreement, UNICYCIVE shall pay to Shilpa the corresponding New Line Construction Support Payment within * days after receipt of such invoice.

(b) Rebate for OLC Products. During each calendar year beginning in the calendar year * and ending (but including) calendar year * (the “OLC Credit Period”), Shilpa agrees to credit any New Line Construction Support Payment paid by UNICYCIVE in such calendar year against the amount payable under this Agreement for Shilpa’s commercial supply of OLC purchased by UNICYCIVE. Annually, beginning *, Shilpa agrees to credit * Dollars (US\$*) of New Line Construction Support Payments for an aggregate amount credited by Shilpa of * Dollars (US\$*) (the “Total Rebate Amount”) for Shilpa’s commercial supply of OLC as per the forecast received from UNICYCIVE, and if UNICYCIVE does not meet the forecast then this amount shall not be refunded for such calendar year. *

(c) Audit and Inspection. During the New Manufacturing Line Construction, after reasonable notice by UNICYCIVE to Shilpa, Shilpa will allow UNICYCIVE and UNICYCIVE Designees, during normal business hours, to access, audit and inspect Shilpa’s facilities and to review construction records budget/financial spend documents pertaining to the New Manufacturing Line Construction.

(d) Shilpa represents and warrants to UNICYCIVE:

(i) By *, Shilpa commits to be ready to manufacture and supply OLC tablet batches for commercial distribution using API from the new manufacturing line block API, after approval of the new block by the FDA; and

(ii) UNICYCIVE's commercial requirements will not be delayed due to completion of Shilpa's New Manufacturing Line. For clarity, Shilpa agrees to allocate its current manufacturing line for the supply of at least first * tablets of OLC, which includes * tablets to be ordered by UNICYCIVE promptly after the execution of this amendment, and additional * tablets to be ordered *."

4. Addition of Section 5.11 (New Manufacturing Line Construction Support). A new Section 5.11 shall be appended after Section 5.10 of the Agreement and shall read as follows:

"In the event that Shilpa (a) does not deliver the Initial First Amendment Purchase Order by the Delivery Date pursuant to Section 4.1(a), (b) any PDUFA Purchase Order by the Delivery Date specified therein or (c) is not ready to manufacture and supply OLC tablet batches for commercial distribution from the new manufacturing line as required by Section 5.10(d)(i), UNICYCIVE may elect to qualify an alternate source of supply of OLC, and Shilpa will assist UNICYCIVE in qualifying such alternate source as reasonably requested by UNICYCIVE, including by granting any necessary licenses and conducting technology transfer as reasonably necessary to enable such alternate supplier to manufacture OLC at UNICYCIVE's request."

5. Amendment to Section 8.1 (Milestone Payments). Section 8.1 of the Agreement shall be amended and restated in its entirety with the following:

"8.1 Milestone Payments. Within * days of first achievement of a milestone event described in Exhibit D of this Agreement (each, a "Milestone") by UNICYCIVE or its Affiliates, UNICYCIVE shall pay to Shilpa the corresponding Milestone payment (each a "Milestone Payment") amount set forth in Exhibit D. The total amount of Milestone Payments shall not exceed * Dollars (US\$*). For the avoidance of doubt, each Milestone Payment shall be payable only once upon the first achievement of such Milestone regardless of the number times such Milestone is achieved."

6. Amendment to Exhibit D (Milestones; OLC Unit Purchase Price). Exhibit D of the Agreement is hereby deleted in its entirety and replaced with Appendix A attached hereto.

7. Amendment to Section 12.1 (Term). Section 12.1 of the Agreement is hereby amended and restated in its entirety with the following:

“12.1 Term. This Agreement shall become effective and binding upon the parties as of the Effective Date. Unless earlier terminated, as provided in this Section 12, the initial term of this Agreement shall continue in effect until the eighth (8th) anniversary of the date of receipt by UNICYCIVE or its Affiliates of NDA Approval of OLC for a first indication (such period, the “Initial Term”). Following the Initial Term, this Agreement shall automatically continue in effect for consecutive periods of four (4) years each (each a “Renewal Term”), unless earlier terminated as provided in this Section 12. Consistent with the language in the original agreement, this Agreement may be terminated without cause upon (a) the payment by UNICYCIVE to Shilpa of a total * Dollars (US\$*) per the terms of this Agreement, or (b) during a Renewal Term, provided that the terminating party provides * years’ written notice of such termination. Such written notice may be given without cause, and termination pursuant to such notice shall come into effect * years after such notice has been provided to the other party, as aforesaid. The Initial Term and the Renewal Terms are collectively referred to in this Agreement as the “Term.”

8. No Other Modifications. Except as expressly set forth in this First Amendment, the Agreement and all provisions thereof in effect as of the First Amendment Effective Date shall continue in full force and effect without any modification or amendment.

9. Counterparts. This First Amendment may be executed in counterparts, each of which when so executed and delivered shall constitute an original, and all of which together shall constitute one and the same instrument. Signatures provided by facsimile transmission, electronic mail (including .pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and be valid and effective for all purposes.

10. Governing Law. This First Amendment and its effect are subject to and shall be construed and enforced in accordance with the law of England and Wales, excluding the Convention of Contracts for the International Sale of Goods and without regard to its conflicts of laws that would require the application of any other law. The exclusive jurisdiction shall be with the courts of London, England.

[Signature Page Follows]

IN WITNESS WHEREOF, UNICYCIVE and Shilpa have executed this First Amendment by causing it to be signed by their duly authorized representatives effective as of the First Amendment Effective Date.

UNICYCIVE THERAPEUTICS INC.

SHILPA MEDICARE LTD.

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

[Signature Page to First Amendment to Manufacturing and Supply Agreement]

Appendix A

Exhibit D

*



EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), dated August 12, 2024, is by and among Unicycive Therapeutics Inc., a Delaware corporation (the "Company"), and Doug Jermasek (the "Executive").

