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

FORM 10-K

(Mark One)

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

For the fiscal year ended June 30, 2022

☐ **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 **001-39683**

REZOLUTE, INC.

(Exact Name of Company as Specified in its Charter)

Nevada	**27-3440894**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
201 Redwood Shores Parkway, Suite 315 **Redwood City, California**	**94065**
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code:	**(650) 206-4507**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001	RZLT	Nasdaq Capital Market

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☑ No ☐

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 Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

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

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☑	Smaller reporting company ☑
	Emerging growth company ☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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 December 31, 2021, the last business day of the second fiscal quarter, the aggregate market value of the Registrant's voting stock held by non-affiliates, was approximately $60,994,000, based on the last reported sales price of $4.78 as quoted on the Nasdaq Capital Market on such date.

The registrant had 38,827,567 shares of its $0.001 par value common stock outstanding as of September 8, 2022.

DOCUMENTS INCORPORATED BY REFERENCE

None

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K for the fiscal year ended June 30, 2022 ("Annual Report") contains statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements included or incorporated by reference in this Annual Report, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These statements appear in a number of places, including, but not limited to "*Management's Discussion and Analysis of Financial Condition and Results of Operations."* These statements represent our reasonable judgment of the future based on various factors and using numerous assumptions and are subject to known and unknown risks, uncertainties and other factors that could cause our actual results and financial position to differ materially from those contemplated by the statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts, and use words such as "anticipate," "believe," "estimate," "expect," "forecast," "may," "should," "plan," "project" and other words of similar meaning. In particular, these include, but are not limited to, statements relating to the following:

- projected operating or financial results, including anticipated cash flows used in operating activities;
- expectations regarding future milestone payments under licensing agreements, capital expenditures, research and development expense and other payments;
- our expectation that the disruptive impact of the COVID-19 pandemic ("COVID-19") on our business will be temporary;
- our beliefs and assumptions relating to our liquidity position, including our ability to obtain additional financing;
- our ability to obtain regulatory approvals for our pharmaceutical drugs and diagnostics; and
- our future dependence on third party manufacturers or strategic partners to manufacture any of our pharmaceutical drugs and diagnostics that receive regulatory approval, and our ability to identify strategic partners and enter into license, co-development, collaboration or similar arrangements.

Any or all of our forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and other factors including, but not limited to, the risks described in "*Risk Factors*" in Part I, Item 1A of this Annual Report.

In addition, there may be other factors that could cause our actual results to be materially different from the results referenced in the forward-looking statements, some of which are included elsewhere in this Annual Report, including "*Management's Discussion and Analysis of Financial Condition and Results of Operations*." Many of these factors will be important in determining our actual future results. Consequently, no forward-looking statement can be guaranteed. Our actual future results may vary materially from those expressed or implied in any forward-looking statements. All forward-looking statements contained in this Annual Report are qualified in their entirety by this cautionary statement. Forward-looking statements speak only as of the date they are made, and we disclaim any obligation to update any forward-looking statements to reflect events or circumstances after the date of this Annual Report, except as otherwise required by applicable law.

PART I

Item 1. Business.

Rezolute, Inc. ("Rezolute", the "Company", "we" or "us") is a clinical-stage biopharmaceutical company developing therapies for metabolic diseases related to chronic glucose imbalance.

Summary of Clinical Assets

RZ358

Our lead clinical asset, RZ358, is a potential treatment for congenital hyperinsulinism ("HI"), an ultra-rare pediatric genetic disorder characterized by excessive production of insulin by the pancreas. If untreated, the elevated insulin levels in patients suffering with congenital HI can induce extreme hypoglycemia (low blood sugar) events, increasing the risk of neurological and developmental complications, including persistent feeding problems, learning disabilities, recurrent seizures, brain damage or even death. There are no FDA approved therapies for all forms of congenital HI and the current standard of care treatments are suboptimal. The current treatments used by physicians include glucagon, diazoxide, somatostatin analogues and pancreatectomy.

RZ358, is an intravenously administered human monoclonal antibody that binds to a unique site (allosteric) on the insulin receptor in insulin target tissues, such as in the liver, fat, and muscle. The antibody modifies insulin's binding and signaling to maintain glucose levels in a normal range which counteracts the effects of elevated insulin in the body. RZ358 shows dose dependent pharmacokinetics with a half-life greater than two weeks which has the potential for semi-monthly dosing. Therefore, we believe that RZ358 is ideally suited as a potential therapy for conditions characterized by excessive insulin levels, and it is being developed to treat hyperinsulinism and low blood sugar. As RZ358 acts downstream from the beta cells, it has the potential to be universally effective at treating congenital HI caused by any of the underlying genetic defects.

A summary of the completed clinical studies for RZ358 is as follows.

A Phase 1 pharmacokinetic ("PK") study of single intravenous doses of RZ358 at 0.1 to 9 mg/kg in healthy volunteers revealed dose-dependent pharmacokinetics with a half-life of 15 days, supporting the biweekly dosing approach. In healthy volunteers, RZ358 prevented hypoglycemia induced by insulin administration, without producing hyperglycemia. This effect showed a PK-pharmacodynamic (dose—response) correlation, with the hypoglycemia blunting effects of RZ358 lasting for two weeks.

The clinical proof-of-concept of RZ358 in congenital HI was evaluated in a Phase 2a study in a total of 14 patients with congenital HI. The study investigated the PK, pharmacodynamics ("PD"), safety and preliminary efficacy of RZ358. RZ358 was well-tolerated in adult and pediatric patients with congenital HI who received single intravenous doses in the Phase 2a study and the PK results from the Phase 2a studies were consistent with those in healthy volunteers. There was a durable normalization of blood sugar in patients with hypoglycemia, with an approximate 50% improvement and near normalization of glucose control, which was sustained for more than two weeks after dosing. RZ358 did not increase blood sugar levels in patients with normal blood sugar levels at baseline.

In calendar year 2022 we completed the RZ358-606 Phase 2b global clinical study for RZ358 ("RIZE"). The RIZE study was conducted in a repeat-dose fashion to evaluate the safety, pharmacokinetics, dose-exposure response relationship and to assess the glycemic efficacy across a range of continuous glucose monitoring ("CGM") and blood glucose monitoring-based principle glycemic endpoints to inform Phase 3. In the study, eligible patients received RZ358 in open-label fashion in one of 4, sequentially conducted dosing cohorts of up to 8 participants per cohort. RZ358 was administered as a 30 minute intravenous infusion every other week for eight weeks. The first three cohorts were fixed dosing levels of RZ358 and the fourth cohort was designed to explore whether there were any advantages of a fixed titration approach.

The RIZE study enrolled 23 patients and was primarily in a young pediatric population, average ~6.5 years of age, and in a diverse group of patients across gender and genetic cause of congenital HIs. A key entry criterion was for patients to

have continued hypoglycemia despite available therapies, to be eligible for enrollment. We observed that patients enrolled on stable background therapies had clinically significant, and in many cases, substantial residual hypoglycemia as well as some hyperglycemia (> 180 mg/dL) at baseline.

Results from the RIZE study showed that target and expected RZ358 concentrations were achieved and dose-exposure dependent responses were also observed. RZ358 was generally safe and well-tolerated and there were no adverse drug reactions, adverse events leading to study discontinuations, or dose-limiting toxicities. Importantly, RZ358 demonstrated a ~50% improvement in hypoglycemia across all doses and cohorts and a ~75% improvement in hypoglycemia at the 6 mg/kg and 9 mg/kg cohorts. Time in range by CGM improved 8% across all doses, 16% at the top dose, and more significantly (>25%) in patients without baseline hyperglycemia on SOC.

In calendar year 2022, we reported positive topline results from the RIZE study which were presented at the Pediatric Endocrine Society Meeting on May 1, 2022. We believe that the positive results from the RIZE study will be Phase 3 enabling and accordingly we have initiated interactions with regulatory authorities in the US and Europe. Our objective is to complete the regulatory dialogue prior to the end of the first quarter of calendar year 2023, which would facilitate initiation of a Phase 3 study in the first half of calendar year 2023.

RZ402

Our second clinical asset, RZ402, is an oral plasma kallikrein inhibitor ("PKI") being developed as a potential therapy for the chronic treatment of diabetic macular edema ("DME"). DME is a vascular complication of diabetes and a leading cause of blindness in the US and elsewhere. Chronic exposure to high blood sugar levels can lead to inflammation, cell damage, and the breakdown of blood vessel walls. Specifically, in DME, blood vessels behind the back of the eye become porous and permeable leading to the unwanted infiltration of fluid into the macula. This fluid leakage creates distorted vision, and if left untreated, blindness.

Currently available treatments for DME include anti-vascular growth factor (anti-VEGF) injections into the eye or laser surgery. RZ402 is designed to be a once daily oral therapy for the treatment of DME and unlike the anti-VEGF therapies, RZ402 targets the Kallikrein-Kinin System to address inflammation and vascular leakage. We believe that systemic exposure through oral delivery is critical to target the microvasculature behind the back of the eye. Further, as an oral therapy, RZ402 has the potential to substantially change the therapeutic paradigm for patients suffering with DME by providing a convenient, self-administered treatment option to encourage earlier initiation of therapy, adherence to prescribed treatment guidelines, and improved overall outcomes.

Results from our single ascending dose ("SAD") Phase 1a Study ("RZ402-101") were reported in May 2021. RZ402-101 was a first-in-human single-center, randomized, double-blind, placebo-controlled SAD study in healthy adult volunteers. The study objectives were to characterize the safety profile and pharmacokinetics of RZ402 administered as single oral doses. The study enrolled 30 individuals in three planned sequential dose- level cohorts of 25 mg, 100 mg, and 250 mg. Within each ten-subject dose cohort, volunteers were randomized 8:2 to receive either RZ402 oral solution or matched placebo. After receiving single doses, participants remained in the clinic for seven days for serial PK and safety assessments, before completing two outpatient follow-up visits at study days 14 and 30. Dose advancement proceeded following blinded reviews of safety and PK data from the preceding cohort(s).

Single doses of RZ402 resulted in dose-dependent increases in systemic exposure. Plasma concentrations of RZ402 significantly exceeded the 3.5 ng/mL target concentration that was pharmacologically active in animal models of DME for a 24-hour period after receipt of RZ402. Across the dose and exposure range, there were no serious adverse events, adverse drug reactions, or discontinuations due to adverse events, and no imbalance of adverse events between the treatment and placebo control groups. Similarly, regular laboratory, hemodynamic, cardiac, and ophthalmologic safety examinations were unremarkable.

Following the success of the SAD study, we undertook a follow-on multiple ascending dose ("MAD") study ("RZ402-102"). Results from the MAD Study were reported in February 2022. RZ402-102 was a single center, randomized, double-blind, placebo-controlled, in healthy adult volunteers. The objectives of the study were to characterize the repeat dose safety profile (including maximum tolerated dose) and PK of RZ402 administered as daily oral doses for two weeks. The

study was conducted in 40 volunteers in sequential ascending dose cohorts with 10 individuals per cohort. Within each cohort, participants were randomized in an 8:2 ratio to receive either RZ402 as an oral solution or a placebo. Participants remained in the clinic throughout the two week dosing period for serial PK and safety assessments, before completing an outpatient follow-up visit at study day 28. Blood biomarkers of target engagement (kallikrein activity) were explored as a systemic surrogate for DME, using a precedent from studies of kallikrein inhibitors in a systemic vascular leakage syndrome (hereditary angioedema). Dose advancement proceeded in staggered fashion every three weeks as appropriate, following blinded reviews of data from the preceding cohort(s).

The MAD study showed dose-dependent increases in systemic exposures, with repeat-dosing to steady-state resulting in the highest concentrations of RZ402 explored to date, exceeding 200 ng/mL and 50 ng/mL at peak and 24-hour trough, respectively. Following the precedent established in hereditary angioedema, steady-state plasma kallikrein activity in human plasma was measured on Day 14 as a biomarker of RZ402 target engagement. Daily dosing with RZ402 inhibited plasma kallikrein in a dose and concentration-dependent manner ($r=0.74$; $p < 0.001$). Given that the in-vivo EC90 for RZ402 in animal models of DME is ~6 ng/mL, the results at both peak and 24-hour trough substantially exceeded target concentrations based on a combination of in-vitro and in-vivo profiling. RZ402 was generally safe and well-tolerated, including at higher doses than previously tested in the SAD study. There were no serious adverse events, adverse drug reactions or identified risks.

We are advancing developmental activities toward a Phase 2a proof-of-concept study, which we plan to initiate during the fourth quarter of calendar year 2022.

Competition

We face competition from pharmaceutical and biotechnology companies, academic institutions, governmental agencies, and private research organizations in recruiting and retaining highly qualified scientific personnel and consultants and in the development and acquisition of technologies.

There are other companies developing therapies for HI that are potential competitors to RZ358, including Crinetics Pharmaceuticals, Eiger Biopharmaceuticals, Hanmi Pharmaceuticals, and Zealand Pharma.

There are also companies developing therapies for DME that are potential competitors to our PKI including Curacle, KalVista, Ocuphire Pharma, Oxurion and Verseon.

Government Regulation

Regulation by governmental authorities in the US and other countries is a significant factor in the development, manufacture and marketing of pharmaceutical products. All of our potential products will require regulatory approval by governmental agencies prior to commercialization. In particular, pharmaceutical therapies are subject to rigorous preclinical testing and clinical trials and other pre-market approval requirements by FDA and regulatory authorities in foreign countries. Various federal, state and foreign statutes and regulations also govern or influence the manufacturing, safety, labeling, storage, record keeping and marketing of such products.

We are also subject to various federal, state, and local laws, regulations and recommendations relating to safe working conditions; laboratory and manufacturing practices; the experimental use of animals; and the use and disposal of hazardous or potentially hazardous substances, including radioactive compounds and infectious disease agents, used in connection with our research, development and manufacturing.

Research and Development

We incurred approximately $32.5 million and $15.0 million in research and development expenses for the fiscal years ended June 30, 2022 and 2021, respectively. For further discussion of activities related to our RZ358 and RZ402 product candidates, please refer to the discussion above. For further discussion of our research and development expenses, please refer to the discussion under the caption *Results of Operations* under Item 7 of this Annual Report.

Human Capital Management

Employees

As of June 30, 2022, we had 42 full time employees, of which 31 employees were engaged in research and development, manufacturing, clinical operations and quality activities and 11 employees in administrative functions. Of the 42 employees, all were located in the United States. We have a number of employees who hold Ph.D. degrees and other advanced degrees. None of our employees are covered by a collective bargaining agreement, and we have experienced no work stoppages nor are we aware of any employment circumstances that are likely to disrupt work at any of our facilities. As part of our measures to attract and retain personnel, we provide a number of benefits to our full-time employees, including health insurance, life insurance, retirement plans, paid holiday and vacation time. We believe that we maintain good relations with our employees.

Diversity and Inclusion

Diversity and inclusion are priorities for us. We believe that a rich culture of inclusion and diversity enables us to create, develop and fully leverage the strengths of our workforce.

Human Resources, Hiring and Professional Development

The development, attraction and retention of employees is critical to our success. We work diligently to attract the best talent from a diverse range of sources in order to meet the current and future demands of our business. We leverage both formal and informal programs to identify, foster and retain top talent.

Business Ethics

Our Code of Business Conduct and Ethics is designed to ensure that the conduct of our business is consistent with the highest standards of business ethics. Our Code of Business Conduct and Ethics serves as a critical tool to help employees recognize and report unethical conduct, while preserving our culture of excellence. Our Board of Directors, management and staff are provided with training regarding our Code of Business Conduct and Ethics.

Corporate Information

We were incorporated in Delaware in 2010 and we re-incorporated in Nevada in June 2021. We maintain an executive office located at 201 Redwood Shores Parkway, Suite 315, Redwood City, CA 94065 and our phone number is (650) 206-4507. Our website is located at www.rezolutebio.com. We file annual, quarterly, current reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). The SEC maintains a website that contains our public filings and other information regarding the Company, at www.sec.gov. The information contained in, or that can be accessed through, our website is not part of, and is not incorporated into this document.

