

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 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 001-39988

Bolt Biotherapeutics, Inc.

(Exact name of Registrant as specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
900 Chesapeake Drive
Redwood City, CA
(Address of principal executive offices)

47-2804636
(I.R.S. Employer
Identification No.)

94063
(Zip Code)

Registrant's telephone number, including area code: (650) 665-9295

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.00001 par value	BOLT	The Nasdaq Global Select Market

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

As of May 7, 2024, the registrant had 38,127,740 shares of common stock outstanding.

Table of Contents

	Page
<u>PART I FINANCIAL INFORMATION</u>	
Item 1.	1
	1
	2
	3
	4
	5
Item 2.	19
Item 3.	27
Item 4.	27
<u>PART II OTHER INFORMATION</u>	
Item 1.	27
Item 1A.	27
Item 2.	27
Item 3.	27
Item 4.	28
Item 5.	28
Item 6.	29
	30

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

BOLT BIOTHERAPEUTICS, INC.
CONDENSED BALANCE SHEETS
(Unaudited, in thousands, except share and per share amounts)

	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,262	\$ 10,810
Short-term investments	87,088	91,379
Prepaid expenses and other current assets	3,705	3,519
Total current assets	95,055	105,708
Property and equipment, net	4,499	4,957
Operating lease right-of-use assets	18,347	19,120
Restricted cash	1,765	1,765
Long-term investments	21,461	26,413
Other assets	1,765	1,821
Total assets	<u>\$ 142,892</u>	<u>\$ 159,784</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 2,219	\$ 2,987
Accrued expenses and other current liabilities	9,710	12,486
Deferred revenue	1,907	2,201
Operating lease liabilities	2,887	2,782
Total current liabilities	16,723	20,456
Operating lease liabilities, net of current portion	16,680	17,437
Deferred revenue, non-current	5,330	9,107
Other long-term liabilities	—	43
Total liabilities	38,733	47,043
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Preferred stock, \$0.00001 par value, authorized shares—10,000,000 shares authorized at March 31, 2024 and December 31, 2023; zero shares issued and outstanding at March 31, 2024 and December 31, 2023	—	—
Common stock, \$0.00001 par value; 200,000,000 shares authorized at March 31, 2024 and December 31, 2023; 38,127,740 and 38,114,606 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	1	1
Additional paid-in capital	479,290	476,988
Accumulated other comprehensive (loss) gain	(36)	37
Accumulated deficit	(375,096)	(364,285)
Total stockholders' equity:	<u>104,159</u>	<u>112,741</u>
Total liabilities and stockholders' equity	<u>\$ 142,892</u>	<u>\$ 159,784</u>

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

BOLT BIOTHERAPEUTICS, INC.
CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited, in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2024	2023
Collaboration revenue	\$ 5,274	\$ 1,826
Operating expenses:		
Research and development	16,529	14,625
General and administrative	5,837	5,616
Total operating expense	22,366	20,241
Loss from operations	(17,092)	(18,415)
Other income, net		
Interest income, net	1,606	1,435
Other income	4,675	—
Total other income, net	6,281	1,435
Net loss	(10,811)	(16,980)
Net unrealized (loss) gain on marketable securities	(73)	684
Comprehensive loss	\$ (10,884)	\$ (16,296)
Net loss per share, basic and diluted	\$ (0.28)	\$ (0.45)
Weighted-average shares outstanding, basic and diluted	38,068,424	37,684,023

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

BOLT BIOTHERAPEUTICS, INC.
CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited, in thousands, except share amounts)

	Three Months Ended March 31, 2024						
	Common		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity	
	Shares	Amount					
Balance at December 31, 2023	38,114,606	\$ 1	\$ 476,988	\$ 37	\$ (364,285)	\$ 112,741	
Vesting of restricted stock units	13,134	—	—	—	—	—	
Stock-based compensation	—	—	2,302	—	—	2,302	
Unrealized loss on available-for-sale investments	—	—	—	(73)	—	(73)	
Net loss	—	—	—	—	(10,811)	(10,811)	
Balance at March 31, 2024	38,127,740	\$ 1	\$ 479,290	\$ (36)	\$ (375,096)	\$ 104,159	

	Three Months Ended March 31, 2023						
	Common		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity	
	Shares	Amount					
Balance at December 31, 2022	37,797,902	\$ —	\$ 467,513	\$ (919)	\$ (295,088)	\$ 171,506	
Vesting of restricted stock units	15,135	—	—	—	—	—	
Stock-based compensation	—	—	2,476	—	—	2,476	
Unrealized gain on available-for-sale investments	—	—	—	684	—	684	
Net loss	—	—	—	—	(16,980)	(16,980)	
Balance at March 31, 2023	37,813,037	\$ —	\$ 469,989	\$ (235)	\$ (312,068)	\$ 157,686	

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

BOLT BIOTHERAPEUTICS, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Three Months Ended March 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (10,811)	\$ (16,980)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	458	467
Stock-based compensation expense	2,302	2,476
Accretion of discount on marketable securities	(1,033)	(852)
Non-cash lease expense	773	719
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(130)	(1,377)
Accounts payable and accrued expenses	(3,544)	(6,611)
Operating lease liabilities	(652)	(559)
Deferred revenue	(4,071)	(683)
Other long-term liabilities	(43)	1
Net cash used in operating activities	(16,751)	(23,399)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	—	(3)
Purchases of marketable securities	(23,058)	(42,883)
Maturities of marketable securities	33,261	71,877
Net cash provided by investing activities	10,203	28,991
Net (decrease) increase in cash	(6,548)	5,592
Cash, cash equivalents and restricted cash at beginning of year	12,575	10,809
Cash, cash equivalents and restricted cash at end of period	\$ 6,027	\$ 16,401
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	\$ 4,262	\$ 14,836
Restricted cash	1,765	1,565
Total cash, cash equivalents and restricted cash	\$ 6,027	\$ 16,401
Supplemental schedule of non-cash investing and financing activities:		
Purchases of property and equipment included in accounts payable and accrued liabilities	\$ —	\$ 46
Deferred offering costs in accounts payable and accrued liabilities	\$ 102	\$ 102

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

BOLT BIOTHERAPEUTICS, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)

1. Description of the Business

Bolt Biotherapeutics, Inc. (the “Company”) is a clinical-stage biopharmaceutical company developing novel immunotherapies for the treatment of cancer. The Company’s pipeline candidates are built on the Company’s deep expertise in myeloid biology and cancer drug development, uniting the targeting precision of antibodies with the power of the innate and adaptive immune system to reprogram the tumor microenvironment for a productive anti-cancer response.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed financial statements as of March 31, 2024 and for the three months ended March 31, 2024 and 2023 have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and pursuant to applicable rules and regulations of the SEC regarding interim financial reporting. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. These unaudited condensed financial statements include only normal and recurring adjustments, which are normal in nature, that the Company believes are necessary to a fair statement of the Company’s financial position and the results of its operations and cash flows. The balance sheet as of December 31, 2023 was derived from the audited financial statements as of that date. These interim financial results are not necessarily indicative of results to be expected for the full year or any other period. These unaudited condensed financial statements and the notes accompanying them should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

Risks and Uncertainties

The Company is subject to a number of risks similar to other early-stage biopharmaceutical companies, including, but not limited to, changes in any of the following areas that the Company believes could have a material adverse effect on its future financial position or results of operations: risks related to the successful discovery and development of its product candidates, ability to raise additional capital, development of new technological innovations by its competitors, delay or inability to obtain chemical or biological intermediates from such suppliers required for the synthesis of the Company’s product candidates, protection of intellectual property rights, litigation or claims against the Company based on intellectual property rights, and regulatory clearance and market acceptance of the Company’s products.

Global economic and business activities continue to face widespread macroeconomic uncertainties, including pandemics, labor shortages, inflation and monetary supply shifts, recession risks and potential disruptions from major geopolitical conflicts. The Company continues to actively monitor the impact of these macroeconomic factors on its financial condition, liquidity, operations, and workforce. The extent of the impact of these factors on the Company’s operational and financial performance, including its ability to execute its business strategies and initiatives in the expected time frame, will depend on future developments, which are uncertain and cannot be predicted; however, any continued or renewed disruption resulting from these factors could negatively impact the Company’s business.

The Company relies on single source manufacturers and suppliers for the supply of its product candidates. Disruption from these manufacturers or suppliers would have a negative impact on the Company’s business, financial position, and results of operations.