WHEREAS, the Company desires to continue to employ Executive, and Executive desires to continue to be employed by, the Company, in each case as of the date written above (the "Effective Date");

WHEREAS, in connection with the foregoing, Executive shall be required to perform Executive's duties and obligations hereunder on behalf of the Company, as appropriate, and such duties and obligations shall be enforceable by the Company;

WHEREAS, this Agreement supersedes any and all prior employment agreements or similar agreements by and between Executive and the Company;

NOW, THEREFORE, in consideration of such employment and the mutual covenants and promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Executive agree that the above recitals are hereby incorporated by reference into this Agreement and are binding upon the parties hereto and agree as follows:

1. Employment. The Company hereby agrees to employ Executive, and Executive hereby agrees to be employed with the Company, upon the terms and conditions contained in this Agreement. Unless earlier terminated by either party in accordance with Section 5, Executive's employment with the Company shall continue for an initial term commencing on the Effective Date and continuing until the third (3rd) anniversary of the Effective Date (the "Initial Term") and thereafter shall automatically renew for successive one year terms (each a "Renewal Term") unless either party provides written notice of non-renewal to the other party at least sixty (60) days prior to the last day of the then-current term (such Initial Term and subsequent Renewal Term(s) or portions thereof occurring prior to termination, collectively the "Employment Period").

2. Duties.

2.1 During the Employment Period, Executive shall serve the Company on a full-time basis and perform services in a capacity and in a manner consistent with Executive's position for the Company. Executive shall have the title of Executive VP, Corporate Strategy of the Company and shall have such duties, authorities and responsibilities as are consistent with such position, as the Board of Directors of the Company (the "Company Board") or the Chief Executive Officer may designate from time to time. Executive will report directly to the Chief Executive Officer of the Company. Executive agrees that during Executive's employment with the Company, Executive will devote Executive's full business time, attention, skill and best efforts to the performance of Executive's employment duties and Executive is not to engage in any other business or occupation without approval of the Company Board. Notwithstanding the foregoing, Executive may (i) perform and participate in charitable, civic, educational, professional, community and industry affairs and other related activities; and (ii) manage Executive's personal investments, provided, however, that such activities do not materially interfere, individually or in the aggregate with the performance of Executive's duties hereunder.

3. Location Of Employment. Executive shall work remotely until such time as Executive and the Company mutually agree that Executive will work from the Company offices.

4. Compensation.

4.1 Base Salary. In consideration of all services rendered by Executive under this Agreement, the Company shall pay Executive a base salary (the “Base Salary”) at an annual rate of \$363,000 during the Employment Period. The Base Salary shall be paid in such installments and at such times as the Company pays its regularly salaried employees, but no less often than once per month.

4.2 Annual Discretionary Bonus. During each fiscal year of the Executive’s employment with the Company (commencing with the 2024 fiscal year), Executive will be eligible to receive an annual discretionary bonus (“Cash Bonus”). Executive’s target Cash Bonus shall be equal to 25% of Base Salary (the “Target Bonus”). The Cash Bonus amount will be based upon achievement of Company and individual performance targets established by the Company Board, in its sole and absolute discretion, for the fiscal year to which the bonus relates. The payment of any Cash Bonus described herein will be made at the same time annual bonuses are generally paid to other senior executives of the Company (generally the first regular payroll date following the Company Board’s certification of achievement of applicable performance targets). If Executive is eligible to receive a Cash Bonus, such bonus will not be deemed to be fully “earned” unless Executive is (i) employed by the Company and in good standing on the date the Company pays the applicable Cash Bonus, and (ii) has not given notice of Executive’s intention to resign Executive’s employment as of, or prior to, the date the Company pays the applicable Cash Bonus. The Cash Bonus shall be paid to Executive no later than March 15th of the year following the year for which the bonus is payable.

4.3 Vacation. During the Employment Period, Executive shall be entitled to vacation benefits consistent with Company policy, as may be in effect from time to time, except to the extent such policy is inconsistent with this Agreement.

4.4 Benefits. During the Employment Period, Executive shall be entitled to participate in any benefit plans offered by the Company as in effect from time to time (collectively, “Benefit Plans”) on the same basis as those generally made available to other senior employees of the Company, to the extent Executive may be eligible to do so under the terms of any such Benefit Plan. Executive acknowledges and agrees that any such Benefit Plans may be terminated or amended from time to time by the Company in its sole discretion. During the Employment Period, the Company shall provide Executive with (i) life insurance coverage (equal to at least two (2) times Executive’s Base Salary), and (ii) disability insurance coverage. The Company will cover Executive under directors’ and officers’ liability insurance, with Executive as a named insured, during Executive’s employment (and for a period of six (6) years following the termination thereof), to the same general extent as other executive officers of the Company.

5. Termination. Executive's employment hereunder may be terminated as follows:

5.1 Automatically in the event of the death of Executive;

5.2 At the option of the Company, by written notice to Executive or Executive's personal representative in the event of the Disability of Executive. As used herein, the term "Disability" shall mean a determination by an independent competent medical authority (mutually agreed upon by Executive and the Company) that Executive is unable to perform Executive's duties under this Agreement with or without reasonable accommodation, for a period of 120 consecutive days or 180 days in any 365 day period. If there is a question as to the existence of Executive's Disability as to which Executive and the Company cannot agree, same shall be determined in writing by a qualified independent medical authority mutually acceptable to Executive and the Company. If the parties hereto cannot agree as to a qualified independent physician, each of the Executive, on the one hand, and the Company, on the other, shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and Executive shall be final and conclusive for all purposes of this Agreement. Executive shall fully cooperate in connection with the determination of whether Disability exists.

5.3 At the option of the Company for Cause (as defined in Section 6.6), on prior written notice to Executive (subject to any cure period described in Section 6.6);

5.4 At the option of the Company without Cause, on thirty (30) days' prior written notice to Executive;

5.5 At the option of Executive (a) for Good Reason (in accordance with the definition in Section 6.5) or (b) for any or no reason other than Good Reason on thirty (30) days' prior written notice to the Company (which the Company may, in its sole discretion, make effective as a resignation earlier than the termination date provided in such notice and further provided that if Executive unilaterally resigns Executive's employment before the end of such requisite notice period then such resignation shall be treated for purposes of this Agreement as a termination under Section 5.4); or

5.6 As of the last day of the Initial Term or the then-current Renewal Term if either Executive or the Company elects not to renew the Agreement in accordance with and subject to the notice provisions set forth in Section 1.