Item 1A. Risk Factors.

Investors should consider carefully the following risks before deciding to purchase any of our securities. If any of the events or developments described below actually occur, our business, results of operations and financial condition would likely suffer and investors may lose all or part of their investment. In addition, it is also possible that other risks and uncertainties that affect our business may arise or become material in the future.

Risks Related to Our Business

Results of preclinical testing or earlier clinical studies are not necessarily predictive of future results, therefore none of the product candidates we advance into clinical studies may have favorable results in later clinical studies or receive regulatory approval.

Success in preclinical testing does not ensure that clinical studies will generate adequate data to demonstrate the efficacy and safety of an investigational drug or biologic. Even if our clinical studies produce promising results, there is no assurance that such results will be replicated or exceeded in later clinical studies. A number of companies in the biotechnology industry, including those with greater resources and experience, have suffered significant setbacks in clinical studies, even after seeing promising results in earlier preclinical and clinical studies. We do not know whether our clinical studies will demonstrate adequate efficacy and safety to justify the continuing advancement of a program. If later stage clinical studies do not produce favorable results, our ability to achieve regulatory approval for our product candidates may be adversely impacted.

Even if we believe that our product candidates have performed satisfactorily in preclinical testing and clinical studies, we may still fail to obtain FDA approval for our product candidates.

After the completion of our clinical studies, we cannot predict whether or when we will obtain regulatory approval to commercialize our product candidates and we cannot, therefore, predict the timing of any future revenue from these product candidates.

Even if we achieve positive clinical results and file for regulatory approval, we cannot commercialize any of our product candidates until the appropriate regulatory agencies have reviewed and approved the applications for such product candidates. We cannot assure that the regulatory agencies will complete their review processes in a timely manner or that we will obtain regulatory approval for any product candidate we develop. Satisfaction of regulatory requirements typically takes many years, is dependent upon the type, complexity and novelty of the product and requires the expenditure of substantial resources. In addition, we may experience delays or rejections based upon additional government regulation from future legislation or administrative action or changes in FDA policy during the period of product development, clinical studies and FDA regulatory review.

Even if our product candidates receive regulatory approval, they may still face future development and regulatory hurdles.

Even if US regulatory approval is obtained for a particular drug candidate, the FDA may still impose significant restrictions on marketing, indicated uses and/or require potentially costly post-approval studies or post-approval surveillance. For example, the label ultimately approved, if any, may include restrictions on use. Further, the FDA may require that long-term safety data may need to be obtained as a post-approval requirement. Even if the FDA or a foreign regulatory agency approves a product candidate, the approval may impose significant restrictions on the indicated uses, conditions for use, labeling, advertising, promotion, marketing and/or production of such product and may impose requirements for post-approval studies, including additional research and development and clinical trials. The FDA and other agencies also may impose various civil or criminal sanctions for failure to comply with regulatory requirements, including substantial monetary penalties and withdrawal of product approval.

In addition, manufacturers of drug products and their facilities are subject to continual review and periodic inspections by the FDA and other regulatory authorities for compliance with current good manufacturing practices and regulations. If we or a regulatory agency discovers previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured, a regulatory agency may impose restrictions on that product, the manufacturing facility or us, including requiring recall or withdrawal of the product from the market or suspension of manufacturing. If we, our product candidates or the manufacturing facilities for our product candidates fail to comply with applicable regulatory requirements, a regulatory agency may: issue warning letters or untitled letters; seek an injunction or impose civil or criminal penalties or monetary fines; suspend or withdraw regulatory approval; suspend any ongoing clinical studies; refuse to approve pending applications or supplements to applications filed

by us; suspend or impose restrictions on operations, including costly new manufacturing requirements; or seize or detain products, refuse to permit the import or export of products, or require us to initiate a product recall.

The occurrence of any event or penalty described above may inhibit our ability to commercialize our products and generate revenue.

If our product candidates do not meet safety or efficacy requirements, they will not receive regulatory approval and we will be unable to market them.

The process of drug development, regulatory review and approval typically is expensive, takes many years and the timing of any approval cannot be accurately predicted. If we fail to obtain regulatory approval for our current or future product candidates, we will be unable to market and sell such products and therefore may never be profitable.

As part of the regulatory approval process, we must conduct preclinical studies and clinical trials for each product candidate to demonstrate safety and efficacy. The number of preclinical studies and clinical trials that will be required varies depending on the product candidate, the indication being evaluated, the trial results and regulations applicable to any particular product candidate.

The results of preclinical studies and initial clinical trials of our product candidates do not necessarily predict the results of later-stage clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy despite having progressed through initial clinical trials. We cannot assure you that the data collected from the preclinical studies and clinical trials of our product candidates will be sufficient to support approval by the FDA or a foreign regulatory authority. In addition, the continuation of a particular study after review by an independent data safety monitoring board does not necessarily indicate that our product candidate will achieve the clinical endpoint.

The FDA and other regulatory agencies can delay, limit or deny approval for many reasons, including: a product candidate may not be safe or effective; our manufacturing processes or facility may not meet the applicable requirements; and changes in regulatory agency approval policies or adoption of new regulations may require additional clinical trials or work on our end.

Any delay in, or failure to receive or maintain, approval for any of our products could prevent us from ever generating meaningful revenues or achieving profitability.

Our product candidates are prone to the risks of failure inherent in drug development. Before obtaining regulatory approvals for the commercial sale of any product candidate for a target indication, we must demonstrate safety in preclinical studies and effectiveness with substantial evidence gathered in well-controlled clinical studies. With respect to approval in the US, to the satisfaction of the FDA and, with respect to approval in other countries, to the satisfaction of regulatory authorities in those countries, we must demonstrate that the product candidate is safe and effective for use for that target indication and that the manufacturing facilities, processes and controls are adequate.

Despite our efforts, our product candidates may not: offer therapeutic benefit or other improvements over existing, comparable therapeutics; be proven safe and effective in clinical studies; meet applicable regulatory standards; be capable of being produced in sufficient quantities at acceptable costs; be successfully commercialized; or obtain favorable reimbursement.

We are not permitted to market any of our other product candidates in the US until we receive approval of a new drug application, or approval of a biologics license application, from the FDA, or in any foreign countries until we receive the requisite approval from such countries. We have not submitted a new drug application or biologics license application or received marketing approval for any of our product candidates.

Preclinical testing and clinical studies are long, expensive and uncertain processes. We may spend several years completing our testing for any particular product candidate, and failure can occur at any stage. Negative or inconclusive results or adverse medical events during a clinical study could also cause us or the FDA to terminate a clinical study or require that we repeat it or conduct additional studies. Additionally, data obtained from a clinical study is susceptible to varying interpretations and the FDA or other regulatory authorities may interpret the results of our clinical studies less favorably than we do. The FDA and equivalent foreign regulatory agencies have substantial discretion in the approval process and may decide that our data is insufficient to support a marketing application and require additional preclinical, clinical or other studies.

We may experience delays in our clinical trials that could adversely affect our financial position.

Many factors could affect the timing of our clinical studies, if any, that we may conduct, including lack of Current Good Manufacturing Practice ("cGMP") drug product, slow patient recruitment, the proximity of patients to clinical sites, the eligibility criteria for the trial, competing clinical trials and new drugs approved for the conditions we are investigating. Other companies may be conducting clinical trials or may announce plans for future trials that will be seeking patients with the same indications as those we are studying. As a result of all of these factors, our trials may take longer to enroll patients than we anticipate. Delays in patient enrollment in the trials may increase our costs and slow down our product development and approval process. Our product development costs will also increase if we need to perform more or larger clinical trials than planned. Any delays in completing our clinical trials could adversely impact our cash position and ability to support ongoing operations.

Due to our reliance on contract research organizations or other third parties to conduct clinical trials, we may not have complete control over the timing, conduct and expense of our clinical trials.

We rely primarily on third parties to conduct our clinical trials. As a result, we will have less control over the conduct of the clinical trials, the timing and completion of the trials, the required reporting of adverse events and the management of data developed through the trial than would be the case if our own staff conducted all aspects of our clinical trials. Communicating with outside parties can also be challenging, potentially leading to mistakes and difficulties in coordinating activities. Outside parties may have staffing difficulties, may undergo changes in priorities or may become financially distressed, adversely affecting their willingness or ability to conduct our trials. We may experience unexpected increased costs that are beyond our control. Problems with the timeliness or quality of the work of a contract research organization may lead us to seek to terminate the relationship and use an alternative service provider. However, making this change may be costly and may delay our trials, and contractual restrictions may make such a change difficult or impossible. Additionally, it may be impossible to find a replacement organization that can conduct our trials in an acceptable manner and at an acceptable cost.

Adverse events in our clinical trials may force us to stop development of our product candidates or prevent regulatory approval of our product candidates.

Our product candidates may produce serious adverse events in patients during clinical trials. These adverse events could interrupt, delay or halt clinical trials of our product candidates and could result in the FDA, or other regulatory authorities requesting additional preclinical data or denying approval of our product candidates for any or all targeted indications. An institutional review board, independent data safety monitoring board, the FDA, other regulatory authorities or the Company itself may suspend or terminate clinical trials at any time. We cannot assure you that any of our product candidates will prove safe for human use.

Our competitors may develop and market drugs that are less expensive, more effective or safer than our product candidates.

The pharmaceutical market is highly competitive. It is possible that our competitors will develop and market products that are less expensive, more effective or safer than our future products or that will render our products obsolete. Other pharmaceutical and biotechnology companies may develop improved formulations of the same drugs that compete with drug products we are developing. We expect that competition from pharmaceutical and biotechnology companies, universities and public and private research institutions will increase. Many of these competitors have substantially greater

financial, technical, research and other resources than we do. We may not have the financial resources, technical and research expertise or marketing, distribution or support capabilities to successfully compete with these competitors.

COVID-19 could continue to adversely impact our business, including our clinical trials.

The extent to which COVID-19 may continue to impact our business and clinical trials will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing in the United States and other countries, business closures or business disruptions, and the effectiveness of actions taken in the United States and other countries to contain and treat the disease. COVID-19 may continue to lead to business disruptions that could severely impact our clinical trials, including: delays or difficulties in enrolling patients or maintaining scheduled study visits in our clinical trials; delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff; diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials; interruption of key clinical trial activities, such as clinical trial site monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others; limitations in employee resources that would otherwise be focused on the conduct of our business or our clinical trials, including because of sickness of employees or their families, the desire of employees to avoid contact with large groups of people or as a result of the governmental imposition of "shelter in place" or similar working restrictions; delays in receiving approval from local regulatory authorities to initiate our planned clinical trials; delays in clinical sites receiving the supplies and materials needed to conduct our clinical trials; interruption in global shipping that may affect the transport of clinical trial materials, such as investigational drug product used in our clinical trials; changes in local regulations as part of a response to the COVID-19 outbreak which may require us to change the ways in which our clinical trials are conducted, which may result in unexpected costs, or to discontinue the clinical trials altogether; delays in necessary interactions with local regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government employees; and refusal of the FDA to accept data from clinical trials in affected geographies outside the United States.

We have a history of losses and may not achieve profitability in the future. We will need substantial additional capital to fund our operations. If we fail to obtain additional capital, we may be unable to sustain operations.

We incurred net losses of $41.1 million and $20.9 million for the fiscal years ended June 30, 2022 and 2021, respectively. As of June 30, 2022, we had cash and cash equivalents of $150.4 million and an accumulated deficit of $209.2 million. Cash used in our operating activities amounted to $39.6 million and $20.4 million for the fiscal years ended June 30, 2022 and 2021, respectively. We expect that the amount of cash used in our operating activities will continue to increase for the next several years.

We expect to continue to incur operating losses for the foreseeable future as we develop and commercialize our product candidate pipeline, and we expect to need additional capital from external sources before we will be able to begin generating revenue, if ever. If we are unable to raise additional capital, we may have to significantly delay, scale back or discontinue one or more of our research and development programs. We may be required to cease operations or seek partners for our product candidates at an earlier stage than otherwise would be desirable and on terms that are less favorable than might otherwise be available. In the absence of additional capital we may also be required to relinquish, license or otherwise dispose of rights to technologies, product candidates or products that we would otherwise seek to develop or commercialize on terms that are less favorable than might otherwise be available. If we are unable to secure additional capital, we may be required to take additional measures to reduce costs in order to conserve our cash in amounts sufficient to sustain operations and meet our obligations. These measures could cause significant delays in the development of our product candidates.

We have never generated any revenues and may never become profitable.

Since inception, we have not generated any meaningful revenue. We expect to continue to incur substantial operating losses for the next several years as we move our product candidates into clinical trials and continue our research and development efforts. To become profitable, we must successfully develop, manufacture and market our product candidates, either alone or in conjunction with possible collaborators. We may never have any revenue or become profitable.

If any of our product candidates for which we receive regulatory approval does not achieve broad market acceptance, the revenue that we generate from its sales, if any, will be limited.

The commercial success of our product candidates for which we obtain marketing approval from the FDA or other regulatory agencies will depend upon the acceptance of these products by the medical community, including physicians, patients and payors. The degree of market acceptance of any of our approved products will depend on a number of factors, including: demonstration of clinical safety and efficacy compared to other products; prevalence and severity of any adverse effects; limitations or warnings contained in a product's FDA-approved labeling; availability of alternative treatments; pricing and cost-effectiveness; the effectiveness of our or any future collaborators' sales and marketing strategies; our ability to obtain and maintain sufficient third-party coverage or reimbursement from government health care programs, including Medicare and Medicaid; and the willingness of patients to pay out-of-pocket in the absence of third-party coverage.

If our product candidates are approved, but do not achieve an adequate level of acceptance by physicians, health care payors and patients, we may not generate sufficient revenue from these products, and we may not become or remain profitable. In addition, our efforts to educate the medical community and third-party payors on the benefits of our product candidates may require significant resources and may never be successful.

Our manufacturing experience is limited.

The manufacture of drugs for clinical trials and for commercial sale is subject to regulation by the FDA under cGMP regulations and by other regulators under other laws and regulations. We cannot assure you that we can successfully manufacture our products under cGMP regulations or other laws and regulations in sufficient quantities for clinical trials or for commercial sale, or in a timely or economical manner.

Any failure or delay by our third-party suppliers on which we rely or intend to rely to provide materials necessary to develop and manufacture our drug products may delay or impair our ability to commercialize our product candidates.

We rely upon a small number of third-party suppliers for the manufacture of certain raw materials that are necessary to formulate our drug products for preclinical and clinical testing purposes. We intend to continue to rely on them in the future. We also expect to rely upon third parties to produce materials required for the commercial production of our product candidates if we succeed in obtaining necessary regulatory approvals. If we are unable to arrange for third-party sources, or do so on commercially unreasonable terms, we may not be able to complete development of or market our product candidates. In addition, third-party suppliers that we engage may be adversely impacted by COVID-19 as discussed above under "***COVID-19 could continue to adversely impact our business, including our clinical trials.***"

There are a small number of suppliers for raw materials that we use to manufacture our drugs. Such suppliers may not sell these raw materials at the times we need them or on commercially reasonable terms. We do not have any control over the process or timing of the acquisition of these raw materials by our manufacturers. Moreover, we currently do not have any agreements for the commercial production of these raw materials. Although we generally do not begin a clinical study unless we believe we have a sufficient supply of a product candidate to complete the clinical study, any significant delay in the supply of raw material components needed to produce a product candidate for a clinical study due to the need to replace a third-party manufacturer could considerably delay completion of our clinical studies, product testing and potential regulatory approval of our product candidates. If we or our manufacturers are unable to purchase these raw materials after regulatory approval has been obtained for our product candidates, the commercial launch of our product candidates would be delayed or there would be a shortage in supply of such product candidates, which would impair our ability to generate revenues from the sale of our product candidates.