Liquidity

The Company has incurred net losses and negative cash flows from operations since its inception and anticipates continuing to incur net losses for the foreseeable future. As of March 31, 2024, the Company had cash and cash equivalents and marketable securities of \$112.8 million and an accumulated deficit of \$375.1 million. Based upon the Company's current operating plans, the Company believes that its existing cash, cash equivalents and marketable securities will be sufficient to fund its operations for at least the next 12 months following the issuance date of this Quarterly Report on Form 10-Q. The Company will need to raise additional capital to continue the advancement of its programs. In the near term, the Company's primary uses of cash will be to fund the completion of key milestones for clinical programs and to fund its operations, including research and development activities and employee salaries. This includes significant costs relating to clinical trials and manufacture of the Company's product candidates. The Company's uses of cash in the long term will be similar as the Company advances its research and development activities and pays employee salaries. Most pharmaceutical products require larger clinical trials as development progresses, and the Company expects its funding requirements to grow with the advancement of its programs. The Company's long-term funding requirements will depend on many factors, which are uncertain but include its portfolio prioritization decisions and the success of its collaborations. In turn, the Company's ability to raise additional capital through equity or partnering will depend on the general economic environment in which it operates and its ability to achieve key milestones.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates and assumptions, including those related to revenue recognition, stock-based compensation and accrued liabilities. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from those estimates.

Allowance for Credit Losses

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

The Company elected the practical expedient to exclude the applicable accrued interest from both the fair value and amortized costs basis of its available-for-sale securities for purposes of identifying and measuring an impairment. Accrued interest receivable on available-for-sale securities is recorded within cash and cash equivalents on the Company's condensed balance sheets. The Company's accounting policy is to not measure an allowance for credit loss for accrued interest receivable and to write-off any uncollectible accrued interest receivable as a reversal of interest income in a timely manner, which the Company considers to be in the period in which it determines the accrued interest will not be collected by the Company.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash, cash equivalents and marketable securities. As of March 31, 2024 and December 31, 2023, most of the Company's funds were invested with a registered investment manager and custodied at one financial institution, with operating cash kept at a separate financial institution, and account balances may at times exceed federally insured limits. Management believes that the Company is not subject to unusual or significant credit risk beyond the normal credit risk associated with commercial banking relationships.

Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period, without consideration for potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of common stock and potentially dilutive securities outstanding for the period. For purposes of the diluted net loss per share calculation, convertible preferred stock, stock options, common stock subject to repurchase related to unvested restricted stock awards and early exercise of stock options are considered potentially dilutive securities. Basic and diluted net loss per share is presented in conformity with the two-class method required for participating securities as the convertible preferred stock is considered a participating security because it participates in dividends with common stock. The Company also considers the shares issued upon the early exercise of stock options subject to repurchase to be participating securities because holders of such shares have non-forfeitable dividend rights in the event a dividend is paid on common stock. The holders of all series of convertible preferred stock and the holders of early exercised shares subject to repurchase do not have a contractual obligation to share in the Company's losses. As such, the net loss was attributed entirely to common stockholders. Because the Company has reported a net loss for all periods presented, diluted net loss per share is the same as basic net loss per share for all periods presented as potentially dilutive securities were anti-dilutive.

Recent Accounting Standards

From time to time, new accounting standards are issued by the Financial Accounting Standards Board (the "FASB"), or other standard setting bodies and adopted by the Company as of the specified effective date. There have been no new accounting pronouncements issued nor adopted during the three months ended March 31, 2024 that are of significance to the Company's financial position or results of operations.

3. Fair Value Measurements and Fair Value of Financial Instruments

The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability.

During the three months ended March 31, 2024, financial assets measured on a recurring basis consist of cash invested in money market accounts, short-term investments, and long-term investments. The fair value of short- and long-term investments is based upon market prices quoted on the last day of the fiscal period or other observable market inputs. The Company obtains pricing information from its investment manager and generally determines the fair value of investment securities using standard observable inputs, including reported trades, broker/dealer quotes, bids and/or offers.

There were no transfers within the hierarchy during the three months ended March 31, 2024 or 2023.

Marketable securities, all of which are classified as available-for-sale securities, consisted of the following at March 31, 2024 and December 31, 2023 (in thousands):

	March 31, 2024			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Asset-backed securities	\$ 18,918	\$ 3	\$ (12)	\$ 18,909
U.S. treasury securities	40,110	5	(15)	40,100
Other government agency securities	8,939	—	(23)	8,916
Commercial paper	17,070	1	(8)	17,063
Corporate debt securities	23,548	21	(8)	23,561
Total	\$ 108,585	\$ 30	\$ (66)	\$ 108,549

	December 31, 2023			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Asset-backed securities	\$ 17,347	\$ 10	\$ (15)	\$ 17,342
U.S. treasury securities	43,924	34	(11)	43,947
Other government agency securities	13,371	—	(15)	13,356
Commercial paper	20,351	4	(10)	20,345
Corporate debt securities	22,763	41	(2)	22,802
Total	\$ 117,756	\$ 89	\$ (53)	\$ 117,792

As of March 31, 2024, the unrealized losses for available-for-sale investments were primarily due to changes in interest rates and not due to increased credit risks associated with specific securities. The contractual terms of those investments do not permit the issuer to settle the securities at a price less than the amortized cost bases of the investments. The Company does not currently intend to sell the investments and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases, which may be at the time of maturity. As of March 31, 2024, no allowance for credit losses was recorded and the Company did not recognize any impairment losses related to investments.

The tables below show the gross unrealized losses and fair value of the Company's available-for-sale securities with unrealized losses that are not deemed to have credit losses (in thousands), aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at March 31, 2024 and December 31, 2023, respectively:

	March 31, 2024					
	Less Than 12 Months		More Than 12 Months		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
Asset-backed securities	\$ 5,715	\$ (1)	\$ 13,194	\$ (11)	\$ 18,909	\$ (12)
U.S. treasury securities	28,220	(3)	11,880	(12)	40,100	(15)
Other government agency securities	—	—	8,916	(23)	8,916	(23)
Commercial paper	17,063	(8)	—	—	17,063	(8)
Corporate debt securities	13,419	(6)	10,142	(2)	23,561	(8)
Total	\$ 64,417	\$ (18)	\$ 44,132	\$ (48)	\$ 108,549	\$ (66)

	December 31, 2023					
	Less Than 12 Months		More Than 12 Months		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
Asset-backed securities	\$ 4,686	\$ -	\$ 12,656	\$ (15)	\$ 17,342	\$ (15)
U.S. treasury securities	34,104	—	9,843	(11)	43,947	(11)
Other government agency securities	2,477	(1)	10,879	(14)	13,356	(15)
Commercial paper	20,345	(10)	—	—	20,345	(10)
Corporate debt securities	9,566	(1)	13,236	(1)	22,802	(2)
Total	\$ 71,178	\$ (12)	\$ 46,614	\$ (41)	\$ 117,792	\$ (53)

Accrued interest receivable on available-for-sale securities were \$0.3 million at March 31, 2024 and December 31, 2023, which are recorded in cash and cash equivalents line item on the Company's condensed balance sheets. The Company has not written off any accrued interest receivables for the three months ended March 31, 2024.

As of March 31, 2024 and December 31, 2023, the fair values of the Company's assets, which are measured at fair value on a recurring basis, were determined using the following inputs (in thousands):

	March 31, 2024			
	Total	(Level 1)	(Level 2)	(Level 3)
Money market funds	\$ 2,395	\$ 2,395	\$ —	\$ —
Asset-backed securities	18,909	—	18,909	—
U.S. treasury securities	40,100	26,185	13,915	—
Other government agency securities	8,916	—	8,916	—
Commercial paper	17,063	—	17,063	—
Corporate debt securities	23,561	—	23,561	—
Total	\$ 110,944	\$ 28,580	\$ 82,364	\$ —

	December 31, 2023			
	Total	(Level 1)	(Level 2)	(Level 3)
Money market funds	\$ 8,641	\$ 8,641	\$ —	\$ —
Asset-backed securities	17,342	—	17,342	—
U.S. treasury securities	43,947	33,001	10,946	—
Other government agency securities	13,356	—	13,356	—
Commercial paper	20,345	—	20,345	—
Corporate debt securities	22,802	—	22,802	—
Total	\$ 126,433	\$ 41,642	\$ 84,791	\$ —

4. Balance Sheet Components

Property and Equipment, net

Property and equipment, net, consist of the following (in thousands):

	March 31, 2024	December 31, 2023
Laboratory equipment	\$ 10,038	\$ 10,038
Office equipment	386	386
Leasehold improvements	286	285
Total property and equipment	10,710	10,709
Less accumulated depreciation and amortization	(6,211)	(5,752)
Total	\$ 4,499	\$ 4,957

Depreciation expense related to property and equipment was \$0.5 million for each of the three months ended March 31, 2024 and 2023.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	March 31, 2024	December 31, 2023
Accrued research and development	\$ 6,194	\$ 6,092
Accrued compensation	2,703	5,820
Accrued other	813	574
Total	\$ 9,710	\$ 12,486

5. Collaborations

Joint Development and License Agreement with Toray Industries, Inc.