6. Severance Payments.

6.1 Non-Renewal by the Company, Termination by the Company Without Cause or Termination by Executive for Good Reason. If Executive's employment is terminated by the Company without Cause (and not due to death or Disability), by Executive for Good Reason or as the result of the Company's decision not to renew the Agreement in accordance with Section 1, subject to Section 6.7 hereof, Executive shall be entitled to:

(a) within thirty (30) days following such termination, payment of Executive's accrued and unpaid Base Salary and reimbursement of expenses under Section 7 hereof in each case accrued through the date of termination;

(b) subject to Section 13.7(b) hereof, an amount in cash equal to the sum of twelve (12) months of Executive's Base Salary, as in effect as of Executive's last day of employment), which shall be payable in substantially equal installments (the "Severance Amount") at the same time Base Salary would be paid over the twelve (12) month period (the "Severance Period") following termination; provided, however, if the Executive's review and revocation period for the release of claims required pursuant to Section 6.7 hereof spans two of Executive's taxable years, the first payment shall be made on the first regularly scheduled payroll date of the later taxable year following the effective date of such release of claims and shall include all amounts accrued prior thereto;

(c) if Executive is eligible for and elects to enroll in "COBRA" type continuation coverage of Executive's health benefits under the Company's group health plan, for the Severance Period ("COBRA Payment Period") the Company will pay Executive on a monthly basis a taxable amount equal to the full monthly premium (just the company portion) for the corresponding active employee coverage type (e.g., single, single plus one, family) under the Company's group health plan that was in effect for Executive on the termination date, less applicable taxes and withholdings; provided, that the Company's obligation to make these monthly taxable COBRA premium payments to Executive hereunder shall cease on the earlier of: (i) the date on which Executive first becomes eligible for coverage under any group health plan made available by another employer (and Executive shall notify the Company in writing promptly, but within 10 days, after becoming eligible for any such benefits); and (ii) the date on which Executive's COBRA continuation coverage under the Company's group health plan ends on account of Executive's election to terminate such coverage; notwithstanding the foregoing, if the Company determines, in its sole discretion, that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "Code") or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums; the Company, in its sole discretion, may elect to instead pay Executive on the first day of each month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the "Special Severance Payment"), for the remainder of the COBRA Payment Period (Executive may, but is not obligated to, use such Special Severance Payment toward the cost of COBRA premiums); notwithstanding the foregoing, if for any reason Executive is ineligible for, or does not elect to enroll in "COBRA" type continuation coverage of Executive's health benefits under the Company's group health plan, the Company will pay Executive a lump sum equal to the aggregate payments the Company would have paid Executive on a monthly basis pursuant to the above provisions;

(d) a lump sum payment equal to the amount of any Cash Bonus earned with respect to a fiscal year ending prior to the date of such termination but unpaid as of such date, payable at the same time in the year of termination as such payment would be made if Executive continued to be employed by the Company, but in no event later than 73 days following the end of the fiscal year in which the termination occurs;

(e) a lump sum payment equal to the amount of Cash Bonus that was accrued for the year in which Executive's employment ends based upon the good faith determination of the Company Board in accordance with the Company's normal practices as of the last day of the calendar month during which Executive's termination became effective (it being understood that the Company will accrue the Cash Bonus on a monthly basis), payable no later than 73 days after the termination date; and

(f) all other accrued or vested amounts or benefits due to Executive in accordance with this Agreement, the Company's benefit plans, programs or policies (other than severance), and the treatment of Executive's Award in accordance with the Award Agreement.

6.2 Termination due to Executive's Death or Disability. Upon the termination of Executive's employment due to Executive's death or Disability pursuant to Section 5.1 and Section 5.2 respectively, Executive or Executive's legal representatives shall be entitled to receive (i) the acceleration and vesting in full of any then outstanding and unvested portion of any time-vesting equity award granted to Executive by the Company; and (ii) the payments and benefits described under Sections 6.1(a), (d), (e) and (f).

6.3 Termination due to Non-Renewal by Executive or Termination by Executive without Good Reason. Upon the termination of Executive's employment due to the non-renewal by Executive or termination by Executive without Good Reason, Executive shall be entitled to receive only the payments and benefits described in Sections 6.1(a) and (f), and the treatment of Executive's Award in accordance with the Award Agreement.

6.4 Termination by the Company for Cause. Upon the termination of Executive's employment by the Company for Cause pursuant to Section 5.3, Executive shall be entitled to receive only the payments and benefits described in Sections 6.1(a) and (f), and the treatment of Executive's Award in accordance with the Award Agreement.

6.5 Termination Following Change in Control. If Executive's employment is terminated by the Company without Cause or by Executive for Good Reason within twelve (12) months following a Change in Control, Executive shall be entitled to receive the following: (i) the acceleration and vesting in full of any then outstanding and unvested portion of any time-vesting equity award granted to Executive by the Company; and (ii) the benefits described in Sections 6.1(a), (b), (c), (d), (e) and (f).

6.6 Definitions.

(a) Cause. For purposes of this Agreement, "Cause" shall mean:

(i) Executive's continued failure or refusal to follow the lawful directives of the Company Board after being given written notice and thirty (30) days to remedy such failures or refusals;

(ii) Executive's willful misconduct, gross negligence, act of material dishonesty in connection with Executive's employment;

(iii) Executive's indictment for, or a plea of guilty or no contest to, any felony or any other criminal offence involving serious moral turpitude;

(iv) Executive's violation of any material written policies of the Company or its affiliates of which Executive has received written notice and which violation is, in each case, if curable, is not cured within thirty (30) days of written notice from the Company;

(v) Executive's breach of any non-solicitation or non-competition obligations to the Company or its affiliates, including, without limitation, those set forth in Sections 8.1 and 8.2 of this Agreement or Executive's willful, grossly negligent, or reckless breach of any confidentiality obligations to the Company or its affiliates, including, without limitation, those set forth in Section 8.3 of this Agreement;

(vi) material breach by Executive of any of the provisions of this Agreement or any other agreement between the Company and its affiliates on the one hand and Executive on the other hand, which (if curable) is not cured within thirty (30) days of written notice; or

(vii) as provided in Section 13.1 hereof.

(b) "Change in Control" shall have the meaning given that term in the Company's 2021 Omnibus Equity Incentive Plan.