If we successfully commercialize any of our product candidates, we may be required to establish commercial manufacturing capabilities of larger scale. In addition, as our drug development pipeline increases and matures, we will have a greater need for clinical study and commercial manufacturing capacity. We have no experience manufacturing pharmaceutical products on a commercial scale and we may need to rely on third-party manufacturers with capacity for increased production scale to meet our projected needs for commercial manufacturing, the satisfaction of which on a timely basis may not be met.

We face potential product liability exposure, and, if successful claims are brought against us, we may incur substantial liability.

The use of our product candidates in clinical studies and the sale of any products for which we obtain marketing approval expose us to the risk of product liability claims. Product liability claims might be brought against us by consumers, health care providers, pharmaceutical companies or others selling or otherwise coming into contact with our products. If we cannot successfully defend ourselves against product liability claims, we could incur substantial liabilities. In addition, regardless of merit or eventual outcome, product liability claims may result in: impairment of our business reputation; withdrawal of clinical study participants; costs of related litigation; distraction of management's attention from our primary business; substantial monetary awards to patients or other claimants; the inability to commercialize our product candidates; and decreased demand for our product candidates, if approved for commercial sale.

We currently have clinical trial insurance for our active clinical programs. This product liability insurance coverage for our clinical studies may not be sufficient to reimburse us for all expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive, and, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. If and when we obtain marketing approval for any of our product candidates, we intend to expand our insurance coverage to include the sale of commercial products; however, we may be unable to obtain this product liability insurance on commercially reasonable terms. On occasion, large judgments have been awarded in class action lawsuits based on drugs that had unanticipated adverse effects. A successful product liability claim, or series of claims, brought against us could cause our stock price to decline and, if judgments exceed our insurance coverage, could decrease our cash and adversely affect our business

If we use hazardous and biological materials in a manner that causes injury or violates applicable law, we may be liable for damages.

Our research and development activities involve the controlled use of potentially hazardous substances, including toxic chemical and biological materials. We could be held liable for any contamination, injury or other damages resulting from these hazardous substances. In addition, our operations produce hazardous waste products. While third parties are responsible for disposal of our hazardous waste, we could be liable under environmental laws for any required cleanup of sites at which our waste is disposed. Federal, state, foreign and local laws and regulations govern the use, manufacture, storage, handling and disposal of these hazardous materials. If we fail to comply with these laws and regulations at any time, or if they change, we may be subject to criminal sanctions and substantial civil liabilities, which may harm our business. Even if we continue to comply with all applicable laws and regulations regarding hazardous materials, we cannot eliminate the risk of accidental contamination or discharge and our resultant liability for any injuries or other damages caused by these accidents.

If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to market and sell our product candidates, we may be unable to generate any revenue.

We currently do not have dedicated staff for the sale, marketing and distribution of drug products. The cost of establishing and maintaining such a staff may exceed the cost-effectiveness of doing so. In order to market any products that may be approved by the FDA, we must build our sales, marketing, managerial and other non-technical capabilities or make arrangements with third parties to perform these services. If we are unable to establish adequate sales, marketing and distribution capabilities, whether independently or with third parties, we may not be able to generate product revenue and may not become profitable. We will be competing with many companies that currently have extensive and well-funded marketing and sales operations. Without an internal team or the support of a third party to perform marketing and sales functions, we may be unable to compete successfully against these more established companies.

Guidelines and recommendations published by various organizations may adversely affect the use of any products for which we may receive regulatory approval.

Government agencies issue regulations and guidelines directly applicable to us and to our product candidates. In addition, professional societies, practice management groups, private health or science foundations and organizations involved in various diseases from time to time publish guidelines or recommendations to the medical and patient communities. These various sorts of recommendations may relate to such matters as product usage and use of related or competing therapies. For example, organizations like the American Diabetes Association have made recommendations about therapies in the diabetes therapeutics market. Changes to these recommendations or other guidelines advocating alternative therapies could result in decreased use of any products for which we may receive regulatory approval, which may adversely affect our results of operations.

We are at an early stage of development as a company and we do not have, and may never have, any products that generate revenues.

We are at an early stage of development as a proprietary pharmaceutical company and we do not have any commercial products. Our existing product candidates will require extensive additional clinical evaluation, regulatory review, significant marketing efforts and substantial investment before they generate any revenues. Our efforts may not lead to commercially successful products, for a number of reasons, including: our product candidates may not prove to be safe and effective in clinical trials; we may not be able to obtain regulatory approvals for our product candidates or approved uses may be narrower than we seek; we may not have adequate financial or other resources to complete the development and commercialization of our product candidates; or any products that are approved may not be accepted or reimbursed in the marketplace.

We do not expect to be able to market any of our product candidates for a number of years. If we are unable to develop, receive approval for, or successfully commercialize any of our product candidates, we will be unable to generate significant revenues. If our development programs are delayed, we may have to raise additional capital or reduce or cease our operations.

Initially, we expect to derive all of our revenues, if any, from current product candidates. As we cannot currently enter the market nor guarantee out-licensing partnerships, it is uncertain whether these candidates will achieve and sustain high levels of demand and market acceptance. Our success will depend to a substantial extent on our ability to successfully commercialize, market and / or partner our products. Failure of consumers or potential partners to accept would significantly adversely affect our revenues and profitability.

We may not be able to use a significant portion of our net operating loss carryforwards, which could adversely affect our profitability.

Federal and state laws impose substantial restrictions on the utilization of net operating loss ("NOL") carryforwards in the event that certain ownership changes occur as defined in Section 382 of the Internal Revenue Code ("IRC"). Due to our recent financing activities, we experienced ownership changes that have resulted in significant limitations on the future use of our NOL carryforwards. As of June 30, 2022, we have US federal NOL carryforwards of approximately $145.1 million, of which $33.4 million is expected to expire without any opportunity for utilization due to the limitations set forth in IRC Section 382. Assuming that further IRC Section 382 ownership changes do not occur, the remaining $111.7 million of NOL carryforwards consist of approximately (i) $12.8 million that is not currently subject to any limitations or expiration dates, and (ii) $98.9 million that will become available for utilization in amounts ranging from $1.2 million to $4.1 million annually. It is possible that any future ownership changes, could result in further limitations on the use of our NOL carryforwards or other tax attributes, which could adversely affect our future profitability.

If we are unable to successfully remediate the material weakness in our internal control over financial reporting, the accuracy and timing of our financial reporting may be adversely affected, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

In connection with the audit of our fiscal 2022 consolidated financial statements, we noted a material weakness in our internal controls, as a result of our inability to segregate duties to prevent employees from overriding the internal control system. While we have hired additional personnel and implemented more robust accounting software, we have been unable to fully remediate this material weakness. We cannot provide assurance that these or other measures will eventually result in the elimination of the material weakness described above. We also cannot assure you that in the future we will not have additional significant deficiencies or material weaknesses.

Any failure to remediate the material weakness discussed above and to implement required new or improved controls, could harm our operating results or cause us to fail to meet our reporting obligations. Failure to achieve and maintain an effective internal control environment could cause investors to lose confidence in our reported financial information, which could have a material adverse effect on our stock price.

Operations outside the United States may be affected by different local politics, business and cultural factors, different regulatory requirements and prohibitions between jurisdictions.

We intend to seek regulatory approval in foreign countries for all of our potential products prior to commercialization. Pharmaceutical therapies are subject to rigorous preclinical testing and clinical trials and other pre-market approval requirements by regulatory authorities in foreign countries. Operations outside the United States may be affected by different local business and cultural factors, different regulatory requirements and prohibitions between jurisdictions, including the Foreign Corrupt Practices Act and local laws prohibiting corrupt payments, and changes in regulatory requirements for financing activities.

Certain Provisions of Nevada law may have anti-takeover effects.

Certain provisions of Nevada law applicable to us could also delay or make more difficult a merger, tender offer or proxy contest involving us, including Sections 78.411 through 78.444 of the Nevada Revised Statutes, which prohibit a Nevada corporation from engaging in any business combination with any "interested shareholder" (as defined in the statute) for a period of two years unless certain conditions are met. In addition, our senior management is entitled to certain payments upon a change in control.

Risks Related to Our Intellectual Property

Our current patent positions and license portfolio may not include all patent rights needed for the full development and commercialization of our product candidates. We cannot be sure that patent rights we may need in the future will be available to license on commercially reasonable terms, or at all.

We typically develop our product candidates using compounds that we have acquired or in-licensed, including the original composition of matter patents and patents that claim the activities and methods for such compounds' production and use. For example, in 2017 we in-licensed (i) a fully human monoclonal antibody from XOMA Corporation ("XOMA") as well as (ii) a plasma kallikrein inhibitor portfolio from ActiveSite Pharmaceuticals ("ActiveSite") and in consideration for such licenses, we will owe milestone payments and royalties as we progress product candidates through development.

As we learn more about the mechanisms of action and new methods of manufacture and use of these product candidates, we may file additional patent applications for these new inventions, or we may need to ask our licensors to file them. We may also need to license additional patent rights or other rights on compounds, treatment methods or manufacturing processes because we learn that we need such rights during the continuing development of our product candidates.

Although our patents may prevent others from making, using or selling similar products, they do not ensure that we will not infringe the patent rights of third parties. We may not be aware of all patents or patent applications that may impact our ability to make, use or sell any of our product candidates or proposed product candidates. For example, because we sometimes identify the mechanism of action or molecular target of a given product candidate after identifying its composition of matter and therapeutic use, we may not be aware until the mechanism or target is further elucidated that a third party has an issued or pending patent claiming biological activities or targets that may cover our product candidate. US patent applications filed after November 29, 2000 are confidential in the US Patent and Trademark Office for the first 18 months after such applications' earliest priority date, and patent offices in other countries often publish patent applications for the first time six months or more after filing. Furthermore, we may not be aware of published or granted conflicting patent rights. Any conflicts resulting from patent applications and patents of others could significantly reduce the coverage of our patents and limit our ability to obtain meaningful patent protection. If others obtain patents with conflicting claims, we may need to obtain licenses to these patents or to develop or obtain alternative technology.

We may not be able to obtain any licenses or other rights to patents, technology or know-how from third parties necessary to conduct our business as described in this Annual Report and such licenses, if available at all, may not be available on commercially reasonable terms. Any failure to obtain such licenses could delay or prevent us from developing or commercializing our drug candidates or proposed product candidates, which would harm our business. Litigation, patent office administrative proceedings or patent interference proceedings may be necessarily brought against us or third parties, as discussed below, to enforce any of our patents or other proprietary rights or to determine the scope and validity or enforceability of the proprietary rights of such third parties.

In addition, we may face claims by third parties that our agreements with employees, contractors, or consultants obligating them to assign intellectual property to us are ineffective, or in conflict with prior or competing contractual obligations of assignment, which could result in ownership disputes. In some instances, there may not be adequate written provisions to address clearly the resolution of intellectual property rights that may arise under our agreements, and we may be limited in our ability to use, make or sell these inventions. Litigation may be necessary to resolve these disputes, and if we are not successful, we may be precluded from using certain intellectual property, or may lose our exclusive rights in that intellectual property. Either outcome could have an adverse impact on our business.

If our or our licensors' patent positions do not adequately protect our product candidates or any future products, others could compete with us more directly, which would harm our business.

Our commercial success will depend in part on our and our licensors' ability to obtain additional patents and protect our existing patent positions, particularly those patents for which we have secured exclusive rights, as well as our ability to maintain adequate protection of other intellectual property for our technologies, product candidates and any future products in the US and other countries. If we or our licensors do not adequately protect our intellectual property, competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could materially harm

our business, negatively affect our position in the marketplace, limit our ability to commercialize our product candidates and delay or render impossible our achievement of profitability. The laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the US, and we may encounter significant problems in protecting our proprietary rights in these countries.

The patent positions of biotechnology and pharmaceutical companies, including our own patent position, involve complex legal and factual questions, and, therefore, validity and enforceability cannot be predicted with certainty. Patents may be challenged, deemed unenforceable, invalidated or circumvented. In addition, the coverage claimed in a patent application can be significantly reduced before the patent is issued, and patent scope can be reinterpreted by the courts after issuance. Moreover, many jurisdictions permit third parties to challenge issued patents in administrative proceedings, which may result in further narrowing or even cancellation of patent claims. We cannot predict whether the patent applications we are currently pursuing will issue as patents in any particular jurisdiction or whether the claims of any patents, if issued, will provide sufficient protection from competitors. We and our licensors will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our proprietary technologies, product candidates and any future products are covered by valid and enforceable patents or are effectively maintained as trade secrets.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- we or our licensors were the first to make the inventions covered by each of our pending patent applications;
- we or our licensors were the first to file patent applications for these inventions;
- others will not independently develop similar or alternative technologies or duplicate any of our technologies;
- any of our or our licensors' pending patent applications will result in issued patents;
- any of our or our licensors' patents will be valid or enforceable;
- any patents issued to us or our licensors and collaborators will provide a basis for commercially viable products, will provide us with any competitive advantages or will not be challenged by third parties;
- we will develop additional proprietary technologies or product candidates that are patentable; or
- the patents of others will not have an adverse effect on our business.

We may be unable to adequately prevent disclosure of trade secrets and other proprietary information.

We rely on trade secrets to protect our proprietary know-how and technological advances, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to protect our trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights. Failure to obtain or maintain trade secret protection could enable competitors to use our proprietary information to develop products that compete with our products or cause additional, material adverse effects upon our competitive business position.

Litigation regarding patents, patent applications and other proprietary rights may be expensive and time consuming. If we are involved in such litigation, it could cause delays in bringing product candidates to market and harm our ability to operate.

Our commercial success will depend in part on our ability to manufacture, use, sell and offer to sell our product candidates and proposed product candidates without infringing patents or other proprietary rights of third parties. Although we are not currently aware of any litigation or other proceedings or third-party claims of intellectual property infringement related to our product candidates, the pharmaceutical industry is characterized by extensive litigation regarding patents and other intellectual property rights. Other parties may obtain patents in the future and allege that the use of our technologies infringes these patent claims or that we are employing their proprietary technology without authorization. Likewise, third parties may challenge or infringe upon our or our licensors' existing or future patents. Proceedings involving our patents or patent applications or those of others could result in adverse decisions regarding the patentability of our inventions relating to our product candidates or the enforceability, validity or scope of protection offered by our patents relating to our product candidates.

Even if we are successful in these proceedings, we may incur substantial costs and divert management's time and attention in pursuing these proceedings. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action or challenge the validity of the patents in court. Patent litigation is costly and time-consuming. We may not have sufficient resources to bring these actions to a successful conclusion. In addition, if we do not obtain a license, develop or obtain non-infringing technology, fail to defend an infringement action successfully or have our patents declared invalid, we may incur substantial monetary damages; encounter significant delays in bringing our product candidates to market; or be precluded from participating in the manufacture, use or sale of our product candidates or methods of treatment requiring licenses.

If our patent and other intellectual property protection is inadequate, future sales and profits may never materialize or competitors could force our products completely out of the market.

Patents which prevent the manufacture or sale of our products may be issued to others. We may have to license those patents and pay significant fees or royalties to the owners of the patents in order to keep marketing our products. This would cause profits on sales to suffer.

We have been granted patents or licensed patents in the United States, but patent applications that have been, or may in the future be, filed by us may not result in the issuance of additional patents. The scope of any patent issued may not be sufficient to protect our technology. The laws of foreign jurisdictions in which we intend to sell our products may not protect our rights to the same extent as the laws of the United States.

In addition to patent protection, we also rely on trade secrets, proprietary know-how and technology advances. We enter into confidentiality agreements with our employees and others, but these agreements may not be effective in protecting our proprietary information. Others may independently develop substantially equivalent proprietary information or obtain access to our know-how. Litigation, which is expensive, may be necessary to enforce or defend our patents or proprietary rights and may not end favorably for us. We may also choose to initiate litigation against other parties who we come to believe are infringing these patents. If such litigation is unsuccessful or if the patents are invalidated or canceled, we may have to write off the related intangible assets and such an event could significantly reduce our earnings. Any of our licenses, patents or other intellectual property may be challenged, invalidated, canceled, infringed or circumvented and may not provide any competitive advantage to us.