In March 2019, the Company entered into a Joint Development and License Agreement (the “Toray Agreement”) with Toray Industries, Inc. (“Toray”) to jointly develop and commercialize a Boltbody™ immune-stimulating antibody conjugate (“ISAC”) containing Toray’s proprietary antibody to treat cancer. The Company determined that the Toray Agreement is a contract with a customer and should be accounted for under ASC 606. In conjunction with the Toray Agreement, the Company entered into a Series T Convertible Preferred Stock Purchase Agreement (the “Series T Agreement”) for the issuance of 717,514 shares of Series T convertible preferred stock to Toray. These contracts have been evaluated together and the consideration in excess of the fair value of the Series T convertible preferred stock of \$1.5 million has been allocated to the Toray Agreement and included in the total consideration for collaboration revenue. In February 2021, in connection with the Company’s initial public offering (“IPO”), all outstanding shares of Series T convertible preferred stock were converted into shares of the Company’s common stock.

In the Toray Agreement, the Company has identified one bundled performance obligation which includes the license rights, research and development services and services associated with participation on a joint steering committee. The transaction price includes the \$1.5 million allocated from the Series T convertible preferred stock and \$1.9 million of estimated variable consideration related to compensation for research and development services at the agreed upon full-time employee rate and third-party costs. Collaboration revenue is recognized over time proportionate to the costs that the Company has incurred to perform the services using an input method as a measure of progress towards satisfying the performance obligation, which is based on project hours. Amounts are billed based on estimated variable consideration in the quarter ahead of performance and are trueed up on the subsequent quarter’s invoice following the work performed. The cumulative effect of revisions to estimated hours to complete the Company’s performance obligation will be recorded in the period in which changes are identified and amounts can be reasonably estimated. As of March 31, 2024, receivables of \$0.2 million related to research and development services performed under the Toray Agreement were recorded as part of the prepaid expenses and other current assets line item on the balance sheet. Deferred revenue allocated to the unsatisfied performance obligation is recorded as a contract liability on the balance sheet and will be recognized over time as the services are performed. As of March 31, 2024, contract liabilities totaling \$1.1 million at period-end were recorded in deferred revenue with \$0.5 million in current liabilities and \$0.6 million in non-current liabilities on the balance sheet based on the forecasted periods of performance.

The following table presents changes in the Company contract liability (in thousands):

Balance at December 31, 2023	\$	1,502
Addition—amount billed or accrued for research and development services		182
Revenue recognized		(576)
Balance at March 31, 2024	\$	<u>1,108</u>

The Company recorded \$0.6 million and zero revenue during the three months ended March 31, 2024 and 2023, respectively. The Toray Agreement includes both fixed and variable considerations. Under the Toray Agreement, the Company will be compensated for early-stage development and manufacturing activities based on agreed full-time equivalent rates and actual out-of-pocket costs incurred through the completion of the first Phase 1 clinical trial for the lead product candidate and Toray is entitled to reimbursement for 50% of such development costs from the Company’s share of revenues collected from the sale or licensing of collaboration products. Although the legal term of the agreement is until collaboration products are no longer sold in the territories covered under the agreement, the parties have present enforceable rights and obligations through the end of the first Phase 1 clinical trial, after which both parties can opt out of continued development under the agreement. As such, the accounting term of the Toray Agreement was considered to terminate upon completion of the first Phase 1 clinical trial. After the conclusion of the first Phase 1 clinical trial, the parties will share equally all costs of development activities necessary for obtaining regulatory approval of collaboration products in the indications in the territories covered under the agreement, unless either party elects to opt out of its co-funding obligations or reduce them by half, which election can be on a region-by-region basis or for the territories covered under the agreement as a whole. Such optional additional items will be accounted for as contract modifications when development advances past certain milestones and the parties both exercise their opt-in rights.

Oncology Research and Development Collaboration with Genmab A/S

In May 2021, the Company entered into a License and Collaboration Agreement (the “Genmab Agreement”) with Genmab A/S (“Genmab”). Together, the companies will evaluate Genmab antibodies and bispecific antibody engineering technologies in combination with the Company’s Boltbody ISAC technology platform, with the goal of discovering and developing next-generation bispecific ISACs for the treatment of cancer. Under this research collaboration, the companies will evaluate multiple bispecific ISAC concepts to identify up to three clinical candidates for development. Genmab will fund the research, along with the preclinical and clinical development of these candidates through initial clinical proof of concept. Under the Genmab Agreement, the Company received an upfront payment of \$10.0 million. The Company has determined that the Genmab Agreement is a contract with a customer and should be accounted for under ASC 606. In conjunction with the Genmab Agreement, the Company entered into a stock purchase agreement (the “Genmab SPA”) for the issuance of 821,045 shares of the Company’s common stock to Genmab for a total purchase price of \$15.0 million. These contracts have been evaluated together and the consideration in excess of the fair value of the common stock of \$1.4 million has been allocated to the Genmab Agreement and included in the total consideration for collaboration revenue.

In the Genmab Agreement, the Company has identified one bundled performance obligation that includes the license rights, research and development services, and services associated with participation on a joint research committee. The transaction price includes the \$10.0 million upfront payment, the \$1.4 million allocated from the Genmab SPA, and \$30.9 million of estimated variable consideration related to compensation for research and development services at the agreed upon full-time employee rate and third-party costs. Collaboration revenue is recognized over time proportionate to the costs that the Company has incurred to perform the services using an input method as a measure of progress towards satisfying the performance obligation, which is based on project hours. Compensation for the research and development services are billed in the quarter based on actual hours incurred to satisfy the performance obligation. The cumulative effect of revisions to estimated hours to complete the Company’s performance obligation will be recorded in the period in which changes are identified and amounts can be reasonably estimated. As of March 31, 2024, receivables of \$0.7 million related to research and development services performed under the Genmab Agreement were recorded as part of the prepaid expenses and other current assets line item on the balance sheet. Deferred revenue allocated to the unsatisfied performance obligation is recorded as a contract liability on the balance sheet and will be recognized over time as the services are performed. As of March 31, 2024, contract liabilities totaling \$6.1 million were recorded in deferred revenue with \$1.4 million in current liabilities and \$4.7 million in non-current liabilities on the balance sheet based on the forecasted periods of performance.

The following table presents changes in the Company contract liability (in thousands):

Balance at December 31, 2023	\$	6,664
Addition—amount billed for research and development services		691
Revenue recognized		(1,225)
Balance at March 31, 2024	\$	<u>6,130</u>

The Company recorded \$1.2 million and \$1.0 million in revenue earned during the three months ended March 31, 2024 and 2023, respectively, based on services performed under the Genmab Agreement during the period. Under the Genmab Agreement, the Company will be compensated for research and development services at the agreed upon full-time employee rate and third-party costs through initial clinical proof of concept of the therapeutic candidates, which also represents the period of time both parties have enforceable rights and obligations. As such, the accounting term of the Genmab Agreement was considered to terminate upon completion of the initial clinical proof of concept of the therapeutic candidates, after which both parties can exercise their respective program opt-in rights. The Genmab Agreement includes optional additional items which will be accounted for as contract modifications after initial clinical proof of concept of the therapeutic candidates. With respect to each candidate for which a party has exercised its program opt-in rights and has exclusive global rights, the other party is eligible to receive potential development and sales-based milestone payments and tiered royalties, subject to certain customary reductions, the amount of all such considerations will vary based on the market potential of the applicable territory for which such party has exercised its program opt-in rights. Under the Genmab Agreement, the Company is eligible to receive total potential milestone payments of up to \$125.0 million in development milestones and \$160.0 million in sale milestones per therapeutic candidate exclusively developed and commercialized by Genmab, along with tiered royalties at rates from a single-digit to mid-teens percentage based on net sales of each therapeutic candidate. However, given the current phase of development of therapeutic candidates under the Genmab Agreement, the Company cannot estimate the probability or timing of achieving these milestones, and, therefore, has excluded all milestone and royalty payments from the transaction prices of the agreement.

Oncology Research and Development Collaboration with Innovent Biologics, Inc.

In March 2024, the Company entered into an amended and restated license and collaboration agreement with Innovent Biologics, Inc. (the “Amended Innovent Agreement”), which amends the original license and collaboration agreement with Innovent Biologics, Inc. (“Innovent”) dated August 25, 2021 (the “Original Innovent Agreement”). Under the Original Innovent Agreement, the Company and Innovent leveraged Innovent’s proprietary therapeutic antibody portfolio and antibody discovery capability against undisclosed oncology targets in combination with the Company’s Boltbody ISAC technology and myeloid biology expertise to create new candidates for cancer treatments. Innovent funded the initial research, along with the preclinical development of these candidates through the contract modification date. Under the Original Innovent Agreement, the Company received an upfront payment of \$5.0 million and was compensated for research and development services at the agreed upon full-time employee rate and third-party costs.

As part of the Amended Innovent Agreement, Innovent paid the Company a one-time payment of \$4.7 million to be relieved from certain future funding and developmental obligations under the Original Innovent Agreement. Additionally, the Company secured exclusive worldwide rights to ISAC programs utilizing specified antibodies against two tumor antigen targets and assumed all future development and commercialization costs for any such ISAC program. Under the Amended Innovent Agreement, the Company has the right, but not the obligation, to further develop and commercialize the ISAC programs. Innovent and its affiliates are eligible to receive total potential milestones payments of up to \$112.7 million, as well as royalties in low single digits on global net sales.