(c) "Good Reason" shall mean, without Executive's prior written consent, (i) a material diminution in Executive's title, authority, duties or responsibilities; (ii) a material reduction in Base Salary; (iii) a material reduction in the target percentage of the Executive's Cash Bonus; (iv) the relocation of Executive's principal place of employment more than fifty (50) miles from its then current location; or (v) a breach by the Company of any material provision of this Agreement (the parties agreeing that Section 4.1 is one such material provision). Any Good Reason termination will require thirty (30) days' advanced written notice by Executive of the event giving rise to Good Reason within sixty (60) days after Executive first learns of the applicable event, and will not be effective unless the Company has not cured the Good Reason event within such thirty (30) day notice period. In order for Executive to resign for Good Reason, Executive must resign from Executive's employment within sixty (60) days after the failure of the Company to cure a Good Reason event.

(d) "Person" means any natural person, sole proprietorship, general partnership, limited partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, governmental authority or any other organization, irrespective of whether it is a legal entity and includes any successor (by merger or otherwise) of such entity.

6.7 Conditions to Payment. All payments and benefits due to Executive under this Section 6, other than the payments due to Executive under Sections 6.1(a), (d), and (f) or which are otherwise required by law (all other payments under Section 6, "Severance"), shall only be payable if Executive (or Executive's beneficiary or estate) delivers to the Company and does not revoke (under the terms of applicable law) a general release of all claims substantially in the form attached hereto as Exhibit B. Such general release shall be executed and delivered (and no longer subject to revocation) within fifty-five (55) days following termination. Failure to timely execute and return such release or revocation thereof shall be a waiver by Executive of Executive's right to receive any Severance. In addition, Severance shall be conditioned on Executive's compliance with Section 8 hereof.

7. Reimbursement of Expenses. The Company shall reimburse Executive for reasonable and necessary expenses actually incurred by Executive directly in connection with the business and affairs of the Company and the performance of Executive's duties hereunder, in each case subject to appropriate substantiation and itemization of such expenses in accordance with the guidelines and limitations established by the Company from time to time.

8. Restrictions on Activities of Executive.

8.1 Non-Competition. During employment and for the one (1) year period commencing on the date Executive's employment with the Company pursuant to this Agreement ends (except in the event Executive's employment ends due to Executive's Disability) (the "Restriction Period"), Executive covenants and agrees that Executive shall not directly or indirectly (whether for compensation or otherwise) own or hold any interest in, manage, operate, control, consult with, render services for, or in any manner participate in, any Competitive Business, in each case, either as a general or limited partner, proprietor, shareholder, officer, director, agent, employee, consultant, trustee, affiliate or otherwise. The Company may opt to extend the Restriction Period for up to an additional one (1) year period, provided that in such case Company shall also increase the Severance Amount and the Severance Period by one-twelfth (1/12) for each month that the Restricted Period is lengthened. For clarification, if Executive is not otherwise entitled to a Severance Amount, the Company shall pay Executive an amount equal to one-twelfth (1/12) of Executive's Base Salary for each month the Restricted Period is lengthened. Nothing herein shall prohibit Executive from being a passive owner of not more than one percent (1%) of the outstanding securities of any publicly traded company engaged in a Competitive Business. For purposes of this Agreement, "Competitive Business" shall mean (x) the development of novel treatments for unmet medical conditions, including but not limited to the development of drugs for (A) controlling hyperphosphatemia in patients with Chronic Kidney Disease and (B) the treatment of patients with Acute Kidney Injury, (y) the pursuit of other drugs for in-licensing into the Company's pipeline, and (z) any other business that the Company is conducting or is considering conducting by virtue of management executives having held internal strategy discussions and/or discussions with members of the Company Board regarding the same prior to the time Executive's employment is terminated, and of which Executive is aware.

8.2 Non-Solicitation. Executive covenants and agrees that, except in connection with the performance of Executive's duties to the Company, during the Restriction Period, Executive shall not directly or indirectly (i) influence or attempt to influence or solicit any employees or independent contractors of the Company or any of its affiliates to restrict, reduce, sever or otherwise alter their relationship with the Company or such affiliates, (ii) hire any employees or independent contractors of the Company or any of its affiliates, (iii) solicit or induce, or attempt to solicit or induce, any Person that is then a client or customer of the Company, or any of its affiliates to cease being a client or customer of the Company or any of its affiliates or to divert all or any part of such Person's business from the Company or any of its affiliates, or (iv) assist any other Person in any way to do, or attempt to do, anything prohibited by Sections 8.2(i), (ii), or (iii); provided, however, that the foregoing restrictions shall not include general solicitations of employment (but not hiring) of persons responding to general solicitations of employment (including general advertising via periodicals, the Internet and other media) not specifically directed towards employees of the Company or its affiliates.

8.3 Confidentiality. Executive shall not, during the Employment Period or at any time thereafter directly or indirectly, disclose, reveal, divulge or communicate to any Person other than authorized officers, directors and employees of the Company or use or otherwise exploit for Executive's own benefit or for the benefit of anyone other than the Company, any Confidential Information (as defined below). "Confidential Information" means any information with respect to the Company or any of its affiliates, including methods of operation, customer lists, products, prices, fees, costs, technology, formulas, inventions, trade secrets, know-how, software, marketing methods, plans, personnel, suppliers, competitors, markets or other specialized information or proprietary matters; provided, that, there shall be no obligation hereunder with respect to, information that (i) is generally available to the public on the Effective Date, (ii) becomes generally available to the public other than as a result of a disclosure not otherwise permissible hereunder, or (iii) is required to be disclosed by law, court order or other legal or regulatory process and Executive gives the Company prompt written notice and the opportunity to seek a protective order. For the avoidance of doubt, Executive understands that pursuant to the federal Defend Trade Secrets Act of 2016, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nothing contained in this Agreement shall limit Executive's ability to communicate with any federal, state or local governmental agency or commission, including to provide documents or other information, without notice to the Company. Further, nothing in this Agreement shall be deemed to preclude Executive from testifying truthfully under oath if Executive is required or compelled by law to testify in any judicial action or before any government authority or agency or from making any other legally-required truthful statements or disclosures.

8.4 Assignment of Inventions.

(a) Executive agrees that during employment with the Company, any and all inventions, discoveries, innovations, writings, domain names, improvements, trade secrets, designs, drawings, formulas, business processes, secret processes and know-how, whether or not patentable or a copyright or trademark, which Executive may create, conceive, develop or make, either alone or in conjunction with others and related or in any way connected with the Company's strategic plans, products, processes or apparatus or the business (collectively, "Inventions"), shall be fully and promptly disclosed to the Company and shall be the sole and exclusive property of the Company as against Executive or any of Executive's assignees. Regardless of the status of Executive's employment by the Company, Executive and Executive's heirs, assigns and representatives shall promptly assign to the Company any and all right, title and interest in and to such Inventions made during employment with the Company.