Risks Related to Our Common Stock

Exercise or conversion of stock options and other convertible securities will dilute shareholder's percentage of ownership.

In addition to the PFWs, we have issued stock options and other warrants to purchase shares of our common stock. In the future, we may grant additional stock options, warrants and convertible securities. The exercise, conversion or exchange of stock options, warrants and convertible securities will dilute the percentage ownership of our shareholders. The dilutive

effect of the exercise or conversion of these securities may adversely affect our ability to obtain additional capital. The holders of these securities may be expected to exercise or convert such stock options, warrants and convertible securities at a time when we would be able to obtain additional equity capital on terms more favorable than such securities or when our common stock is trading at a price higher than the exercise or conversion price of the securities.

Our common stock may be delisted from the Nasdaq Capital Market ("Nasdaq") if we fail to comply with continued listing standards.

Our common stock is currently traded on Nasdaq under the symbol "RZLT". If we fail to meet any of the continued listing standards of Nasdaq, our common stock could be delisted from Nasdaq. The continued listing standards include specifically enumerated criteria, such as: $1.00 minimum closing bid price; shareholders' equity of at least $2.5 million; 500,000 shares of publicly-held common stock with a market value of at least $1 million; 300 round-lot shareholders; and compliance with Nasdaq's corporate governance requirements, as well as additional or more stringent criteria that may be applied in the exercise of Nasdaq's discretionary authority.

Our stock price may be volatile.

The market price of our common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control, including the following: our ability to obtain financing; additions or departures of key personnel; sales of our common stock; our ability to execute our business plan; operating results that fall below expectations; loss of any strategic relationship; regulatory developments; and economic and other external factors.

In addition, the securities markets have from time-to-time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

Offers or availability for sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

If our shareholders sell substantial amounts of our common stock in the public market upon the expiration of any statutory holding period or lockup agreements, under Rule 144, or issued upon the exercise of outstanding PFWs, stock options, warrants or other convertible securities, it could create a circumstance commonly referred to as an "overhang" and in anticipation of which the market price of our common stock could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate. The shares of our restricted common stock will be freely tradable upon the earlier of: (i) effectiveness of a registration statement covering such shares and (ii) the date on which such shares may be sold without registration pursuant to Rule 144 (or other applicable exemption) under the Securities Act of 1933, as amended ("Securities Act").

Investor relations activities and supply and demand factors may affect the price of our common stock.

We expect to utilize various techniques such as non-deal road shows and investor relations campaigns in order to generate investor awareness. These campaigns may include personal, video and telephone conferences with investors and prospective investors in which our business practices are described. We may provide compensation to investor relations firms and pay for newsletters, websites, mailings and email campaigns that are produced by third parties based upon publicly-available information concerning us. We do not intend to review or approve the content of such analysts' reports or other materials based upon analysts' own research or methods. Investor relations firms should generally disclose when they are compensated for their efforts, but whether such disclosure is made or complete is not under our control. In addition, investors may, from time to time, also take steps to encourage investor awareness through similar activities that may be undertaken at the expense of the investors. Investor awareness activities may also be suspended or discontinued which may impact the trading market of our common stock.

We have no current plan to pay dividends on our common stock and investors may lose the entire amount of their investment.

We have never paid cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock for the foreseeable future. Accordingly, any income derived from our common stock would only come from a rise in the market price of our common stock, which is uncertain and unpredictable. We cannot assure investors of a positive return on their investment.

Changes in U.S. tax law could adversely affect our business.

Changes to tax laws (which changes may have retroactive application) could adversely affect us or holders of our common stock. It cannot be predicted whether, when, in what form, or with what effective dates, new tax laws or regulations may be enacted under existing or new tax laws. This could result in an increase in our tax liability or require changes in our business in order to mitigate any adverse effects of changes in tax laws.

Item 1B. Unresolved Staff Comments.

Not required for smaller reporting companies.

Item 2. Properties.

In January 2019, we entered into a lease for our headquarters location at 201 Redwood Shores Parkway, Suite 315, Redwood City, CA 94065. The leased space consists of approximately 3,500 square feet of office space and provides for monthly rent of approximately $21,000 through the expiration date in March 2022. We have extended this lease on a month-to-month basis until the commencement of the lease for our new headquarters location.

In April 2022, we entered into a lease for a new headquarters location at 275 Shoreline Drive, Suite 500, Redwood City CA 94065. The leased space contains approximately 9,300 square feet of office space. We expect to occupy the property upon completion of tenant improvements by the landlord, which will indicate the commencement date of the lease. The lease provides for monthly rent of approximately $53,000 for 60 months following the commencement date.

In November 2020, we entered into a new lease in Bend, Oregon where the leased space consists of approximately 5,000 square feet of office space and provides for monthly rent of approximately $8,400 through the expiration date in February 2024.

We believe our current physical properties are sufficient and adequate to meet our current and projected requirements.

Item 3. Legal Proceedings.

Not Applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Since November 9, 2020, our common stock has traded on Nasdaq under the symbol “RZLT”.

Holders

As of September 8, 2022, there were 274 holders of record of our common stock. We believe the number of beneficial owners of our common stock is substantially greater than the number of record holders because a large portion of our outstanding common stock is held of record in broker “street names” for the benefit of individual investors.

Dividends

We have never paid cash dividends and intend to employ all available funds in the development of our business. We have no plans to pay cash dividends in the foreseeable future.

Recent Sales of Unregistered Securities

None.

Securities Authorized for Issuance Under Equity Compensation Plans

Information regarding our equity compensation plans as of June 30, 2022 is disclosed in Item 12 “*Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*” of this Annual Report on Form 10-K.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under the Cautionary Statement Regarding Forward-Looking Statements on page ii, the “Risk Factors” set forth in Item 1A, and elsewhere in this Annual Report. We assume no obligation to update forward-looking statements or the risk factors. You should read the following discussion in conjunction with our consolidated financial statements and related notes included in Item 8 of this Annual Report.

Certain figures, such as interest rates and other percentages included in this section have been rounded for ease of presentation. Percentage figures included in this section have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this section may vary slightly from those obtained by performing the same calculations using the figures in our consolidated financial statements or in the associated text. Certain other amounts that appear in this section may similarly not sum due to rounding.

Executive Summary

Clinical Development

Our lead clinical asset, RZ358, is an antibody therapy that we are preparing for Phase 3 clinical development as a potential treatment for congenital HI, an ultra-rare pediatric genetic disorder. We reported positive topline results from the RIZE study in March 2022. These results were presented at the Pediatric Endocrine Society Meeting on May 1, 2022 and recently announced that results will also be presented at the European Society of Pediatric Endocrinology Meeting on September 16, 2022. In the study it was demonstrated that administration of RZ358 resulted in a > 50% improvement in hypoglycemic events across all doses and approximately 75% improvement at the mid (6 mg/kg) and top (9 mg/kg) doses. There were no adverse drug reactions, dose-limiting toxicities, or drug-related serious adverse events.

We believe that these positive results from the RIZE study are Phase 3 enabling and accordingly we have now initiated interactions with regulatory authorities in the US and Europe. As the next critical step in the program, we are substantially dependent upon achieving successful interaction with regulatory authorities to enable Phase 3. Among other matters, we need to obtain alignment with regulators on a number of critical criteria (the "Factors") including but not limited to the following: (i) overall study design parameters including the potential inclusion of a placebo control arm; (ii) the total number of subjects in the study; (iii) the doses we intend to study in Phase 3 and the permissible ages of children that we will be permitted to enroll in the study; (iv) the total duration of dosing in the study; and (v) the primary and secondary endpoints to be evaluated in the study.

Our objective is to complete the regulatory interactions prior to the end of the first quarter of calendar year 2023 which would facilitate initiation of a Phase 3 study in the first half of calendar year 2023. To the extent that we are unable to achieve satisfactory alignment with regulators with regard to the Factors and other matters pertaining to a Phase 3 study, the success of the RZ358 development program could be significantly impaired and this would have a material and adverse impact on our prospects and results of operations.

Our second clinical asset, RZ402, is an oral PKI being developed as a potential therapy for DME. In calendar year 2022 we completed Phase 1 clinical development for RZ402 including an MAD study that validated and supported the potential for once daily oral dosing. The MAD study showed dose-dependent increases in systemic exposures, with repeat-dosing to steady-state resulting in the highest concentrations of RZ402 explored to date, exceeding 200 ng/mL and 50 ng/mL at peak and 24-hour trough, respectively. The MAD study results showed that RZ402 was generally safe and well-tolerated, including at higher doses than previously tested in the SAD study. There were no serious adverse events, adverse drug reactions or identified risks.

We are advancing developmental activities toward a Phase 2a proof-of-concept study, which we plan to initiate during the fourth quarter of calendar year 2022.

Financing Activities

Immediately following our announcement of the success of the RIZE study, we initiated financing activities which resulted in the receipt of gross proceeds of approximately $130.0 million between May and July of 2022. Specifically, On May 1, 2022, we entered into (i) an underwriting agreement with Jefferies LLC, as representative of the underwriters listed therein, relating to the issuance and sale of equity securities in an underwritten registered direct offering (the "2022 RDO"), and (ii) a placement agency agreement with Jefferies LLC, that provides for a private placement of equity securities (the "Private Placement"). The 2022 RDO resulted in the issuance of (i) approximately 18.0 million shares of our common stock at a public offering price of $3.80 per share, (ii) Class A pre-funded warrants (the "Class A PFWs") to purchase up to 2.0 million shares of common stock at a public offering price of $3.799 per Class A PFW, and (iii) Class B pre-funded warrants (the "Class B PFWs") to purchase up to 10.9 million shares of common stock at a public offering price of $3.799 per Class B PFW. On May 4, 2022, the 2022 RDO closed resulting in net proceeds of approximately $110.1 million. The gross amount of the 2022 RDO was $117.6 million, before deduction of an aggregate of $7.1 million for underwriting discounts and approximately $0.4 million for professional fees and other offering expenses payable by us. In connection with the 2022 RDO, certain of our officers and directors agreed not to sell or otherwise dispose of any common stock held by them through July 30, 2022.

Upon closing of the 2022 RDO, we did not have a sufficient number of shares of common stock available to permit exercise of any of the Class B PFWs. Therefore, the Class B PFWs were contingently exercisable upon the approval by our shareholders of an increase in the number of authorized shares of common stock (the "Shareholder Approval"). On June

16, 2022, the Shareholder Approval occurred which resulted in an increase in our authorized shares of common stock from 40.0 million shares to 100.0 million shares. As a result of this contingency, the Class B PFWs were accounted for as a derivative liability in our consolidated financial statements until the Shareholder Approval was obtained.

The closing for the Private Placement occurred in July 2022 whereby we received gross proceeds of approximately $12.3 million in exchange for the issuance of approximately 3.2 million shares of common stock at a purchase price of $3.80 per share. The net proceeds from the Private Placement amounted to approximately $11.6 million after deduction of $0.7 million for underwriting commissions.

The additional funding provides us with the wherewithal to fund a Phase 3 clinical program for RZ358 as well as a Phase 2 proof of concept study for RZ402.

Termination of EDA and Purchase Agreement

We entered an Equity Distribution Agreement ("EDA") with Oppenheimer & Co. Inc. ("Oppenheimer") in December 2020 and a purchase agreement ("Purchase Agreement") with Lincoln Park Capital Fund, LLC ("LPC") in August 2021. In May 2022, we provided notices to Oppenheimer and LPC whereby the EDA and the Purchase Agreement were terminated. As a result of these termination notices, no further equity securities are issuable under either agreement.

Termination of Loan Agreement

On April 14, 2021, we entered into a $30.0 million Loan and Security Agreement (the "Loan Agreement") with Solar Investment Corp. ("SLR") as collateral agent, and the parties signing the Loan Agreement from time to time as lenders, including SLR in its capacity as a lender.

On June 30, 2022, we paid off the outstanding loan amount of $15.0 million in full and terminated the Loan Agreement in accordance with its terms. In addition to the repayment of principal and accrued interest, we paid (i) a prepayment fee equal to 2.00% of the outstanding principal balance for a total of $300,000, and (ii) a final fee equal to 4.75% of the aggregate amount of the term loans funded for a total of $712,500. The terminated Loan Agreement was secured by substantially all of our assets. The security interests and liens granted in connection with the terminated Loan Agreement were released on June 30, 2022.

Headquarters Lease

In April 2022, we entered into a lease agreement for a new corporate headquarters facility in Redwood City, California. The space consists of approximately 9,300 square feet and provides for total base rent payments of approximately $2.9 million through the expected expiration of the lease in July 2027. The lease provides for a six-month rent abatement period beginning upon commencement of the lease term which is expected to occur in September 2022

Factors Impacting our Results of Operations

We have not generated any meaningful revenues since our inception in March 2010. Over the last several years, we have conducted private placements and public offerings to raise additional capital, adopted a licensing model to pursue development of product candidates, conducted pre-clinical and clinical trials, and conducted other research and development activities on our pipeline of product candidates.

Due to the time required to conduct clinical trials and obtain regulatory approval for our product candidates, we anticipate it will be some time before we generate substantial revenues, if ever. We expect to generate operating losses for the foreseeable future; therefore, we expect to continue efforts to raise additional capital to maintain our current operating plans over the next several years. We cannot assure you that we will secure such financing or that it will be adequate for the long-term execution of our business strategy. Even if we obtain additional financing, it may be costly and may require us to agree to covenants or other provisions that will favor new investors over our existing shareholders.

The COVID-19 pandemic and its adverse effects continue to affect the locations where we, our manufacturers, suppliers or third-party business partners conduct business. Although we have continued our operations and clinical trials to date, we have experienced delays in clinical trials, and we could experience additional delays in our planned clinical trials, which could materially adversely impact our business, results of operations and overall financial performance in future periods. In addition, we may experience an adverse impact from changes in how we and companies worldwide conduct business due to the COVID-19 pandemic, including but not limited to continued restrictions on travel and in-person meetings, delays in future site activations and future enrollment of clinical trials, prioritization of hospital resources toward the COVID-19 pandemic effort, delays in review by the FDA and comparable foreign regulatory agencies, and disruptions in our supply chain for our product candidates. As of the filing date of this Annual Report, the extent to which COVID-19 may impact our financial condition, results of operations or guidance is uncertain. The effect of the COVID-19 pandemic will not be fully reflected in our results of operations and overall financial performance until future periods. See the section entitled "*Risk Factors*" under Item 1A of this Annual Report for further discussion of the possible impact of the COVID-19 pandemic on our business.

Key Components of Consolidated Statements of Operations

Research and development expenses. Research and development ("R&D") expenses consist primarily of clinical trial costs, compensation and benefits for our personnel engaged in R&D activities, licensing costs, and consultants and outside services. Our R&D costs include an allocable portion of our cash and share-based compensation, employee benefits, and consulting costs related to personnel engaged in the design and development of product candidates and other scientific research projects. We also allocate a portion of our facilities and overhead costs based on the personnel and other resources devoted to R&D activities.

General and administrative expenses. General and administrative ("G&A") expenses consist primarily of (i) an allocable portion of our cash and share-based compensation and employee benefits related to personnel engaged in our administrative, finance, accounting, and executive functions, and (ii) an allocable portion of our facilities and overhead costs based on the personnel and other resources devoted to G&A activities. G&A expenses also include travel, legal, auditing, investor relations and other costs primarily related to our status as a public company.

Gain from change in fair value of derivative liabilities, net. We recognize derivative liabilities if we issue stock options and warrants but don't have sufficient authorized shares of common stock to accommodate all potential exercise. Under these circumstances, accounting as a derivative liability is required since the possibility exists that we could have been required to settle stock options and warrants in cash. Such derivative liabilities are recorded at fair value on the date that the deficiency occurred and subsequently adjusted to fair value at the end of each reporting period through the date the deficiency is cured. We also recognize liabilities for embedded derivatives in our debt agreements. Derivative liabilities are adjusted to fair value at the end of each reporting period until the derivative liability contracts are settled, expire, or meet the conditions for equity classification. Changes in fair value are reflected as gains and losses in our consolidated statements of operations. Gains and losses reflected prior to the date a deficiency is cured are not subsequently reversed.