The Company determined that the Amended Innovent Agreement no longer meets the criteria under ASC 606. Therefore, \$2.5 million of deferred revenue allocated to the unsatisfied performance obligation as of the contract modification date, was recognized as revenue and the \$4.7 million one-time payment received was recognized as other income on the condensed statement of operations and comprehensive loss for the three months ended March 31, 2024.

The following table presents changes in the Company contract liability (in thousands):

Balance at December 31, 2023	\$	3,142
Addition—amount billed for research and development services		331
Revenue recognized		(3,473)
Balance at March 31, 2024	\$	—

The Company recorded \$3.5 million and \$0.8 million in revenue earned during the three months ended March 31, 2024 and 2023, respectively, based on services performed to satisfy the performance obligation under the Innovent collaboration during the periods.

Oncology Clinical Trial Collaboration and Supply Agreement with Bristol-Myers Squibb

In September 2021, the Company entered into a clinical collaboration and supply agreement with Bristol-Myers Squibb Company (“BMS”) to study trastuzumab imbotolimod in combination with BMS’s PD-1 checkpoint inhibitor nivolumab, for the treatment of HER2-expressing solid tumors (the “BMS Agreement”). Under the BMS Agreement, BMS granted the Company a non-exclusive, non-transferable, royalty-free license (with a right to sublicense) under its intellectual property to use nivolumab in a clinical trial for a combination therapy of nivolumab and the Company’s proprietary compound, trastuzumab imbotolimod, and has agreed to supply nivolumab at no cost to the Company and the Company will sponsor, fund and conduct the initial Phase 1/2 clinical trial in accordance with an agreed-upon protocol. Both parties will own the study data produced in the clinical trial, other than study data related solely to nivolumab, which will belong solely to BMS, or study data related solely to trastuzumab imbotolimod, which will belong solely to the Company. The parties may conduct additional clinical trials on the combined therapy which may be sponsored and funded by one party, or jointly funded. Given the terms of the BMS Agreement, the Company has concluded that it is not within the scope of ASC 808 or ASC 606. Any relevant costs arising from the clinical trial will be expensed as incurred and recorded in research and development expenses. The Company initiated the clinical trial for the combination therapy of nivolumab and trastuzumab imbotolimod in the fourth quarter of 2021.

Clinical Supply Agreement with F. Hoffmann-La Roche Ltd

In September 2022, the Company entered into a clinical supply agreement with Roche to study trastuzumab imbotolimod in combination with Roche's pertuzumab (Perjeta®), a compound approved for the treatment of HER2-positive breast cancer (the "Roche Agreement"). Under the Roche Agreement, Roche granted the Company a non-exclusive, non-sublicenseable, royalty-free license under its intellectual property to use pertuzumab in a clinical trial for a combination therapy of pertuzumab and the Company's proprietary compound, trastuzumab imbotolimod, and has agreed to supply pertuzumab at no cost to the Company. The Company will sponsor, fund and conduct the initial Phase 2 clinical trial in accordance with an agreed-upon protocol. Both parties will own the study data produced in the clinical trial, other than study data related solely to pertuzumab, which will belong solely to Roche, or study data related solely to trastuzumab imbotolimod, which will belong solely to the Company. The parties may conduct additional clinical trials on the combined therapy which may be sponsored and funded by one party, or jointly funded. Given the terms of the Roche Agreement, the Company has concluded that it is not within the scope of ASC 808 or ASC 606. Any relevant costs arising from the clinical trial will be expensed as incurred and recorded in research and development expenses.

6. Commitments and Contingencies

Leases

The Company has operating leases for its corporate office, laboratory and vivarium space in Redwood City, California. On August 7, 2020, the Company executed a non-cancellable lease agreement for 71,646 square feet of space (the "Chesapeake Master Lease"), which consist of 25,956 square feet under an existing lease and 45,690 square feet of additional space, for its corporate office, laboratory and vivarium space in Redwood City, California. The Chesapeake Master Lease has an initial term of ten years from the commencement date, with an option to extend the lease for an additional eight-year term. The Chesapeake Master Lease contains rent escalation, and the Company is also responsible for certain operating expenses and taxes throughout the lease term. In addition, the Company is entitled to up to \$4.8 million of tenant improvement allowance, which was paid directly by the landlord to various vendors. Upon execution of the non-cancellable lease agreement, the Company took control of 10,000 square feet of space, which was subleased as further described below. The remaining 35,690 square feet of additional office, laboratory and vivarium space commenced in June 2021.

In connection with the execution of the Chesapeake Master Lease, the Company entered into two operating lease agreements to sublease portions of the premises to two unrelated third parties. The first sublease agreement, to sublease 10,000 square feet, commenced in August 2020 and expired on August 31, 2022. The second sublease agreement, to sublease 10,500 square feet, commenced in June 2021 and expired on July 31, 2023. In August 2022, the second sublease agreement was amended to expand the subleased premises to 11,655 square feet in the first year and further increase to 13,743 square feet in the second year. In addition, the expiration date of the second sublease was also amended to the expiration date of the Chesapeake Master Lease. The subtenant has an early termination option with the early termination date no earlier than September 30, 2024, and no option to extend the sublease term. Rent for the second sublease is subject to scheduled annual increases and the subtenant is responsible for certain operating expenses and taxes throughout the term under the sublease agreement. Sublease income under the two sublease agreements was approximately \$0.2 million for each of the three months ended March 31, 2024 and 2023.

At March 31, 2024 and December 31, 2023, finance right-of-use leases were used to finance capital equipment such as printers or ozone generators, and are immaterial.

The weighted-average remaining lease term and discount rate related to the Company's lease liabilities as of March 31, 2024 were 6.5 years and 11.1%, respectively, for the operating leases. The weighted-average remaining lease term and discount rate related to the Company's lease liabilities as of December 31, 2023 were 6.7 years and 11.1%, respectively, for the operating leases. The Company lease discount rates are based on estimates of its incremental borrowing rate, as the discount rates implicit in the Company's leases cannot be readily determined. As the Company does not have any outstanding debt, the Company estimates the incremental borrowing rate based on its estimated credit rating and available market information.

The components of lease expense were as follows (in thousands):

	Three Months Ended March 31,	
	2024	2023
Total operating lease cost	\$ 1,121	\$ 1,121

Supplemental cash flow information related to leases was as follows (in thousands):

	Three Months Ended March 31,	
	2024	2023
Operating cash flows from operating leases	\$ 1,201	\$ 1,162

The following is a schedule by year for future maturities of the Company's operating lease liabilities and sublease income to be received as of March 31, 2024 (in thousands):

	Operating Leases	Sublease Income
2024	\$ 3,685	\$ 363
2025	4,340	—
2026	3,484	—
2027	3,602	—
2028	3,724	—
Thereafter	9,514	—
Total minimum lease payments/sublease income	28,349	363
Less imputed interest	(8,782)	—
Total	\$ 19,567	\$ 363

Supply Agreement

The Company has entered into a supply agreement with EirGenix, Inc., pursuant to which the Company may be required to pay milestone payments upon the achievement of specified regulatory milestones. The agreement is cancellable by the Company upon delivering the appropriate prior written notice. At March 31, 2024, potential future milestone payments under this agreement were up to \$2.0 million.

Guarantees and Indemnifications

In the normal course of business, the Company enters into agreements that contain a variety of representations and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. As of March 31, 2024, the Company did not have any material indemnification claims that were probable or reasonably possible and, consequently, had not recorded related liabilities.

Other Commitments

The Company enters into agreements in the normal course of business, including with contract research organizations for clinical trials, contract manufacturing organizations for certain manufacturing services, and vendors for preclinical studies and other services and products for operating purposes, which are generally cancelable upon written notice.

Legal Proceedings

The Company is subject to claims and assessments from time to time in the ordinary course of business but is not aware of any such matters, individually or in the aggregate, that will have a material adverse effect on the Company's financial position, results of operations or cash flows.

7. Common Stock

Shelf Registration and At-The-Market Equity Offering

On March 30, 2022, the Company filed a shelf registration statement on Form S-3 (the "Registration Statement"). Pursuant to the Registration Statement, the Company may offer and sell securities having an aggregate public offering price of up to \$250.0 million. In connection with the filing of the Registration Statement, the Company also entered into a sales agreement with Cowen and Company, LLC ("Cowen"), as sales agent or principal, pursuant to which the Company may issue and sell shares of its common stock for an aggregate offering price of up to \$75.0 million under an at-the-market (the "ATM") offering program. Pursuant to the ATM, the Company will pay Cowen a commission rate equal to 3.0% of the gross proceeds from the sale of any shares of common stock. The Company is not obligated to make any sales of shares of its common stock under the ATM. As of March 31, 2024, no shares of the Company's common stock have been sold under this ATM.