(b) Whether during or after the Employment Period, Executive further agrees to execute and acknowledge all papers and to do, at the Company's expense, any and all other things necessary for or incident to the applying for, obtaining and maintaining of such letters patent, copyrights, trademarks or other intellectual property rights, as the case may be, and to execute, on request, all papers necessary to assign and transfer such Inventions, copyrights, patents, patent applications and other intellectual property rights to the Company and its successors and assigns. In the event that the Company is unable, after reasonable efforts and, in any event, after ten (10) business days, to secure Executive's signature on a written assignment to the Company, of any application for letters patent, trademark registration or to any common law or statutory copyright or other property right therein, whether because of Executive's physical or mental incapacity, or for any other reason whatsoever, Executive irrevocably designates and appoints the Secretary of the Company as Executive's attorney-in-fact to act on Executive's behalf to execute and file any such applications and to do all lawfully permitted acts to further the prosecution or issuance of such assignments, letters patent, copyright or trademark.

8.5 Return of Company Property. Within ten (10) days following the date of any termination of Executive's employment, Executive or Executive's personal representative shall return all property of the Company and its affiliates in Executive's possession, including but not limited to all Company-owned computer equipment (hardware and software), smart phones, facsimile machines, tablet computers and other communication devices, credit cards, office keys, security access cards, badges, identification cards and all copies (including drafts) of any documentation or information (however stored) relating to the business of the Company and its affiliates, its customers and clients or its prospective customers and clients.

8.6 Resignation as an Officer and Director. Upon any termination of Executive's employment, Executive shall be deemed to have resigned, to the extent applicable, if any, as an officer of the Company and any of its affiliates, a member of the Company Board, or the board of directors or equivalent of any of the Company's affiliates and as a fiduciary of any Company or Affiliate benefit plan. On or immediately following the date of any termination of Executive's employment, Executive shall confirm the foregoing by submitting to the Company in writing a confirmation of Executive's resignation.

8.7 Cooperation. During the Employment Period and thereafter, Executive shall give Executive's assistance and cooperation, upon reasonable advance notice, in any litigation matter relating to Executive's position with the Company and its affiliates, or Executive's knowledge as a result thereof as the Company may reasonably request, including Executive's attendance and truthful testimony where deemed appropriate by the Company, with respect to any investigation or the Company's (or an affiliate's) defense or prosecution of any existing or future claims or litigations or other proceeding relating to matters in which Executive was involved or had knowledge by virtue of Executive's employment with the Company, in all cases on schedules that are reasonably consistent with Executive's other permitted activities and commitments. The Company agrees to reimburse Executive for any costs Executive incurs in connection with complying with this Section, including Executive's reasonable attorney's fees.

8.8 Non-Disparagement. During Executive's employment with the Company, and at all times thereafter, (i) Executive shall not make either orally or in writing any derogatory or disparaging statement with regard to the Company, any of its businesses, products, services or practices or any of its managers, directors, officers, employees or agents, provided that nothing in this Section 8.8 shall prevent Executive from giving a deposition, responding to any subpoena or other lawful request for information or documentation made in the course of a legal or administrative proceeding or testifying in court or in any other legal proceeding. In addition, Executive agrees not to, without Company's prior written consent, communicate, directly or indirectly, with the press or other media, concerning the past or present employees or businesses of the Company.

8.9 Survival. This Section 8 shall survive any termination or expiration of this Agreement or employment of Executive.

9. Remedies. It is specifically understood and agreed that any breach of the provisions of Section 8 of this Agreement is likely to result in irreparable injury to the Company and that the remedy at law alone will be an inadequate remedy for such breach, and that in addition to any other remedy it may have in the event of a breach or threatened breach of Section 8 above, the Company shall be entitled to enforce the specific performance of this Agreement by Executive and to seek both temporary and permanent injunctive relief (to the extent permitted by law) without bond and without liability should such relief be denied, modified or violated.

10. Blue Pencil. Each of the rights enumerated in this Agreement shall be independent of the others and shall be in addition to and not in lieu of any other rights and remedies available to the Company or any of its direct or indirect subsidiaries at law or in equity. If any of the provisions of this Agreement or any part of any of them is hereafter construed or adjudicated to be invalid or unenforceable because of the duration of such provisions or the area or scope covered thereby, Executive agrees that the court making such determination shall have the power to reduce the duration, scope and/or area of such provisions to the maximum and/or broadest duration, scope and/or area permissible by law, and in its reduced form said provision shall then be enforceable.

11. Severable Provisions. The provisions of this Agreement are severable and the invalidity of any one or more provisions shall not affect the validity of any other provision. In the event that a court of competent jurisdiction shall determine that any provision of this Agreement or the application thereof is unenforceable in whole or in part because of the duration or scope thereof, the parties hereto agree that said court in making such determination shall have the power to reduce the duration and scope of such provision to the extent necessary to make it enforceable, and that the Agreement in its reduced form shall be valid and enforceable to the full extent permitted by law.

12. Notices. All notices hereunder, to be effective, shall be in writing and shall be deemed effective when delivered by hand or mailed by (a) certified mail, postage and fees prepaid, or (b) nationally recognized overnight express mail service, as follows:

If to the Company:

Unicycive Therapeutics Inc.
5150 El Camino Real, Suite #A-32
Los Altos, CA 94022
Attention: Shalabh Gupta, MD

with a copy (which shall not constitute notice) to:

Sheppard, Mullin, Richter & Hampton LLP
30 Rockefeller Plaza
New York, New York 10112
Attention: Jeffrey Fessler, Esq.
Facsimile: 917.438.6133
Telephone: 212.634.3067
E-mail: jfessler@sheppardmullin.com

If to Executive:

The last address shown on records of the Company

or to such other address as a party may notify the other pursuant to a notice given in accordance with this Section 12.