Employee retention credit. In response to the COVID-19 pandemic, the United States government has designed programs to assist businesses in dealing with the financial hardships caused by the pandemic. We recognize the right to receive governmental assistance payments in the period in which the related conditions on which they depend are substantially met.

Interest and other income. Interest and other income consist primarily of interest income earned on temporary cash investments.

Discount on issuance of derivative liability. For derivative liabilities issued at a discount to the grant date fair value of the financial instrument, an expense is recognized on the issuance date for the amount of the discount.

Interest expense. The components of interest expense include the amount of interest payable in cash at the stated interest rate, and accretion of debt discounts and issuance costs ("DDIC") using the effective interest method. DDIC arises from the issuance of debt instruments and other related contracts or agreements which possess certain terms and conditions

resulting in additional financing costs arising from origination, exit and final fees, and other incremental and direct costs incurred to consummate the financing, among others.

Loss on extinguishment of debt. When we repay our debt arrangements prior to the maturity date, we evaluate the terms to determine if the repayment should be accounted for as a troubled debt restructuring, a modification or an extinguishment. If we conclude that accounting as an extinguishment is required, the extinguishment charge includes the write-off of any unaccreted DDIC, prepayment premiums required under the debt agreement, and professional fees incurred to complete the transaction.

Critical Accounting Policies and Significant Judgments and Estimates

Overview

Our management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of the consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenue and expenses during the reporting periods. These items are monitored and analyzed for changes in facts and circumstances, and material changes in these estimates could occur in the future. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Changes in estimates are reflected in reported results for the period in which they become known. Actual results may differ from these estimates under different assumptions or conditions.

With respect to our significant accounting policies that are described in Note 1 to our consolidated financial statements included in Item 8 of this Annual Report, we believe that the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

Gain from Change in Fair Value of Derivative Liabilities

We recognize derivative liabilities if we issue stock options and warrants but do not have sufficient authorized shares of common stock to accommodate all potential exercises. Under these circumstances, accounting as a derivative liability is required since the possibility exists that we could have been required to settle these financial instruments in cash. Such derivative liabilities are recorded at fair value on the date that the deficiency occurred and subsequently adjusted to fair value at the end of each reporting period through the date the deficiency is cured.

We recognized a derivative liability for a deficiency in our authorized shares of common stock that existed from February 17, 2021, until the deficiency was cured on May 26, 2021. We made an accounting policy election to select the stock options and warrant agreements with the earliest issuance dates to compute the estimated fair value of the financial instruments associated with the authorized share deficiency. These stock options and warrants were generally those with the highest exercise prices that were least likely to be exercised. Fair value of the stock options and warrants associated with the deficiency were computed on the date the deficiency arose and at the end of each reporting period using the Black-Scholes-Merton ("BSM") option-pricing model. Key assumptions inherent in this valuation model include the historical volatility of our common stock, the remaining contractual term of the options and warrants, and the market price of our common stock on the respective valuation dates.

We also recognized a derivative liability for the Class B PFWs issued in connection with the 2022 RDO financing due to the restrictions on exercisability until the authorized share deficiency was cured on Jun 16, 2022, upon receipt of shareholder approval for an increase in our authorized shares.

Research and Development

Research and development costs are expensed as incurred. Intangible assets related to in-licensing costs under license agreements with third parties are charged to expense unless we are able to determine that the licensing rights have an alternative future use in other research and development projects or otherwise.

Clinical Trial Accruals

Clinical trial costs are a component of research and development expenses. We accrue and charge to expenses clinical trial activities performed by third parties based upon estimates of the percentage of work completed over the life of the individual study in accordance with agreements established with clinical research organizations and clinical trial sites. We determine the estimates through discussions with internal clinical personnel and external service providers as to the progress or stage of completion of trials or services and the agreed-upon fee to be paid for such services.

Nonrefundable advance payments for goods and services that will be used or rendered in future research and development activities are deferred and recognized as expense in the period that the related goods are delivered, or services are performed.

Share-Based Compensation Expense

We measure the fair value of services received in exchange for all stock options granted based on the fair market value of the award as of the grant date. We compute the fair value of stock options with time-based vesting using the BSM option-pricing model and recognize the cost of the equity awards over the period that services are provided to earn the award. For awards granted which contain a graded vesting schedule, and the only condition for vesting is a service condition, compensation cost is recognized on a straight-line basis over the requisite service period as if the award was, in substance, a single award. We recognize the impact of forfeitures in the period that the forfeiture occurs, rather than estimating the number of awards that are not expected to vest in accounting for share-based compensation. For stock options that are voluntarily surrendered by employees, all unrecognized compensation is immediately recognized in the period the options are cancelled.

In July 2019, we granted stock options with vesting that is dependent on achieving certain market, performance and service conditions (“Hybrid Options”). For purposes of recognizing compensation cost, we determine the requisite service period as the longest of the derived, implicit and explicit vesting periods for each of the market, performance and service conditions, respectively. Due to achievement of the performance condition, we began recognizing compensation cost using the grant date fair value in November 2020 and continuing through the end of the requisite service period. Determination of the requisite service period of the Hybrid Options was based on the date that the performance condition was achieved. If the Hybrid Options do not ultimately become exercisable due to the option holders’ failure to achieve the required service period, any previously recognized compensation cost will be reversed. However, if the Hybrid Options do not ultimately become exercisable due to the failure to achieve the market condition, previously recognized compensation cost will not be reversed.

Results of Operations

Results of operations for the fiscal years ended June 30, 2022 and 2021 reflect net losses of approximately $41.1 million and $20.9 million, respectively. Our consolidated statements of operations for the fiscal years ended June 30, 2022 and 2021, along with the changes between periods, are presented below (in thousands, except percentages):

			Changes	
	2022	2021	Amount	Percent
Operating expenses:				
Research and development:	$ 32,486	$ 14,987	$ 17,499	117 %
General and administrative:	9,357	7,907	1,450	18 %
Total operating expenses	41,843	22,894	18,949	83 %
Operating loss	(41,843)	(22,894)	(18,949)	83 %
Non-operating income (expense):				
Gain from change in fair value of derivative liabilities, net	6,545	1,789	4,756	266 %
Employee retention credit	231	515	(284)	(55)%
Interest and other income	80	63	17	27 %
Underwriting discount on issuance of derivative	(2,495)	—	(2,495)	100 %
Interest expense	(1,807)	(375)	(1,432)	382 %
Loss on extinguishment of loan agreement	(1,771)	—	(1,771)	100 %
Total non-operating income (expense), net	783	1,992	(1,209)	(61)%
Net loss	$ (41,060)	$ (20,902)	$ (20,158)	96 %

Presented below is a discussion of the key factors that resulted in changes in our results of operations for these periods.

Revenue. As a clinical stage company, we did not generate any revenue for the fiscal years ended June 30, 2022 and 2021. We are at an early stage of development and do not currently have any commercial products. Our existing product candidates will require extensive additional clinical evaluation, regulatory review, significant marketing efforts and substantial investment before they generate any revenues. We do not expect to be able to market any of our product candidates for several years.

Research and Development Expenses. R&D expenses for the fiscal years ended June 30, 2022 and 2021 were as follows (in thousands, except percentages):

			Increase	
	2022	2021	Amount	Percent
Total R&D expenses	$ 32,486	$ 14,987	$ 17,499	117 %

The increase of $17.5 million was primarily attributable to an increase of $13.6 million for our two clinical candidate programs, of which the RZ358 program had an increase in spending of $8.2 million and the RZ402 program had an increase in spending of $5.4 million.

The RZ358 program cost increase of $8.2 million consisted of an increase of $6.8 million for higher spending for drug substance and drug product manufacturing related activities and an increase of $0.6 million in clinical operations related activities. Increased expenditures were incurred as we progressed in the ongoing Phase 2b study, reported topline data in May 2022, and began manufacturing activities for a Phase 3 study that is planned to be initiated during the fiscal year ending June 30, 2023. The remaining increase of $0.8 million is attributable to ongoing toxicology and quality related spending to support the clinical development of the RZ358 program.

The RZ402 program cost increase of $5.4 million was primarily attributable to a $2.2 million increase in clinical operation costs for the three Phase 1 studies, a $1.4 million increase in manufacturing related activities for drug product and drug

substance activities to support the ongoing Phase 1 studies and planned Phase 2 study which is expected to be initiated in the fiscal year ending June 30, 2023. The remaining $1.8 million increase in costs for the RZ402 program are attributable to ongoing toxicology and development costs to support the clinical progression of the program.

For the fiscal year ended June 30, 2021, we incurred clinical trial costs of approximately $4.7 million that was primarily attributable related to $3.3 million of costs for our RZ358 Phase 2b program and $1.1 million of costs for the RZ402 SAD study that was initiated in January 2021.

In addition to the increases in the RZ358 and RZ402 programs noted above in the fiscal year ended June 30, 2022, an increase of approximately $1.0 million was incurred related to licensing costs. Licensing costs of $2.0 million were incurred in the fiscal year ended June 30, 2022 due to the last patient dosed in our RZ358 Phase 2b study, under our licensing agreement with XOMA. In comparison, license costs of $1.0 million were incurred for fiscal year ended June 30, 2021 under our license agreement with ActiveSite, upon acceptance of our IND by the FDA in December 2020.

For the fiscal year ended June 30, 2022, compensation and benefits amounted to approximately $9.7 million, which included $8.3 million related to cash-based compensation and $1.4 million related to share-based compensation costs. For the fiscal year ended June 30, 2022, compensation and benefits for our R&D workforce increased by approximately $2.5 million primarily attributable to an increase in the average number of R&D employees from 15 for the fiscal year ended June 30, 2021 to 26 for the fiscal year ended June 30, 2022.

For the fiscal year ended June 30, 2021, compensation and benefits amounted to approximately $7.2 million, which included $5.3 million related to cash-based compensation and $1.9 million related to share-based compensation costs.

The remaining increase in R&D costs incurred in the fiscal year ended June 30, 2022 of approximately $0.4 million is mainly attributable to facilities and employee related travel costs allocable to R&D due to the increased headcount as noted above.

General and Administrative Expenses. G&A expenses for the fiscal years ended June 30, 2022 and 2021 were as follows (in thousands, except percentages):

			Increase	
	2022	2021	Amount	Percent
Total G&A expenses	$ 9,357	$ 7,907	$ 1,450	18 %

The increase in G&A expenses of $1.5 million for the fiscal year ended June 30, 2022 was primarily attributable to an increase in professional fees associated with product candidate market research assessments, consulting services, and strategic advisory services related to ongoing financing efforts, totaling approximately $0.8 million.

The remaining increase in G&A costs of approximately $0.6 million is mainly attributable to facilities and employee related costs allocable to G&A. With reductions in COVID related travel restrictions, employees were able to travel and support the financing activities that occurred during the current fiscal year.

Change in Fair Value of Derivative Liabilities. For the fiscal year ended June 30, 2022, we recognized a gain of $6.6 million that was primarily due to a reduction of $0.60 per share in our stock price, resulting in changes in fair value of the derivative liability related to our authorized share deficiency that arose when we entered into an underwriting agreement for issuance of the Class B PFWs on May 4, 2022. This authorized share deficiency existed to June 16, 2022 when our shareholders approved an increase in our authorized shares of common stock. Our stock price decreased from $3.80 per share on May 4, 2022, to $3.20 per share on June 16, 2022 when the authorized share deficiency was cured.

For the fiscal year ended June 30, 2021, we recognized a gain of $1.8 million that was primarily due to a reduction of $4.30 per share in our stock price that drove a decrease in in fair value of the derivative liability related to an authorized

share deficiency that arose in February 2021. This deficiency existed from February 17, 2021 until May 26, 2021 when our shareholders approved an increase in our authorized shares of common stock from 10.0 million shares to 40.0 million shares. Our stock price declined from $11.99 per share on February 17, 2021 to $7.69 per share on May 26, 2021 when the authorized share deficiency was cured.

Employee Retention Credit. Employee retention credit income was $0.2 million for the fiscal year ended June 30, 2022. This income is a result of CARES Act benefits for the period of July 1, 2021 through September 30, 2021. Employee retention credit income was $0.5 million for the fiscal year ended June 30, 2021. This income was a result of CARES Act benefits we qualified for during the period of January 1, 2021 through June 30, 2021.

Underwriting discount on issuance of derivative liability. For the fiscal year ended June 30, 2022, we recognized an expense of approximately $2.5 million related to an underwriting discount related to the issuance of the Class B PFWs. The fair value of the Class B PFWs on the date of issuance amounted to $41.6 million and the Class B PFWs were sold to the underwriter for a discounted price of $39.1 million. Accordingly, an expense was recognized on the issuance date for the amount of the underwriting discount of $2.5 million.

Interest Expense. Interest expense for approximately $1.8 million for the fiscal year ended June 30, 2022. Interest expense for the fiscal year ended June 30, 2022 was solely attributable to the Loan Agreement entered in April 2021 and consisted of (i) accretion of discount of $0.4 million, and (ii) interest expense of $1.4 million based on the contractual rate of approximately 8.9%. Interest expense was approximately $0.4 million for the fiscal year ended June 30, 2021. Interest expense for the fiscal year ended June 30, 2021 was solely attributable to Loan Agreement and consisted of (i) accretion of discount of $0.1 million, and (ii) interest expense of $0.3 million based on the contractual rate of approximately 8.9%.

Loss on extinguishment of loan agreement. Loss on extinguishment of the Loan Agreement was approximately $1.8 million for the fiscal year ended June 30, 2022, whereas we did not incur any losses on extinguishment for the fiscal year ended June 30, 2021. The extinguishment loss of $1.8 million was attributable to our exercise of the prepayment option under the Loan Agreement that required a 2.00% prepayment penalty of $0.3 million and the unaccreted discount of $1.5 million was written off.

Income Taxes. For the fiscal year ended June 30, 2022 and 2021, we did not recognize any income tax benefit due to our net losses and our determination that a full valuation allowance was required for our deferred income tax assets.

Liquidity and Capital Resources

Short-term Liquidity Requirements

As of June 30, 2022, we had cash and cash equivalents of $150.4 million and working capital was approximately $149.6 million. We have incurred cumulative net losses of $209.2 million since our inception and as a clinical stage company we have not generated any meaningful revenue to date.

Accordingly, our primary source of liquidity has historically been from the completion of private placements and public offerings of our equity securities, as well as proceeds from the issuance of debt securities. For the fiscal years ended June 30, 2022 and 2021, we received net proceeds from the issuance of equity securities of $165.2 million and $37.5 million, respectively. The completion of these equity financings is the primary factor that resulted in our cash and cash equivalents balance of $150.4 million as of June 30, 2022. Furthermore, in July 2022 we closed on the Private Placement of shares of common stock that resulted in additional net proceeds of $11.6 million. For further information about the key terms and results of our debt and equity financing activities, please refer to the discussion above under the caption *Executive Summary* and the discussion below under the caption *2021 Underwritten Public Offering and 2021 Registered Direct Offering*.

For the fiscal year ended June 30, 2022, we had cash outflows of $16.3 million due to our election to terminate the Loan Agreement discussed above under the caption *Executive Summary*. Upon termination of the Loan Agreement, our only remaining contractual obligation is to pay an exit fee of $600,000 which would be triggered if we entered into certain change of control transactions or similar events defined in the exit fee agreement.

In April 2022 we entered into a lease agreement for a new corporate headquarters facility in Redwood City, California. This lease provides for total base rent payments of approximately $2.9 million through the expected expiration of the lease in July 2027. Cash payments related to existing contractual obligations for the fiscal year ending June 30, 2023 include approximately (i) $0.3 million under all operating lease agreements, (ii) a potential milestone payment to XOMA of $5.0 million due upon dosing of the first patient in a Phase 3 clinical trial for RZ358 that we expect will occur in the first half of calendar year 2023, and (iii) a potential milestone payment to ActiveSite of $3.0 million due upon dosing of the first patient in a Phase 2 clinical trial for RZ402 that we expect will occur in the fourth quarter of calendar year 2022. Due to uncertainties in the timing associated with clinical trial activities, it is not possible to accurately determine whether the milestone payments to XOMA and ActiveSite will occur during the fiscal year ending June 30, 2023.