8. Stock-Based Compensation

2021 Equity Incentive Plan and 2021 Employee Stock Purchase Plan

In January 2021, the Company's board of directors adopted the 2021 Equity Incentive Plan (the "2021 Plan") and the Company's stockholders approved the 2021 Plan. The 2021 Plan authorized issuance of up to 8,075,000 shares of common stock and it became effective upon the execution of the underwriting agreement for the Company's IPO. In addition, the number of shares of common stock reserved for issuance under the 2021 Plan automatically increases on the first day of January of each calendar year that commences after the 2021 Plan became effective and continuing through and including January 1, 2031, in an amount equal to 5% of the total number of shares of the Company's common stock outstanding on December 31, or a lesser number of shares determined by the Company's board of directors or compensation committee. As a result, common stock reserved for issuance under the 2021 Plan was increased by 1,905,730 shares on January 1, 2024.

In addition, in January 2021, the Company's board of directors and stockholders adopted the 2021 Employee Stock Purchase Plan (the "ESPP"). The ESPP authorized issuance of up to 420,000 shares of common stock and it became effective upon the execution of the underwriting agreement for the Company's IPO. The 2021 ESPP permits participants to purchase common stock through payroll deductions of up to 15% of their eligible compensation. Employees purchase shares of common stock at a price per share equal to 85% of the lower of the fair market value at the start or end of six-month purchase periods within the two-year offering period. In addition, the number of shares of common stock reserved for issuance under the 2021 ESPP automatically increases on January 1 of each calendar year that commences after the ESPP became effective and continuing through and including January 1, 2031, by the lesser of (1) 1% of the total number of shares of the Company's common stock outstanding on December 31 of the preceding calendar year, (2) 840,000 shares, and (3) a number of shares determined by the Company's board of directors. As a result, common stock reserved for issuance under the 2021 ESPP was increased by 381,146 shares on January 1, 2024. No shares were issued under the ESPP during the three months ended March 31, 2024 and 2023.

Performance and Service-Based Stock Options

In September 2020, the compensation committee of the Company's board of directors granted 526,018 options to employees that would commence vesting upon the closing of the Series C-2 financing and generally vest monthly over 48 months (the "Performance Awards"). The Company recognizes expense based on the fair value of the Performance Awards over the estimated service period (under the graded vesting method) to the extent the achievement of the related performance criteria is estimated to be probable. The Company determined that the financing milestone was achieved during January 2021. Accordingly, the Company recognized stock-based compensation expense related to the Performance Awards of approximately \$17,000 and \$47,000 for the three months ended March 31, 2024 and 2023, respectively. The weighted-average grant date fair value of the Performance Awards was \$3.24 per share.

Restricted Stock Units

In December 2021, the Company issued 336,000 restricted stock units under the 2021 Plan at a grant date fair value of \$4.51 per share. These restricted stock units vest in equal quarterly installments over three years, subject to the employee's continued employment with, or services to, the Company on each vesting date. Each restricted stock unit represents the right to receive one share of the Company's common stock when and if the applicable vesting conditions are satisfied.

Stock-Based Compensation Expense

The following table summarizes the components of stock-based compensation expense recognized in the Company's statement of operations and comprehensive loss (in thousands):

	Three Months Ended March 31,	
	2024	2023
Research and development	\$ 980	\$ 1,026
General and administrative	1,322	1,450
Total	<u>\$ 2,302</u>	<u>\$ 2,476</u>

9. Net Loss Per Share

The following table sets forth the computation of the Company's basic and diluted net loss per share attributable to common stockholders, which excludes shares which are legally outstanding, but subject to repurchase by the Company (in thousands, except share and per share amounts):

	Three Months Ended March 31,	
	2024	2023
Numerator:		
Net loss	<u>\$ (10,811)</u>	<u>\$ (16,980)</u>
Denominator:		
Weighted average common shares outstanding	38,117,781	37,801,602
Weighted average common stock outstanding subject to repurchase related to unvested early exercised stock options and restricted stock awards	<u>(49,358)</u>	<u>(117,579)</u>
Weighted average common shares outstanding - basic and diluted	<u>38,068,424</u>	<u>37,684,023</u>
Net loss per share attributable to common stockholders, basic and diluted	<u>\$ (0.28)</u>	<u>\$ (0.45)</u>

Potentially dilutive shares to be issued under the ESPP as of March 31, 2024 and 2023 were not included in the calculation of dilutive net loss per share because they would be anti-dilutive and were immaterial. In addition, potential dilutive securities not included in the calculation of diluted net loss per share because to do so would be anti-dilutive are as follows (in common stock equivalent shares):

	As of March 31,	
	2024	2023
Common stock options issued and outstanding	12,495,314	10,459,470
Common stock outstanding subject to repurchase related to unvested early exercised stock options and restricted stock awards	39,399	104,182
Total	<u>12,534,713</u>	<u>10,563,652</u>

10. Subsequent Events

On May 14, 2024, the Company announced a strategic pipeline prioritization and restructuring plan pursuant to which it will discontinue developing trastuzumab imbotolimod, formerly known as BDC-1001, in order to focus on the Company's next generation ISAC platform including new clinical candidate, BDC-4182, targeting Claudin 18.2 and Phase 1 asset, BDC-3042, a Dectin-2 agonist antibody and reduce overall operating expenses to preserve cash. The restructuring plan includes a reduction of the Company's current workforce by approximately 50 employees, or approximately 50% of the Company's workforce. The Company estimates that it will incur aggregate pre-tax charges between approximately \$3.0 million to \$4.0 million in connection with the reduction-in-force, primarily consisting of severance payments, employee benefits, and related costs. The Company expects that the reduction-in-force will be complete by the end of 2024 and that the associated charges will be substantially incurred in the second quarter of 2024. The estimated charges that the Company expects to incur are subject to a number of assumptions, and actual results may differ materially from these estimates. The Company may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with the restructuring plan.

In connection with the reduction-in-force described above, the Company entered into consulting agreements with certain officers of the Company, pursuant to which, a total of 1,615,713 stock options previously granted to the officers will be canceled effective July 15, 2024.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report are forward-looking statements, including statements regarding:

- our expectations regarding the success of our development and commercialization strategy and our product candidates;*
- our expectations regarding the operation of our product candidates, collaborations and related benefits;*
- our beliefs regarding our industry;*
- our beliefs regarding the success, cost and timing of our product candidate development and collaboration activities and current and future clinical trials and studies;*
- our beliefs regarding the potential markets for our product candidates, collaborations and our and our collaborators' ability to serve those markets;*
- our ability to attract and retain key personnel;*
- our ability to obtain funding for our operations, including funding necessary to complete further development and any commercialization of our product candidates; and*
- regulatory developments in the United States (the "U.S.") and foreign countries, with respect to our product candidates.*

These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terminology such as "anticipates," "believes," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," "will," or the negative of these terms or other comparable terminology. These forward-looking statements are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition, and results of operations. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are subject to a number of risks, uncertainties and assumptions, including those described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on March 21, 2024. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances, or otherwise.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

We have common law trademark rights in the unregistered marks "Bolt Biotherapeutics, Inc.," "Boltbody," and the Bolt Biotherapeutics logo in certain jurisdictions. Solely for convenience, trademarks and tradenames referred to in this Quarterly Report on Form 10-Q appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or that the applicable owner will not assert its rights, to these trademarks and tradenames.

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

The following discussion and analysis of our financial condition as of March 31, 2024 and results of operations for the three months ended March 31, 2024 and 2023 should be read in conjunction with our condensed financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and in our other SEC filings, including our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on March 21, 2024. Except as otherwise indicated herein or as the context otherwise requires, references in this Quarterly Report on Form 10-Q to “Bolt Bio,” “the Company,” “we,” “us” and “our” refer to Bolt Biotherapeutics, Inc.

Overview

We are a clinical-stage biopharmaceutical company developing novel immunotherapies for the treatment of cancer. Our pipeline candidates are built on our deep expertise in myeloid biology and cancer drug development. Our various approaches use pattern recognition receptors expressed by the innate immune system to help the body eliminate tumor cells as part of a productive anti-cancer response. Our proprietary Boltbody™ ISAC platform technology combines tumor-targeting antibodies with immune-stimulating linker-payloads. We believe this approach has the potential to create products that work with a patient’s own immune system, resulting in anti-cancer efficacy good tolerability. Having explored more than one hundred distinct linker-payloads and multiple tumor targets, we know the importance of both the linker-payload and the antibody and have developed a library of linker-payloads for use in our own development programs and in our collaborations.

Our first Boltbody ISAC program was trastuzumab imbotolimod, formerly known as BDC-1001, targeting a tumor antigen known as human epidermal growth factor receptor 2 (HER2) that is often found in cancers such as breast and gastroesophageal cancer. In 2023, trastuzumab imbotolimod completed the Phase 1 stage of clinical development and advanced into a Phase 2 program that includes four different HER2-positive solid tumor types: breast cancer, gastroesophageal cancer, colorectal cancer, and endometrial cancer. In September 2023, the U.S. Food and Drug Administration, or FDA, granted trastuzumab imbotolimod Orphan Drug Designation for the treatment of gastric cancer, including gastroesophageal junction cancer. In the Phase 2 program we evaluated trastuzumab imbotolimod as a single agent and in combination with the HER2-targeting antibody pertuzumab, and we have determined that the program will not meet its success criteria. We will therefore cease further development of trastuzumab imbotolimod and be focusing resources on our next-generation ISAC platform including new clinical candidate, BDC-4182, targeting Claudin 18.2, and Phase 1 asset, BDC-3042, a dectin-2 agonist antibody and reduce overall operating expenses to preserve cash.