13. Miscellaneous

13.1 Executive Representation. Executive hereby represents to the Company that Executive's execution and delivery of this Agreement and Executive's performance of Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, or be prevented, interfered with or hindered by, the terms of any employment agreement or other agreement or policy to which Executive is a party or otherwise bound, and further that Executive is not subject to any limitation on Executive's activities on behalf of the Company as a result of agreements into which Executive has entered except for obligations of confidentiality with former employers. To the extent this representation and warranty is not true and accurate, it shall be treated as a Cause event and the Company may terminate Executive for Cause or not permit Executive to commence employment.

13.2 No Mitigation or Offset. In the event of any termination of Executive's employment hereunder, Executive shall be under no obligation to seek other employment or otherwise mitigate the obligations of the Company under this Agreement, and there shall be no offset against amounts due Executive under this Agreement on account of future earnings by Executive.

13.3 Entire Agreement; Amendment. Except as otherwise expressly provided herein, this Agreement constitutes the entire agreement between the parties hereto with regard to the subject matter hereof, superseding all prior understandings and agreements, whether written or oral. This Agreement may not be amended or revised except by a writing signed by the parties.

13.4 Assignment and Transfer. The provisions of this Agreement shall be binding on and shall inure to the benefit of the Company and any successor in interest to the Company who acquires all or substantially all of the Company's assets. The Company may assign this Agreement to an affiliate. Neither this Agreement nor any of the rights, duties or obligations of Executive shall be assignable by Executive, nor shall any of the payments required or permitted to be made to Executive by this Agreement be encumbered, transferred or in any way anticipated, except as required by applicable law. All rights of Executive under this Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, estates, executors, administrators, heirs and beneficiaries.

13.5 Waiver of Breach. A waiver by either party of any breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other or subsequent breach by the other party.

13.6 Withholding. The Company shall be entitled to withhold from any amounts to be paid or benefits provided to Executive hereunder any federal, state, local or foreign withholding, FICA and FUTA contributions, or other taxes, charges or deductions which it is from time to time required to withhold.

13.7 Code Section 409A.

(a) The parties agree that this Agreement shall be interpreted to comply with or be exempt from Section 409A of the Code and the regulations and guidance promulgated thereunder to the extent applicable (collectively "Code Section 409A"), and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. In no event whatsoever will the Company be liable for any additional tax, interest or penalties that may be imposed on Executive under Code Section 409A or any damages for failing to comply with Code Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits considered "nonqualified deferred compensation" under Code Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered nonqualified deferred compensation under Code Section 409A payable on account of a "separation from service," such payment or benefit shall be made or provided at the date which is the earlier of (i) the expiration of the six (6)-month period measured from the date of such "separation from service" of Executive, and (ii) the date of Executive's death (the "Delay Period"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 13.7(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed on the first business day following the expiration of the Delay Period to Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(c) With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits, to be provided in any other taxable year, provided, that, this clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Internal Revenue Code Section 105(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of Executive's taxable year following the taxable year in which the expense occurred.

(d) For purposes of Code Section 409A, Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

13.8 Arbitration. If any contest or dispute arises between the parties with respect to this Agreement or Executive's employment or termination thereof, other than injunctive and equitable relief with regard to Section 9 hereof, such contest or dispute shall be submitted to binding arbitration to occur in San Francisco, California before a single arbitrator in accordance with the rules and procedures of the Employment Dispute Resolution Rules of the American Arbitration Association ("AAA") then in effect. The decision of the arbitrator shall be final and binding on the parties and may be entered in any court of applicable jurisdiction. The parties shall bear their own legal fees in any arbitration.

13.9 Governing Law. This Agreement shall be construed under and enforced in accordance with the laws of the State of California, without regard to the conflicts of law provisions thereof.

13.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and shall have the same effect as if the signatures hereto and thereto were on the same instrument.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

UNICYCIVE THERAPEUTICS INC.

By: /s/ Shalabh Gupta

Name: Shalabh Gupta, MD, MPA

Title: President and Chief Executive Officer

EXECUTIVE

/s/ Doug Jermasek

Doug Jermasek

EXHIBIT A

GENERAL RELEASE OF CLAIMS

GENERAL RELEASE and WAIVER (this “Agreement”) made as of _____, by and between Doug Jermasek (the “Employee”) and Unicycive Therapeutics Inc. (the “Employer,” together with the Employee, the “Parties”).

WHEREAS, Employee and the Employer have agreed that Employee’s employment with the Company has been terminated;

WHEREAS, Employee and the Employer have previously entered into an Employment Agreement dated ____, 2024, as may have been amended or supplemented from time to time (the “Employment Agreement”), with any terms used, but not defined herein, having the meaning set forth in the Employment Agreement; and

WHEREAS, the Parties desire to enter into this Agreement, in satisfaction of all obligations of the Employee and the Employer in respect of Employee’s employment with the Employer.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, receipt of which is hereby acknowledged, the Employer and the Employee agree as follows:

1. Separation

(a) Date of Separation. Employee’s employment with the Employer and all of its subsidiaries and affiliates will end on [DATE] (the “Termination Date”). Employee hereby acknowledges and agrees that Employee has resigned, effective as of the Termination Date, from any and all positions and titles Employee holds with the Employer and all of its affiliates (together, “Company Entities”).

(b) Severance. In consideration for, subject to and conditioned on Employee’s execution of this Agreement on or within twenty-one (21) days following the Termination Date, Employee’s non-revocation thereof and compliance with such other conditions as are set forth in the Employment Agreement, Employee is eligible to receive the Severance in accordance with the terms and conditions set forth in the Employment Agreement.

(c) Full Satisfaction. The Employee acknowledges and agrees that, except for [TO INCLUDE RIGHTS WITH RESPECT TO AWARD IF ANY ARE VESTED (“Equity Rights”)] the payments and benefits under Sections 6.1(a), (d), (f) and (g) of the Employment Agreement, or under Section 6.5 of the Employment Agreement in the event that a Termination occurs within twelve (12) months following a Change in Control, and except for Severance, the Employee is not entitled to any other compensation or benefits from the Company Entities (including without limitation any severance or termination compensation or benefits under any severance plan, program, policies, practices or arrangements of any of the Company Entities).

(d) COBRA. Pursuant to the applicable group plan terms and conditions, Employee will cease participating in Employer's health insurance plans as of the Termination Date. If applicable, the Employer will send the Employee documentation under separate cover relating to the Employee's rights pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA").