Based on our cash and cash equivalents balance of $150.4 million as of June 30, 2022, we believe we have adequate capital resources to meet all of our contractual obligations and conduct all planned activities to advance our clinical trials during the fiscal year ending June 30, 2023.

Long-term Liquidity Requirements

Our most significant long-term contractual obligations consist of milestone payments up to $35.0 million payable to XOMA and up to $45.5 million payable to ActiveSite, for a total of $80.5 million. Of this total, we expect that $5.0 million will be payable to XOMA and $3.0 million will be payable to ActiveSite during the fiscal year ending June 30, 2023. Accordingly, the remainder of $72.5 million is considered a long-term liquidity requirement. Our current expectations are that we will incur additional milestone payments of $5.0 million payable to XOMA for the year ending June 30, 2024. Due to uncertainties in the timing associated with clinical trial activities, there is even greater uncertainty in forecasting the milestone payments to XOMA and ActiveSite during the fiscal year ending June 30, 2024 and thereafter.

In addition to our licensing obligations, we also have long-term contractual obligations under existing operating lease agreements of approximately $0.6 million to $0.7 million for each of the fiscal years ending June 30, 2024 through 2027. Based on our current forecast, we expect that our existing cash and cash equivalents will be sufficient to fund our contractual obligations and conduct all planned activities to advance our clinical trials for at least the first half of the fiscal year ending June 30, 2024. Therefore, we will need to obtain additional equity or debt financing in order to fund all of our long-term liquidity requirements.

Presented below is additional discussion about the ongoing requirements pursuant to our license agreements with XOMA and ActiveSite, along with additional information about our ongoing financing activities that impacted our liquidity and capital resources for the fiscal year ended June 30, 2022.

XOMA License Agreement

In December 2017, we entered into a license agreement ("XOMA License Agreement") with XOMA through its wholly-owned subsidiary, XOMA (US) LLC, pursuant to which XOMA granted an exclusive global license to develop and commercialize XOMA 358 (formerly X358, now RZ358) for all indications. In January 2019, the XOMA License Agreement was amended with an updated payment schedule, as well as revised the amount we were required to expend on development of RZ358 and related licensed products, and revised provisions with respect to our diligence efforts in conducting clinical studies.

Upon the achievement of certain clinical and regulatory events, we will be required to make up to $35.0 million in aggregate milestone payments to XOMA. The first such milestone payment of $2.0 million was triggered upon enrollment of the last patient in our ongoing phase 2 clinical study in January 2022. The next milestone payment of $3.0 million will be due upon the enrollment of the first patient in a Phase 3 study, which we believe will occur in the first half of calendar year 2023. Additionally, upon the future commercialization of RZ358, we will be required to pay royalties to XOMA based on the net sales of the related products, and milestone payments up to an additional $185.0 million if future annual sales related to RZ358 exceed targets ranging from $100.0 million to $1.0 billion. Through June 30, 2022, no events have occurred that would result in the requirement to make additional milestone payments and no royalties have been incurred.

ActiveSite License Agreement

In August 2017, we entered into a Development and License Agreement with ActiveSite ("ActiveSite License Agreement") pursuant to which we acquired the rights to ActiveSite's PKI portfolio. We are planning to use the PKI Program to develop, file, manufacture, market and sell products for diabetic macular edema and other therapeutic indications. The ActiveSite License Agreement requires various milestone payments ranging from $1.0 million to $10.0 million when milestone events occur, up to an aggregate of $46.5 million of aggregate milestone payments. The first milestone payment for $1.0 million paid in December 2020 after completion of the preclinical work and submission of an IND to the FDA for RZ402. The next milestone payment for $5.0 million will be due upon enrollment of the first patient in a Phase 2 study, which we expect to occur in the fourth quarter of calendar year 2022. We will also be required to pay royalties equal to 2.0% of any sales of products that use the PKI Program. Through June 30, 2022, no events have occurred that would result in the requirement to make additional milestone payments and no royalties have been incurred.

2021 Underwritten Public Offering and 2021 Registered Direct Offering

In October 2021, we entered into an underwriting agreement with Oppenheimer & Co., Inc., as representative of the underwriters listed therein (the "2021 Underwriters") for the planned issuance and sale of equity securities in an underwritten public offering (the "2021 Underwritten Offering"). On October 15, 2021, closing occurred for the Underwritten Offering resulting in the issuance of (i) 6,030,847 shares of common stock at $6.50 per share for gross proceeds of $39.2 million, and (ii) 1,661,461 pre-funded warrants to purchase 1,661,461 shares of common stock at an issuance price of $6.49 per warrant (the "2021 PFWs") for gross proceeds of $10.8 million. The Company granted the Underwriters a 30-day option to purchase up to an additional 1,153,845 shares of its common stock in the Underwritten Offering at a public offering price of $6.50 per share, less underwriting discounts and commissions (the "Underwriters' Option"). In November 2021, the Underwriters' Option was partially exercised for 116,266 shares resulting in gross proceeds of approximately $0.8 million. The aggregate gross proceeds from the Underwritten Offering amounted to $50.7 million, excluding the Underwriters' Option, and before deductions for underwriting commissions of 6.0% of the gross proceeds and other offering costs of approximately $0.3 million. After deducting total offering costs of $3.3 million, the net proceeds of the Underwritten Offering amounted to approximately $47.2 million.

Concurrently with the Underwritten Offering, Handok, an entity affiliated with a member of the Board of Directors, entered into a subscription agreement for a registered direct offering (the "2021 RDO") pursuant to which we agreed to sell to the Handok an aggregate of 769,231 shares of our common stock at a purchase price of $6.50 per share. The closing for the 2021 RDO occurred on October 27, 2021, whereby we received gross proceeds of $5.0 million.

Cash Flows Summary

Presented below is a summary of our operating, investing and financing cash flows for the years ended June 30, 2022 and 2021 (in thousands):

	2022	2021	Change
Net cash provided by (used in):			
Operating activities	$ (39,616)	$ (20,441)	$ (19,175)
Investing activities	—	—	—
Financing activities	148,979	51,533	97,446

Cash Flows Used in Operating Activities

For the fiscal years ended June 30, 2022 and 2021, cash flows used in operating activities amounted to $39.6 million and $20.4 million, respectively. The key components in the calculation of our cash used in operating activities are as follows (in thousands):

	2022	2021	Change
Net loss	$ (41,060)	$ (20,902)	$ (20,158)
Non-cash expenses	8,331	4,370	3,961
Non-cash gains, net	(6,545)	(1,789)	(4,756)
Prepayment premium	300	—	300
Changes in operating assets and liabilities, net	(642)	(2,120)	1,478
Total	$ (39,616)	$ (20,441)	$ (19,175)

For the fiscal year ended June 30, 2022, our net loss was $41.1 million compared to $20.9 million for the fiscal year ended June 30, 2021. For further discussion about changes in our operating results for the fiscal years ended June 30, 2022 and 2021, please refer to *Results of Operations* above.

For the fiscal year ended June 30, 2022, our non-cash expenses of $8.3 million primarily consisted of share-based compensation expense of $3.7 million, a discount on the issuance of the Class B PFWs derivate liability of $2.5 million, a loss on extinguishment of debt of $1.4 million, accretion of debt discount and issuance costs of $0.4 million, and non-cash lease expense of $0.2 million. For the fiscal year ended June 30, 2021, our non-cash expenses of $4.4 million primarily consisted of share-based compensation expense of $4.0 million, non-cash lease expense of $0.3 million, and accretion of debt discount of $0.1 million.

For the fiscal year ended June 30, 2022, non-cash gains consisted of a gain of $6.5 million attributable to changes in fair value of the Class B PFW derivative liability related to a deficiency in our authorized shares that existed from May 4, 2022 until June 16, 2022. For the fiscal year ended June 30, 2021, non-cash gains consisted of a gain of $1.8 million were attributable to a gain from change in fair value of a derivative liability related to a deficiency in our authorized shares that existed from February 17, 2021 until May 26, 2021.

For the fiscal year ended June 30, 2022, we paid a prepayment premium of $0.3 million in connection with the termination of the Loan Agreement. The cash payment for this amount is included as a financing cash outflow and as a component of our net loss. Accordingly, an adjustment is required to remove this amount from our operating cash outflows. A similar charge was not incurred for the year ended June 30, 2021.

For the fiscal year ended June 30, 2022, net changes in operating assets and liabilities reduced operating cash flow by $0.6 million, primarily driven by an increase in prepaid expenses and other assets and other of $0.9 million that was primarily related to prepayments for clinical trials and manufacturing activities, partially offset by a decrease other accrued liabilities of $0.2 million. For the fiscal year ended June 30, 2021, net changes in operating assets and liabilities reduced operating cash flow by $2.1 million, primarily driven by (i) cash payments to reduce our license fee obligations to XOMA by $1.8 million; (ii) an increase in prepaid expenses and other assets and other of $0.4 million that was primarily related to prepayments for clinical trials, and (iii) a decrease in other accrued liabilities of $0.1 million. These payments that reduced our operating cash flow were partially offset by an increase in accounts payable of $0.1 million.

Cash Flows Provided by Investing Activities

We did not have any cash flows from investing activities for the fiscal years ended June 30, 2022 and 2021.

Cash Flows Provided by Financing Activities

Net cash provided by financing activities for the fiscal year ended June 30, 2022 amounted to $149.0 million. This amount included (i) $50.7 million received from a the 2021 Underwritten Offering of Units in October 2021 for the issuance of approximately 6.8 million shares of common stock at a purchase price of $6.50 per share and issuance of 1.7 million of the 2021 PFWs at a purchase price of $6.49 per share, (ii) $5.0 million received from the 2021 RDO related to the issuance of common stock in October 2021 for the purchase of approximately 0.8 million shares at a purchase price of $6.50 per share, (iii) $110.5 million of proceeds after underwriter discounts from the 2022 RDO in May 2022 for the purchase of approximately 18.0 million shares of common stock at a purchase price of $3.80 per share and purchase of an aggregate of approximately 12.9 Class A PFWs and Class B PFWs at a purchase price of $3.799 per share, and (iv) $2.7 million in gross proceeds for the issuance of common stock under the Purchase Agreement and the Agent EDA. The total proceeds from equity financing activities amounted to $168.9 million and were partially offset by payments of $3.7 million related to financial advisory fees and other costs of equity financings. Cash inflows from financing activity was also offset by $16.3 million in financing cash outflows due to the early payment of the SLR Term Loan in June 2022.

For the fiscal year ended June 30, 2022, we used cash of $0.3 million for payment of additional debt discount and issuance costs under the Loan Agreement, and $16.0 million for contractual payments required to terminate the Loan Agreement on June 30, 2022. The contractual payments included (i) repayment of the principal balance of the term A loan for $15.0 million, (ii) a prepayment fee equal to 2.00% of the outstanding principal balance for a total of $0.3 million, and (ii) a final fee equal to 4.75% of the aggregate amount of the term loans funded for a total of $0.7 million. The security interests and liens granted in April 2021 when we entered into the Loan Agreement were released on June 30, 2022.

Net cash provided by financing activities for the fiscal year ended June 30, 2021 amounted to $51.5 million. This amount included (i) $41.0 million received from an October 2020 equity financing that provided for the issuance of units consisting of 2.5 million shares of common stock and warrants to purchase 0.8 million shares of common stock, and (ii) $15.0 million of gross proceeds from the term A loan pursuant to the Loan Agreement entered into in April 2021. The total proceeds from equity and debt financing activities amounted to $56.0 million and were partially offset by payments of $3.7 million related to financial advisory fees and other costs of the October 2020 equity financing and payment of $0.7 million for debt discount and issuance costs related to the Loan Agreement.

Off-Balance Sheet Arrangements

During the fiscal years ended June 30, 2022 and 2021, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities, which were established for the purpose of facilitating off-balance sheet arrangements.

Recently Issued Accounting Pronouncements

See Note 1 to our consolidated financial statements included in Item 8 of this Annual Report regarding the impact of certain accounting pronouncements on our consolidated financial statements.

Item 7A. 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 8. Financial Statements and Supplementary Data.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of Rezolute, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Rezolute, Inc. (the "Company") as of June 30, 2022 and 2021, the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended June 30, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2022 and 2021, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

To the Stockholders and Board of Directors of Rezolute, Inc.

Critical Audit Matter Description

As described in Note 7, the Company issued pre-funded warrants ("PFWs") pursuant to underwritten offerings completed in October 2021 as part of the 2021 Registered Direct Offering (2021 RDO) and May 2022 as part of the 2022 Registered Direct Offering (2022 RDO). The Company performed an analysis of the pre-funded warrants at each period to ensure the classification of the PFWs is accurate as a liability or equity. The pre-funded warrants issued in October 2021 and the Class A pre-funded warrants in the May offering were determined to be equity classified. Due to the share deficiency related to the 2022 RDO for the Class B pre-funded warrants, the Company recognized a derivative liability until the authorized share deficiency was cured on June 16, 2022.

We identified the Company's accounting treatment of these warrants as a critical audit matter. The principal considerations for our determination include the complex auditor judgement required to evaluate appropriate the classification and disclosure of the warrants and the need to consult outside of the engagement team with one of our accounting technical specialists.

How the Critical Audit Matter Was Addressed in the Audit

The primary procedures we performed to audit this critical audit matter included the following:

- We obtained an understanding of the internal controls over the accounting and disclosure for issuance of contracts in the Company's equity including warrants issued during the year.
- We reviewed the respective contracts and agreements for identification of all significant rights and obligations relevant to the assessment over proper accounting and disclosure of the warrants in accordance with US GAAP.
- We obtained legal confirmation from the Company's outside counsel of certain rights and obligations pertaining to the underlying security purchase agreements which were relevant to assessing equity versus liability classification.
- We evaluated management's application of the accounting guidance for equity versus liability classification to the terms of the warrant agreements, including satisfaction of all key conditions necessary for equity classification.
- We evaluated the conditions necessary to ensure the Company had sufficient authorized shares to cover the issuance of all contracts in the Company's equity and the presentation associated with the reclassification of liability classified warrants to equity upon satisfying the conditions necessary for equity classification.
- We assessed the adequacy of disclosure of the warrant contracts, including related fair value measurements.

/s/ Plante & Moran, PLLC

We have served as the Company's auditor since 2013.
Cleveland, Ohio
September 15, 2022

REZOLUTE, INC.

Consolidated Balance Sheets
June 30, 2022 and 2021
(In Thousands, Except Per Share Amounts)

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	$ 150,410	$ 41,047
Prepaid expenses and other	1,694	946
Total current assets	152,104	41,993
Long-term assets:		
Right-of-use assets	152	396
Deposits and other	148	191
Property and equipment, net	16	29
Total assets	$ 152,420	$ 42,609
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 1,132	$ 1,035
Accrued liabilities:		
Insurance premiums	243	242
Compensation and benefits	—	77
Accrued clinical and other	979	349
Current portion of operating lease liabilities	108	265
Total current liabilities	2,462	1,968
Long term liabilities:		
Long term debt, net of discount	—	13,968
Operating lease liabilities, net of current portion	80	187
Embedded derivative liabilities	407	387
Total liabilities	2,949	16,510
Commitments and contingencies (Notes 3, 4, 7, 10 and 11)		
Shareholders' equity:		
Preferred stock, $0.001 par value; 400 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.001 par value; 100,000 and 40,000 shares authorized as of June 30, 2022, and 2021, respectively; 33,582 and 8,352 shares issued and outstanding as of June 30, 2022 and 2021, respectively	34	8
Additional paid-in capital	358,635	194,229
Accumulated deficit	(209,198)	(168,138)
Total shareholders' equity	149,471	26,099
Total liabilities and shareholders' equity	$ 152,420	$ 42,609

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

REZOLUTE, INC.