Our expertise in myeloid cell biology also forms the foundation for additional, innovative immuno-oncology approaches that complement our Boltbody ISAC platform. For example, BDC-3042, our Dectin-2 agonist antibody program. BDC-3042 is being developed to repolarize critical cells in the tumor microenvironment known as tumor-associated macrophages (TAMs). Dectin-2 agonism results in these TAMs changing from tumor-supportive macrophages into tumor-destructive macrophages that elicit durable anti-tumor immune responses in preclinical models. We received the Investigational New Drug Application, or IND, clearance from the FDA in July 2023. In October 2023, we dosed the first patient with BDC-3042 in the Phase 1 dose-escalation study in patients with a broad range of solid tumors. BDC-3042 has now completed the first three dose escalation cohorts without experiencing a dose-limiting toxicity.

Since our inception in January 2015, we have focused primarily on organizing and staffing our company, business planning, licensing, developing intellectual property, raising capital, developing our product candidates, and conducting preclinical studies and clinical trials. Prior to the completion of our initial public offering in February 2021, we funded our operations primarily through private placements of our convertible preferred stock for gross proceeds of \$173.7 million. In February 2021, we completed our initial public offering of 13,225,000 shares of our common stock at a price to the public of \$20.00 per share, including the exercise in full by the underwriters of their option to purchase 1,725,000 additional shares of our common stock. Including the option exercise, the aggregate net proceeds to us from the offering was approximately \$242.0 million, net of underwriting discounts, commissions, and other offering expenses. In May 2021, we issued 821,045 shares of our common stock to Genmab for gross proceeds of approximately \$15.0 million.

We have not recorded any revenue from product sales. To date, our only revenue has been derived from our collaborations with Toray, Genmab, and Innovent. In March 2019, we entered into the Toray Agreement to jointly develop and commercialize a Boltbody ISAC utilizing a Toray proprietary antibody. In May 2021, we entered into an oncology research and development collaboration with Genmab to evaluate Genmab antibodies and bispecific antibody engineering technologies in combination with our proprietary Boltbody ISAC technology platform, with the goal of discovering and developing next-generation bispecific ISACs for the treatment of cancer. The research collaboration will evaluate multiple bispecific ISAC product candidate concepts with the potential to identify up to three clinical candidates for development. In August 2021, we entered into an oncology research and development collaboration with Innovent to leverage Innovent's proprietary therapeutic antibody portfolio and antibody discovery capability against undisclosed oncology targets in combination with our Boltbody ISAC technology and myeloid biology expertise to create new candidates for cancer treatments. The Innovent collaboration was amended in March 2024, when we secured exclusive worldwide rights to ISAC programs utilizing specified antibodies against two tumor antigen targets. We expect our collaborations with Toray and Genmab to add additional novel ISACs to our pipeline.

In September 2021, we entered into a clinical collaboration and supply agreement with BMS to study trastuzumab imbotolimod in combination with BMS's nivolumab, a leading PD-1 checkpoint inhibitor, for the treatment of patients with HER2-expressing solid tumors. Under the BMS Agreement, BMS will be providing nivolumab at no cost to us and we will sponsor, fund, and conduct the initial Phase 1/2 clinical trial in accordance with an agreed-upon protocol. We initiated the clinical trial evaluating the combination of nivolumab and trastuzumab imbotolimod in the fourth quarter of 2021. In September 2022, we entered into a clinical supply agreement, or the Roche Agreement, with Roche to study trastuzumab imbotolimod in combination with Roche's pertuzumab (Perjeta®), a compound approved for the treatment of HER2-positive breast cancer. Under the Roche Agreement, Roche will be providing pertuzumab at no cost to us and we will sponsor, fund, and conduct an initial Phase 2 clinical trial in accordance with an agreed-upon protocol. The original Phase 1/2 clinical trial moved into Phase 2 dose expansions and we have determined that the program will not meet its success criteria, and we will therefore cease further development.

We have incurred operating losses since our inception. Our net losses were \$10.8 million and \$17.0 million for the three months ended March 31, 2024 and 2023, respectively. As of March 31, 2024, we had an accumulated deficit of \$375.1 million. Substantially all of our net losses have resulted from costs incurred in connection with our research and development programs and from general and administrative costs associated with our operations. We expect to continue to incur significant expenses and operating losses for the foreseeable future as we:

- conduct our ongoing and planned clinical trials;
- continue our research and development programs;
- continue our clinical, regulatory, quality and manufacturing capabilities;
- seek regulatory approvals for our product candidates; and
- operate as a public company.

Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our planned clinical trials and preclinical studies, and our expenditures on other research and development activities.

Restructuring

On May 14, 2024, we announced a strategic pipeline prioritization and restructuring plan pursuant to which we will discontinue developing trastuzumab imbotolimod, formerly known as BDC-1001, in order to focus on our next generation ISAC platform including new clinical candidate, BDC-4182, targeting Claudin 18.2, and our Phase 1 asset, BDC-3042, a Dectin-2 agonist antibody and reduce overall operating expenses to preserve cash. The restructuring plan includes a reduction of our current workforce by approximately 50 employees, or approximately 50% of our workforce. We estimate that we will incur aggregate pre-tax charges between approximately \$3.0 million to \$4.0 million in connection with the reduction-in-force, primarily consisting of severance payments, employee benefits, and related costs. We expect that the reduction-in-force will be complete by the end of 2024 and that the associated charges will be substantially incurred in the second quarter of 2024. The estimated charges that we expect to incur are subject to a number of assumptions, and actual results may differ materially from these estimates. We may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with the restructuring plan.

Business Conditions and Macroeconomic Factors

Macroeconomic factors, such as increased inflation and interest rates, financial and credit market fluctuations, changes in economic policy, global supply chain constraints, and recent and potential disruptions in access to bank deposits due to bank failures, have had, and we believe will continue to have, an impact on our business and results of operations. Similar, and perhaps more severe, disruptions in our operations could negatively impact our business, operating results and financial condition.

The effects of a pandemic or major geopolitical developments, and associated economic conditions, remain difficult to predict due to numerous uncertainties. We believe that the direct and indirect impacts of these business conditions and macroeconomic factors are difficult to isolate or quantify. See Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on March 21, 2024, and the Special Note Regarding Forward-Looking Statements elsewhere in this Quarterly Report for additional details. We will continue to closely monitor and evaluate the nature and extent of these macroeconomic factors on our business, consolidated results of operations, and financial condition.

Components of Results of Operations

Revenue

To date our only revenue has been collaboration revenue derived from our collaborations with Toray, Genmab, and Innovent. We are collaborating with Toray to develop a Boltbody ISAC that incorporates a proprietary Toray antibody against a novel tumor antigen target. We are jointly responsible for early-stage development and for providing technical and regulatory support, and Toray will pay for the program expenses through the end of Phase 1 development. In conjunction with the collaboration, Toray purchased 717,514 shares of our Series T convertible preferred stock for \$10.0 million, which were converted into shares of our common stock upon the completion of our IPO in February 2021. We evaluated the collaboration together with Toray's purchase of Series T convertible preferred stock and allocated \$1.5 million from the stock purchase proceeds to deferred revenue, which we recognize, together with payments received from Toray as compensation based on agreed-upon full-time equivalent rates and out-of-pocket costs, as collaboration revenue over time as we fulfill our performance obligation to Toray.

In May 2021, we entered into an oncology research and development collaboration with Genmab to evaluate Genmab antibodies and bispecific antibody engineering technologies in combination with our proprietary Boltbody ISAC technology platform, with the goal of discovering and developing next-generation bispecific ISACs for the treatment of cancer. The research collaboration will evaluate multiple bispecific ISAC concepts to identify up to three clinical candidates for development. Genmab will fund the research, along with the preclinical and clinical development of these candidates through initial clinical proof of concept. Under the Genmab Agreement, we received an upfront payment of \$10.0 million and in conjunction with the collaboration, Genmab purchased 821,045 shares of our common stock for \$15.0 million. We evaluated the collaboration together with Genmab's purchase of our common stock and allocated \$1.4 million from the stock purchase proceeds, together with the \$10.0 million upfront payment, to deferred revenue. We recognize this deferred revenue, together with payments received from Genmab for compensation based on agreed-upon full-time equivalent rates and out-of-pocket costs, as collaboration revenue over time as we fulfill our performance obligation to Genmab.