2. General Release and Waiver

(a) Release.

i. In exchange for and in consideration of the promises and covenants set forth in this Agreement and the Employment Agreement, and except as expressly set forth herein, Employee irrevocably and unconditionally releases and discharges the Company Entities and each of their subsidiaries, divisions, parents and member companies, institutions, affiliates or related business entities and any and all of their past and present administrators, officers, partners, members, fiduciaries, trustees, directors, agents, representatives, shareholders, employees, board members, successors and assigns (hereinafter collectively referred to as "Releasees"), jointly and individually, from any and all actions, causes of action, grievances, arbitrations, obligations, liabilities, judgments, suits, debts, attorneys' fees, costs, sums of money, wages, bonuses, benefits of any type, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, extents, executions, claims and demands whatsoever in law, or in equity, which Employee, Employee's heirs, executors, administrators, successors and assigns, ever had, now have or hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever from the beginning of time to the date Employee signs this Agreement.

ii. The foregoing release covers, without limitation, any claims of discrimination on the basis of pregnancy, race, color, sex, sexual orientation, disability, handicap, religion, creed, national origin, ancestry, age (including, without limitation, any rights or claims under the Age Discrimination Employment Act of 1967 or the Older Worker Benefits Protection Act), citizenship, ethnic characteristics, sexual or affectional preference or marital status and also includes, no matter how denominated or described, any claims of discrimination, retaliation, harassment or interference under any federal, state or local law, rule, regulation, collective bargaining agreement, or executive order including, without limitation, any rights or claims under Title VII of the Civil Rights Act of 1964; the Genetic Information Non-Discrimination Act; the Civil Rights Acts of 1866 and 1991; 42 U.S.C. § 1981; the Equal Pay Act of 1963; the Employee Retirement Income Security Act of 1974; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the California Fair Employment & Housing Act, those portions of the California Labor Code waivable by law, the California Constitution, and all other federal, state and local laws (whether statutory, regulatory or decisional) including, but not limited to, and any claims of conversion, failure to return property, failure to pay wages, wrongful discharge or termination, interference with contract, breach of covenant, breach of contract, violation of a collective bargaining agreement, whether written or oral, express or implied, breach of promise, public policy, negligence, retaliation, defamation, defamation of character, defamation of employment records, impairment of economic opportunity, loss of business opportunity, fraud, deceit, misrepresentation, whistle-blower activities, perceived disability, history of disability and payment of wages or benefits of any type, as well as any claims for attorneys' fees or costs.

It is the intention of the Parties in executing this Agreement that it shall be a general release and shall be effective as a bar to each and every matter released herein and that, should any proceeding be instituted with respect to the matters released herein, this Agreement shall be deemed in full and complete accord, satisfaction and settlement of any such released matter and sufficient basis for dismissal. In furtherance of this intention, Employee hereby expressly waives any and all rights and benefits conferred upon Employee by the provisions of section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Employee agrees that Employee understands and Employee acknowledges the significance and the consequences of such a release, as well as the specific waiver of section 1542. This means that, should Employee discover any facts different from what Employee understood at the time Employee signed this Agreement, Employee will still be barred from making any claims against any of the Releasees.

iii. Except as expressly provided herein, Employee acknowledges and agrees that, by signing this Agreement, Employee is surrendering and giving up any right Employee has or may have, without limiting the generality of any other provision herein, to assert any claim for individual relief or damages against or involving Employer or the Releasees arising from or in any way relating to Employee's employment with Employer or the termination thereof, or to permit Employee to become and remain a member of any class seeking individual relief or damages against Employer or the Releasees arising from or in any way relating to Employee's employment with Employer or the termination thereof. Nothing herein, however, shall prevent Employee from filing a charge with or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission or a state or local fair employment practices agency; provided, however, that Employee further agrees and understands that Employee has waived Employee's right to recover monetary damages or other relief personal to employees in any such charge, complaint, grievance or lawsuit filed by Employee or on Employee's behalf arising from, or in any way relating to, Employee's employment with Employer or the termination thereof, to the maximum extent permitted by applicable law. This release shall not apply to any claims which may not be released pursuant to applicable law and shall not apply to (1) Employee's Equity Rights and rights to enforce the Employment Agreement with respect to any claims with respect to payments and benefits under Sections 6.1(a), (d), and (f) of the Employment Agreement (and any payments and benefits under Section 6.5 of the Employment Agreement in the event that a termination occurs within twelve (12) months following a change in control), with respect to Severance and rights under Section 8.8 of the Employment Agreement, and (2) any rights in the nature of indemnification, advancement of expense reimbursement or entitlement to insurance coverage, which the Employee may have with respect to claims against the Employee relating to or arising out of his employment with, or other provision of services to, the Company Entities.

iv. Notwithstanding anything herein or in any other agreement with or policy of the Employer to which Employee was or is subject, nothing herein or therein shall (A) prohibit Employee from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934, as amended, or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of state or federal law or regulation, or (B) require Employee to comply with any notification or prior approval requirement with respect to any reporting described in clause (A); provided, however, that Employee is not authorized to disclose communications with counsel that were made for the purpose of receiving legal advice or that contain legal advice or that are protected by the attorney work product or similar privilege. Furthermore, Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (1) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law or (2) in a complaint or other document filed in a lawsuit or proceeding, if such filings are made under seal.

(b) Covenant Not to Sue. Additionally, Employee agrees not sue, commence, assert, bring or file in any court or other tribunal, in any jurisdiction, any suit, action, litigation, complaint, cross-complaint, counterclaim, third-party complaint, petition or other pleading or proceeding, or otherwise seek affirmative relief against any Releasees on account of any claim released pursuant to this Agreement. Employee represents that Employee has no charges, complaints, grievances or any other claims or requests for relief pending against Employer or the Releasees (as defined above) with the Equal Employment Opportunity Commission or any other federal, state or local administrative or other judicial tribunal and has no charges, complaints, grievances or any other claims regarding allegations of sexual harassment or sexual misconduct against the Employer.

(c) Consideration. The Employee acknowledges the Severance is in addition to anything of value to which the Employee already is entitled from the Employer and its affiliates and constitutes good and valuable additional consideration for this Agreement.

3. Acknowledgement of Restrictive Covenants. Employee acknowledges that Employee remains bound by his obligations pursuant to Article 8 of the Employment Agreement.