Consolidated Statements of Operations
For the Fiscal Years Ended June 30, 2022 and 2021
(In Thousands, Except Per Share Amounts)

	2022	2021
Operating expenses:		
Research and development	$ 32,486	$ 14,987
General and administrative	9,357	7,907
Total operating expenses	41,843	22,894
Operating loss	(41,843)	(22,894)
Non-operating income (expense):		
Gain from change in fair value of derivative liabilities, net	6,545	1,789
Employee retention credit	231	515
Interest and other income	80	63
Underwriting discount on issuance of derivative	(2,495)	—
Interest expense	(1,807)	(375)
Loss on extinguishment of loan agreement	(1,771)	—
Total non-operating income (expense), net	783	1,992
Net loss	$ (41,060)	$ (20,902)
Net loss per common share:		
Basic	$ (2.26)	$ (2.72)
Diluted	$ (2.32)	$ (2.72)
Weighted average number of common shares outstanding:		
Basic	18,197	7,671
Diluted	19,487	7,671

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

REZOLUTE, INC.

Consolidated Statements of Shareholders' Equity
For the Fiscal Years Ended June 30, 2022 and 2021
(In Thousands)

	Common Stock		Additional Paid-in	Accumulated	Total Shareholders'
	Shares	Amount	Capital	Deficit	Equity
Balances, June 30, 2020	5,867	$ 6	$ 154,595	$ (147,236)	$ 7,365
Issuance of Units for cash Fiscal 2021 Equity Financing	2,485	2	40,998	—	41,000
Advisory fees and other offering costs related to issuance of Units	—	—	(3,550)	—	(3,550)
Share-based compensation	—	—	3,965	—	3,965
Reclassification of warrants and stock options from equity to derivative liability due to authorized share deficiency	—	—	(3,591)	—	(3,591)
Reclassification of derivative liability to equity upon cure of authorized share deficiency	—	—	1,796	—	1,796
Fair value of warrants issued to consultants for services	—	—	8	—	8
Issuance of common stock for consulting services	—	—	8	—	8
Net loss	—	—	—	(20,902)	(20,902)
Balances, June 30, 2021	8,352	8	194,229	(168,138)	26,099
Proceeds from issuance of equity securities for cash in 2022 Registered Direct Offering, net of discounts:					
Common stock	18,026	18	64,372	—	64,390
Class A pre-funded warrants	—	—	7,048	—	7,048
Gross proceeds from issuance of equity securities for cash in Underwritten Public Offering:					
Common stock	6,147	6	39,950	—	39,956
2021 pre-funded warrants	—	—	10,783	—	10,783
Gross proceeds from issuance of common stock for cash:					
In 2021 Registered Direct Offering	769	1	4,999	—	5,000
Under Equity Distribution Agreement	138	1	1,518	—	1,519
Under LPC Purchase Agreement	116	—	1,172	—	1,172
Underwriting commissions and other equity offering costs	—	—	(4,596)	—	(4,596)
Share-based compensation	—	—	3,685	—	3,685
Reclassification of Class B pre-funded warrant derivative liability to equity upon cure of authorized share deficiency	—	—	35,025	—	35,025
Commitment shares issued under LPC Purchase Agreement	34	—	450	—	450
Net loss	—	—	—	(41,060)	(41,060)
Balances, June 30, 2022	33,582	$ 34	$ 358,635	$ (209,198)	$ 149,471

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

REZOLUTE, INC.

Consolidated Statements of Cash Flows
For the Fiscal Years Ended June 30, 2022 and 2021
(In Thousands)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (41,060)	$ (20,902)
Gain from change in fair value of derivative liabilities, net	(6,545)	(1,789)
Underwriting discount on issuance of derivative	2,495	—
Share-based compensation expense	3,685	3,965
Loss on extinguishment of Loan Agreement		
Prepayment premium paid	300	—
Other	1,471	—
Accretion of debt discount and issuance costs	424	86
Non-cash lease expense	243	290
Depreciation and amortization expense	13	13
Fair value of warrants issued for services	—	8
Fair value of shares of common stock issued for services	—	8
Changes in operating assets and liabilities:		
Increase prepaid expenses and other assets	(860)	(387)
Increase (decrease) in accounts payable	(11)	142
Increase (decrease) in other accrued liabilities	229	(66)
Decrease in license fees payable to XOMA	—	(1,809)
Net Cash Used in Operating Activities	(39,616)	(20,441)
CASH FLOWS FROM INVESTING ACTIVITIES	—	—
CASH FLOWS FROM FINANCING ACTIVITIES:		
Gross proceeds from 2022 Registered Direct Offering, net of underwriting discounts:		
Issuance of common stock	64,390	—
Issuance of Class A pre-funded warrants	7,048	—
Issuance of Class B pre-funded warrants	39,094	—
Gross Proceeds from 2021 Underwritten Offering		
Common stock	39,956	—
2021 pre-funded warrants	10,783	—
Gross proceeds from issuance of common stock for cash:		
2021 Registered Direct Offering	5,000	—
Under Equity Distribution Agreement	1,519	—
Under LPC Purchase Agreement	1,172	—
Gross Proceeds from issuance of Units for cash in Fiscal 2021 Equity Financing	—	41,000
Payment of commissions and other deferred offering costs	(3,716)	(3,730)
Gross proceeds from Loan Agreement	—	15,000
Payment of debt discount and issuance costs	(254)	(737)
Prepayment of contractual obligations under Loan Agreement, including prepayment fee	(16,013)	—
Net Cash Provided by Financing Activities	148,979	51,533
Net increase in cash, cash equivalents and restricted cash	$ 109,363	$ 31,092
Cash, cash equivalents and restricted cash at beginning of fiscal year	41,047	9,955
Cash, cash equivalents and restricted cash at end of fiscal year	$ 150,410	$ 41,047

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

REZOLUTE, INC.

Consolidated Statements of Cash Flows, Continued
For the Fiscal Years Ended June 30, 2022 and 2021
(In Thousands)

	2022	2021
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Cash and cash equivalents, end of fiscal year	$ 150,410	$ 41,047
Restricted cash, end of fiscal year	—	—
Total cash, cash equivalents and restricted cash, end of fiscal year	$ 150,410	$ 41,047
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash paid for interest	$ 1,487	$ 177
Cash paid for income taxes	—	—
Right-of-use assets acquired in exchange for operating lease liabilities	—	302
Cash paid for amounts included in the measurement of operating lease liabilities	254	299
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Reclassification of derivative liabilities to equity upon cure of authorized share deficiency	$ 35,025	$ 1,796
Issuance of commitment shares for deferred offering costs subsequently charged to additional paid-in capital	450	—
Payables for deferred offering costs subsequently charged to additional paid-in capital	61	—
Reclassification of warrants and stock options from equity to derivative liability due to authorized share deficiency	—	3,591
Debt discounts incurred for:		
Final Fee obligation under debt agreement	—	713
Allocation of debt proceeds to embedded derivative obligations	—	381
Payables for debt issuance costs	—	25
Furniture and equipment received as inducement under operating lease	—	10

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

REZOLUTE, INC.
Notes to Consolidated Financial Statements

NOTE 1 — NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Rezolute, Inc. (the "Company") is a clinical stage biopharmaceutical company developing transformative therapies for metabolic diseases related to chronic glucose imbalance.

Change in Domicile

In June 2021, the Company merged with and into its wholly owned subsidiary, Rezolute Nevada Merger Corporation, a Nevada corporation ("Merger Sub"), pursuant to an Agreement and Plan of Merger, dated as of June 18, 2021 (the "Reincorporation Merger Agreement"), between the Company and Merger Sub, with Merger Sub as the surviving corporation (the "Reincorporation Merger"). At the effective time of the Reincorporation Merger, Merger Sub was renamed "Rezolute, Inc." and by operation of law succeeded to the Company's assets, business, and rights and obligations that existed immediately before the Reincorporation Merger. The Reincorporation Merger Agreement was approved by the Company's shareholders on May 26, 2021.

Consolidation

The Company has two wholly owned subsidiaries consisting of Rezolute (Bio) Ireland Limited, and Rezolute Bio UK, Ltd. The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Reverse Stock Split

In August 2019, the Company's Board of Directors approved a reverse stock split that was subject to shareholder approval at a special meeting that was concluded on October 28, 2019. Shareholders approved the proposal whereby the Board of Directors had the ability at any time on or before October 23, 2020, to execute a reverse stock split and set an exchange ratio between 20 and 100 shares of the Company's outstanding common stock, $0.001 par value per share, into one issued and outstanding share of common stock, without any change in the par value per share or the number of shares of common stock authorized. On October 7, 2020, the Board of Directors approved a one share for every fifty shares reverse stock split of the common stock (the "Reverse Stock Split"), resulting in the filing of a Certificate of Amendment (the "Amendment") to the Company's Articles of Incorporation with the Secretary of State of Delaware. The Amendment was effective on October 9, 2020.

In connection with the Reverse Stock Split, proportionate adjustments were made to increase the per share exercise prices and decrease the number of shares of common stock issuable upon exercise of stock options and warrants whereby approximately the same aggregate price is required to be paid for such securities upon exercise as had been payable immediately preceding the Reverse Stock Split. In addition, any fractional shares that would otherwise be issued as a result of the Reverse Stock Split were rounded up to the nearest whole share. All references in the accompanying consolidated financial statements to the number of shares of common stock and per share amounts have been retroactively adjusted to give effect to the Reverse Stock Split.

Basis of Presentation

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Comprehensive income (loss) is defined as net income (loss) plus other comprehensive income (loss). Other comprehensive income (loss) is comprised of revenues, expenses, gains, and losses that under GAAP are reported as separate components of shareholders' equity instead of net income (loss). For the fiscal years ended June 30, 2022 and

REZOLUTE, INC.
Notes to Consolidated Financial Statements

2021, the only component of comprehensive loss was the Company's net loss as the Company has no items constituting any other comprehensive income (loss).

The Company's Chief Executive Officer also serves as the Company's chief operating decision maker for purposes of allocating resources and assessing performance based on financial information of the Company. Since its inception, the Company has determined that its activities as a clinical stage biopharmaceutical company are classified as a single reportable operating segment.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts in the consolidated financial statements and the accompanying notes. The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes are reasonable under the circumstances, to determine the carrying values of assets and liabilities that are not readily apparent from other sources. The Company's significant accounting estimates include, but are not necessarily limited to, determination of the fair value of derivative liabilities for authorized share deficiencies, fair value of the embedded derivatives associated with debt financings, fair value of share-based payments and warrants, management's assessment of going concern, clinical trial accrued liabilities, and estimates of the probability and potential magnitude of contingent liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

The Company's operations may be subject to significant risks and uncertainties including financial, operational, regulatory and other risks associated with a clinical stage company, including the potential risk of business failure discussed in Note 2.

Cash and Cash Equivalents

All highly liquid investments purchased with an original maturity of three months or less that are freely available for the Company's immediate and general business use are classified as cash and cash equivalents. Cash and cash equivalents consist primarily of demand deposits with financial institutions.

Leases

The Company determines if an arrangement includes a lease as of the date an agreement is entered into. Operating leases are included in right-of-use ("ROU") assets and operating lease liabilities in the Company's consolidated balance sheets. ROU assets and operating lease liabilities are initially recognized based on the present value of the future minimum lease payments at the commencement date of the lease. The Company generally uses its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments. The Company's leases may include options to extend or terminate the lease; these options are included in the calculation of ROU assets and operating lease liabilities when it is reasonably certain that the Company will exercise the options. Lease expense is recognized on a straight-line basis over the lease term. The Company has elected not to apply the recognition requirements for short-term leases. For lease agreements with lease and non-lease components, the Company generally accounts for them separately.

Property and Equipment

Property and equipment consist solely of office furniture and equipment that is recorded at cost. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets which range from 3 to 5 years. Maintenance and repairs are expensed as incurred.

REZOLUTE, INC.
Notes to Consolidated Financial Statements

Debt Discounts and Issuance Costs

Debt discounts and issuance costs ("DDIC") incurred to obtain new debt financings or modify existing debt financings consist of incremental direct costs incurred for fees paid to the lender, professional fees and due diligence services. DDIC is presented in the accompanying consolidated balance sheets as a reduction in the carrying value of the debt and is accreted to interest expense using the effective interest method.

Deferred Offering Costs

Commissions, legal fees and other costs that are directly associated with equity financings are capitalized as deferred offering costs, pending a determination of the success of the offering. Deferred offering costs related to successful offerings are charged to additional paid-in capital in the period that the offering is successful. Deferred offering costs related to unsuccessful equity offerings are recorded as an expense in the period when it is determined that an offering is unsuccessful.

Research and Development Costs

Research and development costs are expensed as incurred. Intangible assets for in-licensing costs incurred under license agreements with third parties are charged to expense, unless the licensing rights have separate economic value in alternative future research and development projects or otherwise.

Clinical Trial Accruals

Clinical trial costs are a component of research and development expenses. The Company accrues and expenses clinical trial activities performed by third parties based upon estimates of the percentage of work completed over the life of the individual study in accordance with agreements established with clinical research organizations and clinical trial sites. The Company determines the estimates through discussions with internal clinical personnel and external service providers as to the progress or stage of completion of trials or services and the agreed-upon fee to be paid for such services.

Nonrefundable advance payments for goods and services that will be used or rendered in future research and development activities are deferred and recognized as expense in the period that the related goods are delivered, or services are performed.

Share-Based Compensation

The Company measures the fair value of employee and director services received in exchange for all equity awards granted, including stock options, based on the fair market value of the award as of the grant date. The Company computes the fair value of stock options using the Black-Scholes-Merton ("BSM") option pricing model and recognizes the cost of the equity awards over the period that services are provided to earn the award, usually the vesting period. For awards granted which contain a graded vesting schedule, and the only condition for vesting is a service condition, compensation cost is recognized as an expense on a straight-line basis over the requisite service period as if the award was, in substance, a single award. The Company recognizes the impact of forfeitures in the period that the forfeiture occurs, rather than estimating the number of awards that are not expected to vest in accounting for share-based compensation. For stock options that are voluntarily surrendered by employees, all unrecognized compensation is immediately recognized in the period the options are cancelled.

For stock options with vesting that is dependent on achieving certain market, performance and service conditions ("Hybrid Options"), the Company recognizes compensation expense over the requisite service period beginning on the date when the performance condition is considered probable of occurrence. The Company determines the requisite service period as the longest of the derived, implicit and explicit vesting periods for each of the market, performance and service conditions, respectively. If the Hybrid Options do not ultimately become exercisable due to the failure of the option holder to achieve the requisite service period, any previously recognized compensation cost is reversed. However, if the Hybrid Options do

not ultimately become exercisable due to the failure to achieve the market condition, previously recognized compensation cost will not be reversed.

Derivative Liability for Authorized Share Deficiencies

During the fiscal year ended June 30, 2021, the Company did not have an adequate number of authorized shares of common stock to fully settle all outstanding stock options and warrants. Therefore, the Company did not satisfy the criteria for equity classification for all contracts required to be settled in common stock since the Company could have been required to settle certain contracts in cash to the extent of the deficiency. In order to determine the specific stock options and warrants that may have been required for cash settlement, the Company adopted an accounting policy to select the stock options and warrants with the earliest issuance dates to compute the estimated fair value of the financial instruments associated with the authorized share deficiency. Fair value of the stock options and warrants associated with the deficiency was computed on the date the deficiency arose and on the date when the deficiency was cured, using the BSM option-pricing model.

In May 2021, the Company's shareholders approved an increase in authorized shares whereby cash settlement was no longer required, and the derivative liability was reclassified to equity.

In May 2022, the Company issued Class B pre-funded warrants that resulted in an authorized share deficiency. Since the issuance of Class B pre-funded warrants caused the authorized share deficiency, the Company accounted for such warrants as a derivative liability from the issuance date until June 2022 when shareholders approved an increase in authorized shares that resulted in the reclassification of the related derivative liability to equity.