In August 2021, we entered into an oncology research and development collaboration with Innovent, or the Original Innovent Agreement, to leverage Innovent's proprietary therapeutic antibody portfolio and antibody discovery capability against undisclosed oncology targets in combination with our Boltbody ISAC technology and myeloid biology expertise to create new candidates for cancer treatments. Under the Original Innovent Agreement, the Company received an upfront payment of \$5.0 million. We allocated the entire \$5.0 million upfront payment to deferred revenue, which we recognized together with other payments received from Innovent as collaboration revenue over time as we fulfilled our performance obligation to Innovent. The Innovent agreement, as amended in March 2024, or the Amended Innovent Agreement, no longer meets the criteria under ASC 606. \$2.5 million of deferred revenue allocated to the unsatisfied performance obligation as of the contract modification date was recognized as revenue in the three months ended March 31, 2024.

We expect that any collaboration revenue we generate from our current collaborations, and from any future collaboration partners, will fluctuate in the future as a result of the timing and outcome of development activities and the timing and amount paid, including upfront and milestone payments, and other factors.

We have not generated any revenue from product sales, and we do not expect to generate any revenue from product sales unless and until we obtain regulatory approval of and commercialize one of our product candidates.

Operating Expenses

Research and Development

Research and development expenses have related primarily to early research and discovery activities and to preclinical and clinical development of our product candidates. Research and development expenses are recognized as incurred and payments made prior to the receipt of goods or services to be used in research and development are capitalized until the goods or services are received.

Research and development expenses include:

- costs related to manufacturing our product candidates for clinical trials and preclinical studies, including fees paid to third-party CDMOs;
- salaries, payroll taxes, employee benefits and stock-based compensation charges for those individuals involved in research and development efforts;
- external research and development expenses, including lab materials and supplies and payments to CROs, investigative sites, and consultants to conduct our clinical trials and preclinical and non-clinical studies; and
- facilities and other allocated expenses which include direct and allocated expenses for rent, insurance, and other supplies.

Our direct research and development expenses consist principally of external costs, such as fees paid to CROs and consultants in connection with our clinical and preclinical studies and costs related to manufacturing materials for our studies. Since our inception and through March 31, 2024, the majority of our third-party expenses were related to the research and development of trastuzumab imbotolimod, BDC-3042, and other product candidates. With the exception of costs incurred to satisfy our performance obligations under our collaboration agreements, we do not allocate employee costs and costs associated with our discovery efforts, laboratory supplies, and facilities, including other indirect costs, to specific product candidates as these costs are associated with multiple programs and, as such, are not separately classified. We use internal resources primarily to conduct our research as well as for managing our preclinical development, process development, manufacturing, and clinical development activities. We deploy our personnel across all of our research and development activities and, as our employees work across multiple programs, we do not currently track our costs by product candidate.

We expect to continue to incur research and development expenses for the foreseeable future as we continue the development of our product candidates, particularly as product candidates in later stages of development generally have higher development costs. We cannot determine with certainty the timing of initiation, the duration or the completion costs of future clinical trials and preclinical studies of our product candidates due to the inherently unpredictable nature of clinical and preclinical development. Clinical and preclinical development timelines, and the probability of success and development costs can differ materially from expectations.

We anticipate that we will make determinations as to which product candidates and development programs to pursue and how much funding to direct to each product candidate or program on an ongoing basis in response to the results of ongoing and future preclinical studies and clinical trials, regulatory developments, and our ongoing assessments of each product candidate's commercial potential. We will need to raise substantial additional capital in the future. In addition, we cannot forecast which product candidates may be subject to future collaborations, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

Our future clinical development costs may vary significantly based on factors such as:

- the number and scope of preclinical and IND-enabling studies;
- per-patient trial costs;
- the number of trials required for approval;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the number of patients who participate in the trials;
- the number of doses that patients receive;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring requested by regulatory agencies;

- the duration of patient participation in the trials and through all follow-up;
- the cost and timing of manufacturing our product candidates;
- the phase of development of our product candidates; and
- the safety and efficacy profile of our product candidates.

General and Administrative

General and administrative expenses consist primarily of salaries and employee-related costs, including stock-based compensation, for personnel in executive, finance, and other administrative functions. Other significant costs include legal fees relating to intellectual property and corporate matters, professional fees for accounting and consulting services, and facility-related costs. We expect to continue to incur general and administrative expenses for the foreseeable future to support our ongoing research and development activities and the costs of operating as a public company. These costs will likely include expenses related to audit, legal, regulatory, and tax-related services associated with maintaining compliance with Nasdaq and SEC requirements, director and officer insurance premiums and investor relations costs associated with operating as a public company.

Results of Operations

Comparison of the three months ended March 31, 2024 and 2023

	Three Months Ended March 31,		
	2024	2023	Change
	(Unaudited, in thousands)		
Collaboration revenue	\$ 5,274	\$ 1,826	\$ 3,448
Operating expenses:			
Research and development	16,529	14,625	1,904
General and administrative	5,837	5,616	221
Total operating expenses	22,366	20,241	2,125
Loss from operations	(17,092)	(18,415)	1,323
Other income (expense), net:			
Interest income, net	1,606	1,435	171
Other income (expense), net:	4,675	—	4,675
Total other income (expense), net	6,281	1,435	4,846
Net loss	\$ (10,811)	\$ (16,980)	\$ 6,169

Collaboration Revenue

Revenue was \$5.3 million and \$1.8 million for the three months ended March 31, 2024 and 2023, respectively. The increase in revenue in the comparative periods was mainly due to revenue recognized under the Amended Innovent Agreement, as we satisfied our performance obligation to Innovent. The increase was also due to continued progress in our other collaborations as we fulfill our performance obligations to our collaboration partners.

Research and Development Expenses

Research and development expenses were \$16.5 million and \$14.6 million for the three months ended March 31, 2024 and 2023, respectively. The increase of \$1.9 million between the comparable three month periods was due to a \$1.4 million increase in clinical trial expenses due to continued progress in our clinical trials for trastuzumab imbotolimod and BDC-3042, a \$0.7 million increase in research and development contract service expenses and a \$0.4 million increase in salary and related expenses primarily due to an increase in headcount, partially offset by a \$0.6 million decrease in manufacturing expenses related to timing of batch production of our product candidates.

General and Administrative Expenses

General and administrative expenses were \$5.8 million and \$5.6 million for the three months ended March 31, 2024 and 2023, respectively. The increase of \$0.2 million between the comparable three month periods was due to increases in salary and related expenses and increases in consulting and professional services expenses.

Other Income, Net

Interest Income, Net

Interest income was \$1.6 million and \$1.4 million for the three months ended March 31, 2024 and 2023, respectively. The interest income, net was primarily comprised of interest income from marketable securities.

Other Income

Other income was \$4.7 million and zero for the three months ended March 31, 2024 and 2023, respectively. The other income in 2024 was due to the one-time payment received from Innovent under the Amended Innovent Agreement.

Liquidity and Capital Resources

Sources of Liquidity

We have incurred net losses and negative cash flows from operations since our inception and anticipate we will continue to incur net losses for the foreseeable future. As of March 31, 2024, we had cash and cash equivalents and marketable securities of \$112.8 million and an accumulated deficit of \$375.1 million. Our net losses were \$10.8 million and \$17.0 million for the three months ended March 31, 2024 and 2023, respectively, and we expect to incur additional losses in the future. We evaluated our current cash position, historical results, forecasted cash flows and plans with regard to liquidity.

We believe that our current cash, cash equivalents and marketable securities balances as of March 31, 2024 will be sufficient to meet our cash needs for at least 12 months following the issuance date of this Quarterly Report on Form 10-Q. Our investment policy prioritizes preservation of principal and availability of cash to meet cash flow requirements then maximization of total net returns after satisfying the first two conditions. Our policy only allows for investments in fixed-income instruments such as corporate bonds and government securities. We believe we will meet longer term expected future cash requirements and obligations through a combination of cash flows from operating activities, available cash balances, and equity or debt financings or other capital sources, including potential collaborations, licenses, and other similar arrangements.

Shelf Registration and At-The-Market Equity Offering

On March 30, 2022, we filed a shelf registration statement on Form S-3, or the Registration Statement. Pursuant to the Registration Statement, we may offer and sell securities having an aggregate public offering price of up to \$250.0 million. In connection with the filing of the Registration Statement, we also entered into a sales agreement with TD Cowen, or Cowen, as sales agent or principal, pursuant to which we may issue and sell shares of our common stock for an aggregate offering price of up to \$75.0 million under an at-the-market offering program, or the ATM. Pursuant to the ATM, we will pay Cowen a commission rate equal to 3.0% of the gross proceeds from the sale of any shares of common stock. We are not obligated to make any sales of shares of our common stock under the ATM. As of March 31, 2024, no shares of our common stock have been sold under the ATM.