4. No Admission of Liability. Employee agrees and acknowledges that nothing contained in this Agreement, nor the fact that Employee has been or will be paid any remuneration under it, shall be construed, considered or deemed to be an admission of liability or wrongdoing by either Employer or any of the Releasees. Employer and the Releasees deny committing any wrongdoing or violating any legal duty with respect to the Employee's employment or the termination of Employee's employment from Employer. The terms of this Agreement, including all facts, circumstances, statements and documents, shall not be admissible or submitted as evidence in any litigation, in any forum, for any purpose, other than to secure enforcement of the terms and conditions of this Agreement, or as may otherwise be required by law.

5. Knowing and Voluntary Waiver: Acknowledgements.

(a) The Employee acknowledges that, by the Employee's free and voluntary act of signing below, the Employee agrees to all of the terms of this Agreement and intends to be legally bound thereby. By signing this Agreement, Employee hereby acknowledges and agrees that:

- i. Employee has been afforded a reasonable and sufficient period of time to review this Agreement, for deliberation thereon and for negotiation of the terms thereof, and Employee is hereby specifically urged and advised by Employer to consult with an attorney, legal counsel or a representative of Employee's choice before signing it;
- ii. Employee has carefully read and understands the terms of this Agreement, all of which have been fully explained to Employee;
- iii. Employee has signed this Agreement freely and voluntarily and without duress or coercion and with full knowledge of its significance and consequences and of the rights relinquished, surrendered, released and discharged hereunder;
- iv. The only consideration for signing this Agreement are the terms stated herein and no other promise, agreement or representation of any kind has been made to Employee by any person or entity whatsoever to cause Employee to sign this Agreement;
- v. Employee acknowledges that Employee has been informed that Employee has the right to consider this Agreement for a period of at least 21 days prior to entering into this Agreement. Employee expressly acknowledges that Employee has taken sufficient time to consider this Agreement before signing it;
- vi. Employee expressly acknowledges that, if any changes – whether material or immaterial – are or were made to this Agreement after Employee's receipt for review, such changes do not commence a new 21 day period for consideration; and
- vii. Employee acknowledges that this Agreement does not waive rights or claims that may arise after the date this Agreement is signed.

(b) Effective Date. This Agreement will become effective, enforceable and irrevocable on the eighth day after the date on which it is executed by the Employee (the "Effective Date"), provided that the Parties acknowledge and agree that this Agreement shall be null and void if executed prior to the Termination Date. During the seven-day period prior to the Effective Date, the Employee may revoke Employee's agreement to accept the terms hereof by indicating in writing to the Employer his or her intention to revoke. If the Employee exercises Employee's right to revoke hereunder, Employee shall forfeit Employee's right to receive any Severance Payments.

6. Miscellaneous.

(a) Non-Disclosure. Employee acknowledges and agrees that Employee will not disclose the terms of this Agreement to anyone except for Employee's spouse, tax advisor and/or attorney, and only then after having received assurances that they too will honor this confidentiality provision.

(b) Withholding. The Employer may withhold from any amounts payable to the Employee all federal, state, city or other taxes that the Employer may reasonably determine are required to be withheld pursuant to any applicable law or regulation, (it being understood that the Employee shall be responsible for payment of all taxes in respect of the payments and benefits provided herein).

(c) Severability. Any provision of this Agreement (or portion thereof) which is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction. If any covenant should be deemed invalid, illegal or unenforceable because its scope is considered excessive, such covenant shall be modified so that the scope of the covenant is reduced only to the minimum extent necessary to render the modified covenant valid, legal and enforceable. No waiver of any provision or violation of this Agreement by the Employer shall be implied by the Employer's forbearance or failure to take action.

(d) Notices. All notices given hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested, or a national overnight courier service capable of providing delivery confirmation, or by hand-delivery, or by facsimile transmission with confirmed receipt, and, if intended for the Employer, shall be addressed to it at: 4300 El Camino Real, Suite #210, Los Altos, CA 94022, Attn: CEO and if intended for the Employee, shall be addressed to Employee at the address on file at Employer. Each such notice shall be deemed to be given on the date received at the address of the addressee or upon refusal to accept delivery.

(e) Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements relating thereto whether written or oral.

(f) Execution. This Agreement may be executed in two or more facsimiled counterparts, each of which shall be equivalent to an original, but which collectively shall constitute one Agreement.

(g) Modification; Successors and Assigns. This Agreement may not be modified or amended, nor may any rights under it be waived, except in a writing signed and agreed to by the Parties. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors, assigns, legal representatives, executors, administrators and heirs, provided that Employee may not assign his obligations under this Agreement. Employee acknowledges and agree that the Releasees are express third party beneficiaries of this Agreement.

7. Governing Law

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to the rules of conflicts of law.

(b) Arbitration. Any dispute, claim or controversy arising under or in connection with this Agreement or Section 13.8 of the Employment Agreement is incorporated herein in its entirety mutatis mutandis.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement on the date first written above.

Unicycive Therapeutics Inc.

By: _____
Title: _____

Doug Jermasek

Exhibit A-7

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Shalabh Gupta, M.D., certify that:

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

Date: August 14, 2024

By: /s/ Shalabh Gupta, M.D.
Shalabh Gupta, M.D.
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John Townsend, certify that:

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

Date: August 14, 2024

By: /s/ John Townsend
John Townsend
Chief Financial Officer
(Principal Financial and Accounting Officer)

**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 of Unicycive Therapeutics, Inc. (the "Company") on Form 10-Q for the three month period ended June 30, 2024, as filed with the Securities and Exchange Commission on August 14, 2024 (the "Report"), I, Shalabh Gupta, M.D., Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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 as of, and for the periods presented in the Report.

Date: August 14, 2024

By: /s/ Shalabh Gupta, M.D.
Shalabh Gupta, M.D.
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be furnished to the Securities and Exchange Commission or its staff upon request.

**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 of Unicycive Therapeutics, Inc. (the "Company") on Form 10-Q for the three month period ended June 30, 2024, as filed with the Securities and Exchange Commission on August 14, 2024 (the "Report"), I, John Townsend, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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 as of, and for the periods presented in the Report.

Date: August 14, 2024

By: /s/ John Townsend

John Townsend
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be furnished to the Securities and Exchange Commission or its staff upon request.