Summary Cash Flows

The following table sets forth a summary of our cash flows for each of the periods indicated:

	Three Months Ended March 31,	
	2024	2023
	(Unaudited, in thousands)	
Net cash (used in) provided by		
Operating activities	\$ (16,751)	\$ (23,399)
Investing activities	10,203	28,991
Net (decrease) increase in cash, cash equivalents and restricted cash	<u>\$ (6,548)</u>	<u>\$ 5,592</u>

Operating Activities

Net cash used in operating activities was \$16.8 million and \$23.4 million for the three months ended March 31, 2024 and 2023, respectively. Net cash used in operating activities for the three months ended March 31, 2024 was due to our net loss of \$10.8 million, adjusted down for \$2.5 million of non-cash charges and up for a \$8.4 million change in operating assets and liabilities. The non-cash charges were comprised of \$2.3 million for stock-based compensation, \$0.8 million of non-cash lease-related expense, and \$0.5 million for depreciation and amortization expense, partially offset by \$1.0 million for accretion of discount on marketable securities. The change in net operating assets was primarily due to a \$4.1 million decrease in our deferred revenue, a \$3.5 million decrease in our accounts payable and accrued expenses, a \$0.7 million decrease in operating lease liabilities, and a \$0.1 million increase in our prepaid expenses and other current assets. Net cash used in operating activities for the three months ended March 31, 2023 was due to our net loss of \$17.0 million, adjusted down for \$2.8 million of non-cash charges and up for a \$9.2 million change in operating assets and liabilities. The non-cash charges were comprised of \$2.5 million for stock-based compensation, \$0.9 million for accretion of discount on marketable securities, \$0.7 million of non-cash lease-related expense, and \$0.5 million for depreciation and amortization expense. The change in net operating assets was due to a \$6.6 million decrease in our accounts payable and accrued expenses, decreases in our deferred revenue and operating lease liabilities, and increases in our prepaid expenses and other current assets.

Investing Activities

Net cash provided by investing activities was \$10.2 million and \$29.0 million for the three months ended March 31, 2024 and 2023, respectively. The net cash provided by investing activities for the three months ended March 31, 2024 was due to \$33.3 million in maturities of marketable securities, offset by \$23.1 million in purchases of marketable securities. The net cash provided by investing activities for the three months ended March 31, 2023 was due to \$71.9 million in maturities of marketable securities, offset by \$42.9 million in purchases of marketable securities.

Funding Requirements

Based upon our current operating plans, we believe that our existing cash, cash equivalents and marketable securities will be sufficient to fund our operations for at least the next 12 months following the issuance date of this Quarterly Report on Form 10-Q. We will need to raise additional capital to continue the advancement of our programs. In the near term, our primary uses of cash will be to fund the completion of key milestones for clinical programs and to fund our operations, including research and development activities and employee salaries. This includes significant costs relating to clinical trials and manufacturing our product candidates. Our uses of cash in the long term will be similar as we advance our research and development activities and pay employee salaries. Most pharmaceutical products require larger clinical trials as development progresses, and we expect our funding requirements to grow with the advancement of our programs. Our long-term funding requirements will depend on many factors, which are uncertain but include our portfolio prioritization decisions and the success of our collaborations. In turn, our ability to raise additional capital through equity or partnering will depend on the general economic environment in which we operate and our ability to achieve key milestones. Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and actual results could vary materially. We have based this estimate on assumptions that may prove to be wrong, and we could deplete our capital resources sooner than we expect. Additionally, the process of testing product candidates in clinical trials is costly, and the timing of progress and expenses in these trials is uncertain.

Our future capital requirements will depend on many factors, including:

- the type, number, scope, progress, expansions, results, costs, and timing of our clinical trials;
- the type, number, scope, results, costs, and timing of preclinical studies for our product candidates or other potential product candidates or indications we are pursuing or may choose to pursue in the future;
- the outcome, timing, and costs of regulatory review of our product candidates;
- the costs and timing of manufacturing for our product candidates, including commercial manufacturing;
- our efforts to enhance operational systems and hire additional personnel to satisfy our obligations as a public company, including enhanced internal controls over financial reporting;
- the costs associated with hiring additional personnel and consultants as our preclinical and clinical activities increase;
- the costs and timing of establishing or securing sales and marketing capabilities if any product candidate is approved;
- our ability to achieve sufficient market acceptance, coverage and adequate reimbursement from third-party payors and adequate market share and revenue for any approved products;
- patients' willingness to pay out-of-pocket for any approved products in the absence of coverage and/or adequate reimbursement from third-party payors;

- the terms and timing of establishing and maintaining collaborations, licenses and other similar arrangements;
- the costs of obtaining, maintaining, defending, and enforcing our patent and other intellectual property rights; and
- costs associated with any product candidates, products, or technologies that we may in-license or acquire.

Until such time as we can generate significant revenue from sales of our product candidates, if ever, we expect to finance our cash needs through equity or debt financings or other capital sources, including potential collaborations, licenses, the sale of future royalties, and other similar arrangements. However, we may be unable to raise additional funds or enter into such other arrangements on favorable terms or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. If we raise funds through collaborations, or other similar arrangements with third parties, we may have to relinquish valuable rights to our product candidates, future revenue streams or research programs or may have to grant licenses on terms that may not be favorable to us and/or may reduce the value of our common stock. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market our product candidates even if we would otherwise prefer to develop and market such product candidates ourselves.

Contractual Obligations and Commitments

Refer to Note 5 Collaborations and Note 6 Commitments and Contingencies, to our unaudited condensed financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q for information regarding our contractual obligations and commitments.

Critical Accounting Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and the disclosure of contingent assets and liabilities in our financial statements and accompanying notes. We base our estimates on historical experience, known trends and events and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes to our critical accounting policies and estimates as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Based on their evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) were effective at a reasonable assurance level as of March 31, 2024.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting during the three months ended March 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. There are currently no claims or actions pending against us, the ultimate disposition of which we believe could have a material adverse effect on our results of operations, financial condition, or cash flows.

Item 1A. Risk Factors.

There are no material changes from the risk factors previously disclosed in Item 1A of our Annual Report on Form 10-K, other than as set forth below.

Our recent restructuring designed to reduce our operating expenses may not result in our intended outcomes and may yield unintended consequences and additional costs.

In May 2024, we implemented a restructuring plan, including a reduction in force affecting 50 employees, or 50% of our workforce. The decision was based on cost reduction initiatives intended to reduce operating expenses. In connection with the restructuring, we will discontinue developing trastuzumab imbotolimod, formerly known as BDC-1001.

The restructuring may result in unintended consequences and costs, such as the loss of institutional knowledge and expertise, attrition beyond the intended number of employees, decreased morale among our remaining employees, and the risk that we may not achieve the anticipated benefits of the restructuring. In addition, while positions have been eliminated certain functions necessary to our operations remain, and we may be unsuccessful in distributing the duties and obligations of departed employees among our remaining employees. The restructuring could also make it difficult for us to pursue, or prevent us from pursuing, new opportunities and initiatives due to insufficient personnel, or require us to incur additional and unanticipated costs to hire new personnel to pursue such opportunities or initiatives. If we are unable to realize the anticipated benefits from the restructuring, if we experience significant adverse consequences from the restructuring, or if we are otherwise unable to retain our employees, our ability to compete and continue the clinical development of our product candidates may be harmed.

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

Recent Sales of Unregistered Securities.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits The following is a list of Exhibits filed, furnished or incorporated by reference as part of this Quarterly Report on Form 10-Q:

EXHIBIT INDEX

Exhibit Number	Description of Exhibit	Incorporated By Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect.	8-K	001-39988	3.1	2/9/2021	
3.2	Amended and Restated Bylaws of the Registrant, as currently in effect.	S-1	333-252136	3.4	1/15/2021	
4.1	Reference is made to Exhibits 3.1 and 3.2 .					
4.2	Form of common stock certificate of the Registrant.	S-1	333-252136	4.1	1/15/2021	
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
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.					X
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.					X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL 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 (embedded within the Inline XBRL document)					

† The certifications attached as Exhibit 32.1 and Exhibit 32.2 that accompany this Form 10-Q, are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Bolt Biotherapeutics, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

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

BOLT BIOTHERAPEUTICS, INC.

Date: May 14, 2024

By: /s/ Randall C. Schatzman, Ph.D.
Randall C. Schatzman, Ph.D. Chief
Executive Officer
(Principal Executive Officer)

Date: May 14, 2024

By: /s/ William P. Quinn
William P. Quinn
Chief Financial Officer
*(Principal Financial and Accounting
Officer)*

CERTIFICATIONS

I, Randall C. Schatzman, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bolt Biotherapeutics, 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: May 14, 2024

By: /s/ Randall C. Schatzman, Ph.D.

Randall C. Schatzman, Ph.D.
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, William P. Quinn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bolt Biotherapeutics, 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: May 14, 2024

By: /s/ William P. Quinn

William P. Quinn
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATIONS

In connection with the Quarterly Report on Form 10-Q of Bolt Biotherapeutics, Inc. (the "Company") for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Randall C. Schatzman, Ph.D., Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

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

Date: May 14, 2024

By: /s/ Randall C. Schatzman, Ph.D.

Randall C. Schatzman, Ph.D.

Chief Executive Officer

(Principal Executive 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 on Form 10-Q of Bolt Biotherapeutics, Inc. (the "Company") for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, William P. Quinn, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

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

Date: May 14, 2024

By: /s/ William P. Quinn

William P. Quinn
Chief Financial Officer
(Principal Financial Officer)