The Class B pre-funded warrants were issued in an underwritten offering at a discount to fair value. The Company adopted an accounting policy to charge this discount to expense on the issuance date. Gains or losses that result from accounting for authorized share deficiencies as derivative liabilities are not subsequently reversed upon receipt of shareholder approval.

Embedded Derivatives

When the Company enters into a financial instrument such as a debt or equity agreement (the "Host Contract"), the Company assesses whether the economic characteristics of any embedded features would meet the definition of a derivative instrument, and if so whether the features are considered clearly and closely related to the primary economic characteristics of the Host Contract. When it is determined that (i) an embedded feature possesses economic characteristics that are not clearly and closely related to the primary economic characteristics of the Host Contract, and (ii) a separate, stand-alone instrument with the same terms would meet the definition of a financial derivative instrument and cannot be classified in shareholders' equity, then the embedded feature is bifurcated from the Host Contract and accounted for as a derivative liability. The estimated fair value of the derivative feature is recorded separately from the carrying value of the Host Contract, with subsequent changes in the estimated fair value recorded as a non-operating gain or loss in the Company's consolidated statements of operations.

Governmental Assistance

In response to the COVID-19 pandemic, the United States government designed programs to assist businesses in dealing with the financial hardships caused by the pandemic. The Company recognizes the right to receive governmental assistance payments in the period in which all legal requirements necessary have been met and other related conditions on which they depend are substantially met.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Under this method, deferred income tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities

and are measured using enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered or settled. Realization of deferred income tax assets is dependent upon future taxable income. A valuation allowance is recognized if it is more likely than not that some portion or all of a deferred income tax asset will not be realized based on the weight of available evidence, including expected future earnings.

The Company recognizes an uncertain tax position in its financial statements when it concludes that a tax position is more likely than not to be sustained upon examination based solely on its technical merits. Only after a tax position passes the first step of recognition will measurement be required. Under the measurement step, the tax benefit is measured as the largest amount of benefit that is more likely than not to be realized upon effective settlement. This is determined on a cumulative probability basis. The full impact of any change in recognition or measurement is reflected in the period in which such change occurs. Interest and penalties related to income taxes are recognized in the provision for income taxes.

Net Loss Per Share

Basic net loss per share is computed by dividing net loss applicable to common shareholders by the weighted average number of outstanding shares of common stock and pre-funded warrants that are accounted for as equity instruments.

Diluted net loss per share is computed by giving effect to all potential shares of common stock, including stock options and warrants, to the extent dilutive. Also to the extent dilutive, for periods in which pre-funded warrants are accounted for as derivative liabilities, the calculation of diluted net loss per share is further adjusted to eliminate gains on changes in fair value of such pre-funded warrants and the related pre-funded warrant shares are included in the weighted average number of shares outstanding.

For participating warrants that are entitled to participate in dividend to holders of shares of common stock, the Company applies the two-class method of allocating earnings if the impact is dilutive for the calculation of both basic and diluted net loss per share.

Recent Accounting Pronouncements

Standards Required to be Adopted in Future Years. The following accounting standards are not yet effective; management has not completed its full and comprehensive evaluation to determine the impact that adoption of these standards may have on the Company's consolidated financial statements.

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* ASU 2016-13 amends the guidance on the impairment of financial instruments. This update adds an impairment model (known as the current expected credit losses model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes, as an allowance, its estimate of expected credit losses. In November 2019, ASU 2016-13 was amended by ASU 2019-10, *Financial Instruments- Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)* whereby the effective date for ASU 2016-13 for smaller reporting companies is now required for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company does not expect the adoption of this accounting guidance will have a material impact on its consolidated financial statements.

In August 2020, FASB issued ASU 2020-06, *Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity).* ASU 2020-06 reduces the number of accounting models for convertible debt instruments and convertible preferred stock, which results in fewer embedded conversion features being separately recognized from the host contract as compared with current GAAP. Additionally, ASU 2020-06 affects the diluted earnings per share calculation for instruments that may be settled in cash or shares and for convertible instruments and requires enhanced disclosures about the terms of convertible instruments and contracts in an entity's own equity. ASU 2020-06 allows entities to use a modified or full retrospective transition method and is effective for smaller reporting companies for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The Company

intends to adopt this standard effective July 1, 2022. The Company does not expect the adoption of this accounting guidance will have a material impact on its consolidated financial statements.

Other accounting standards that have been issued or proposed by FASB or other standards-setting bodies that do not require adoption until a future date are not currently expected to have a material impact on the Company's financial statements upon adoption.

NOTE 2 — LIQUIDITY

The Company is in the clinical stage and has not yet generated any revenues. For the fiscal year ended June 30, 2022, the Company incurred a net loss of $41.1 million and net cash used in operating activities amounted to $39.6 million. As of June 30, 2022, the Company had an accumulated deficit of $209.2 million, cash and cash equivalents of $150.4 million, and total current liabilities of $2.5 million.

As discussed in Note 4, the Company is subject to license agreements that provide for future contractual payments upon achievement of various milestone events. Pursuant to the ActiveSite License Agreement, a $3.0 million milestone payment will be due upon dosing of the first patient in a Phase 2 clinical trial for RZ402.

Additionally, pursuant to the XOMA License Agreement (as defined below), a $5.0 million milestone payment will be due upon dosing of the first patient in a Phase 3 clinical trial for RZ358.

After underwriting discounts of $7.1 million, the Company received proceeds of approximately $110.5 million upon closing of a registered direct offering on May 4, 2022. This amount consists of $39.1 million related to the issuance of 10.9 million Class B pre-funded warrants where exercise was subject to shareholder approval of an increase in the Company's authorized shares, for which approval was received in June 2022, and the remainder of $71.4 million related to unrestricted issuances of equity securities.

As discussed in Note 15, in July 2022 the Company received gross proceeds of approximately $12.3 million related to a private placement of approximately 3.2 million shares of common stock.

Management believes the Company's cash and cash equivalents balance of $150.4 million as of June 30, 2022, and additional proceeds received in July 2022 from the private placement, will be adequate to carry out currently planned activities through September 2023, at a minimum.

NOTE 3 — LEASES

In November 2020, the Company entered into an assignment, assumption and amendment of lease agreement for ancillary office space in Bend, Oregon. The leased space consists of approximately 5,000 square feet and provides for average monthly rent of approximately $8,400 through the expiration date in February 2024. The lease provides one option to renew the lease for an additional three years at market rates. The Company determined it was not reasonably assured that this renewal option would be exercised whereby the resulting lease term was estimated at 40 months. Using a discount rate of 6.0%, the Company recognized an ROU asset and corresponding operating lease liability of approximately $0.3 million at inception of the lease.

As of June 30, 2022 and 2021, the carrying value of all ROU assets and operating lease liabilities was as follows (in thousands):

	2022	2021
Right-of-use assets, net	$ 152	$ 396
Operating lease liabilities:		
Current	$ 108	$ 265
Long-term	80	187
Total	$ 188	$ 452

For the fiscal years ended June 30, 2022 and 2021, operating lease expense was as follows (in thousands):

	2022	2021
Research and development	$ 289	$ 268
General and administrative	103	111
Total	$ 392	$ 379

As of June 30, 2022, the weighted-average remaining lease term under operating leases was 1.7 years, and the weighted-average discount rate used to determine the operating lease liabilities was 6.0%. For the fiscal year ended June 30, 2022, cash paid for amounts included in the measurement of operating lease liabilities amounted to $0.3 million, which is included in the determination of net cash used in operating activities in the consolidated statement of cash flows.

Future Lease Payments

Future payments under operating lease agreements as of June 30, 2022 are as follows (in thousands):

Fiscal year ending June 30,	
2023	$ 117
2024	79
Thereafter	—
Total lease payments	196
Less imputed interest	(8)
Present value of operating lease liabilities	$ 188

Headquarters Lease

In April 2022, the Company entered into a lease agreement for a new corporate headquarters in Redwood City, California. The space consists of approximately 9,300 square feet and provides for total base rent payments of approximately $2.9 million through the expected expiration of the lease in September 2027. The landlord is required to make improvements to the facility before it is suitable for occupancy by the Company. The Company anticipates the improvements will be completed in the first quarter of the fiscal year ended June 30, 2023, triggering the commencement of the lease. The lease provides for a six-month rent abatement period beginning upon commencement of the lease term which is expected to occur in September 2022. In addition, the lease provides an allowance of approximately $0.1 million that may be utilized by the Company for the purchase of furniture and equipment. The average base rent payable in cash over the 60-month lease term is approximately $48,000 per month. Upon commencement of the lease, the Company expects to recognize a right-of-use asset and a related operating lease liability for approximately $2.3 million.

Assuming the lease commences in September 2022, future payments under this operating lease agreement are as follows (in thousands):

Fiscal year ending June 30,		
2023	$	149
2024		614
2025		632
2026		651
2027		670
Thereafter		112
Total lease payments	$	2,828

NOTE 4 —LICENSE AGREEMENTS

XOMA License Agreement

In December 2017, the Company entered into a license agreement ("XOMA License Agreement") with XOMA Corporation ("XOMA"), through its wholly-owned subsidiary, XOMA (US) LLC, pursuant to which XOMA granted an exclusive global license to the Company to develop and commercialize XOMA 358 (formerly X358, now RZ358) for all indications. In January 2019, the License Agreement was amended with an updated payment schedule, as well as revising the amount the Company was required to expend on development of RZ358 and related licensed products, and revised provisions with respect to the Company's diligence efforts in conducting clinical studies.

In January 2022, the Company was required to make a milestone payment under the XOMA License Agreement of $2.0 million that became due upon the dosing of the last patient in the Company's ongoing Phase 2b Clinical Trial for RZ358. Upon the achievement of certain clinical and regulatory events under the XOMA License Agreement, the Company will be required to make additional milestone payments to XOMA up to $35.0 million. After the clinical and regulatory milestones, the Company will be required, upon the future commercialization of RZ358, to pay royalties to XOMA based on the net sales of the related products and additional milestone payments to XOMA up to $185.0 million related to annual net sales amounts. The next milestone payment of $5.0 million will be due upon dosing of the first patient in a Phase 3 clinical trial for RZ358.

ActiveSite License Agreement

On August 4, 2017, the Company entered into a Development and License Agreement (the "ActiveSite License Agreement") with ActiveSite Pharmaceuticals, Inc. ("ActiveSite") pursuant to which the Company acquired the rights to ActiveSite's Plasma Kallikrein Inhibitor program ("PKI Portfolio"). The Company is initially using the PKI Portfolio to develop an oral PKI therapeutic for diabetic macular edema (RZ402) and may use the PKI Portfolio to develop other therapeutics for different indications. The ActiveSite Development and License Agreement requires various milestone payments up to $46.5 million if all milestone payments are achieved. The first milestone payment for $1.0 million was paid in December 2020 after clearance was received for an Initial Drug Application, or IND, filed with the US Food and Drug Administration ("FDA"). The next milestone payment of $3.0 million will be due upon dosing of the first patient in a Phase 2 clinical trial for RZ402. The Company is also required to pay royalties equal to 2.0% of any sales of products that use the PKI Portfolio. There have been no events that would result in any royalty payments owed under the ActiveSite License Agreement to date.

REZOLUTE, INC.
Notes to Consolidated Financial Statements

NOTE 5 — LOAN AND SECURITY AGREEMENT

On April 14, 2021, the Company entered into a $30.0 million Loan and Security Agreement (the "Loan Agreement") with SLR Investment Corp. ("SLR") and certain other lenders (collectively, the "Lenders"). The Lenders agreed to loan up to $30.0 million consisting of (i) a $15.0 million term A loan that was funded on April 14, 2021, and (ii) term B and term C loans for an aggregate of $15.0 million, which were subject to the Company's ability to obtain prescribed amounts of financing and achieve certain clinical milestones. The Company did not achieve the initial clinical milestones by January 2022 and the term B and term C loans were no longer a potential source of liquidity. The maturity date of the term A loan was April 1, 2026 (the "Maturity Date").

In addition, the Company's cash and cash equivalents became subject to a blocked account control agreement ("BACA") in favor of the Lenders whereby a cash balance of at least $5.0 million was required beginning on December 31, 2021. In the event of a default under the Loan Agreement, the BACA would have enabled the Lenders to prevent the release of funds from the Company's cash accounts and accordingly the Company accounted for the BACA as a restricted cash account.

Outstanding borrowings provided for interest at a floating rate equal to (a) 8.75% per annum plus (b) the greater of (i) the rate per annum published by the Intercontinental Exchange Benchmark Administration Ltd. ("IEBA") for a term of one month and (ii) 0.12% per annum. For the period from April 14, 2021 through February 28, 2022, the IEBA rate for a term of one month was approximately 0.12% per annum. For the period from March 1, 2022 through June 30, 2022, the IEBA rate for a term of one month was approximately 0.23% per annum. Therefore, the contractual rate was 8.98% and 8.87% as of June 30, 2022 and 2021, respectively. The Company was permitted to make interest-only payments on each term loan through May 1, 2023.

The Company was obligated to pay the Lenders (i) a non-refundable facility fee in the amount of 1.00% of each term loan (the "Facility Fee"), and (ii) a final fee equal to 4.75% of the aggregate amount of the term loans funded (the "Final Fee"). As of June 30, 2021, the Company incurred debt discounts for an aggregate of $1.7 million that consisted of $0.5 million for financial advisory and legal fees, an aggregate of $0.8 million for the Facility Fee and the Final Fee, and an aggregate of $0.4 million as an exit fee accounted for as an embedded derivative. The Final Fee was payable upon the earliest to occur of (i) the Maturity Date, (ii) the acceleration of the term loans, and (iii) the prepayment of the term loans. The total debt discount of $1.7 million related to the term A loan was accreted to interest expense using the effective interest method which resulted in an overall current effective interest rate of 12.6%.

Concurrently with the execution of the Loan Agreement, the Company entered into an exit fee agreement (the "Exit Fee Agreement") that provides for a fee of 4.00% of the funded principal balance of each term loan in the event certain transactions (defined as "Exit Events") occur prior to April 13, 2031. Exit Events include, but are not limited to, sales of substantially all assets, certain mergers, change of control transactions, and issuances of common stock that result in new investors owning more than 35% of the Company's shares. As of April 14, 2021, the Company allocated a portion of the proceeds from the term A loan to recognize a liability for the fair value of all embedded derivatives related to the Loan Agreement for approximately $381,000. Fair value of the Exit Events derivative was determined based on the Company's strategic corporate development plans by considering a detailed evaluation of the different types of Exit Events that could occur and using a discounted rate equivalent to the effective rate for the term A loan. Fair value of embedded derivatives is assessed at the end of each reporting period with changes in fair value recognized as a nonoperating gain or loss. As of June 30, 2022 and 2021, there was a change in fair value of approximately $20,000 and $6,000 recorded as a non-operating loss on change in fair value of embedded derivatives.

As of June 30, 2022, the Company was permitted to prepay the outstanding principal balance of the term loan by incurring a prepayment fee of 2.00% of the outstanding principal balance.

On June 30, 2022, the Company exercised its option to prepay the outstanding principal of the term A loan and terminate the Loan Agreement. Accordingly, the Company paid a total of $16.0 million consisting of the outstanding principal of $15.0 million, the Final Fee of $0.7 million and the prepayment fee of $0.3 million. As of June 30, 2022, a loss on

extinguishment of the Loan Agreement of $1.8 million was recognized for the unaccreted discount of $1.5 million and the 2.00% prepayment penalty of $0.3 million.

The Company's obligations under the Loan Agreement were secured by a first-priority security interest in substantially all of the Company's assets, including its intellectual property. This security interest was released on June 30, 2022, upon termination of the Loan Agreement. The Exit Fee Agreement discussed above was not impacted by the termination of the Loan Agreement.

NOTE 6 — DERIVATIVE LIABILITIES FOR AUTHORIZED SHARE DEFICIENCIES

Deficiency Triggered by Issuance of Class B Pre-Funded Warrants

As discussed in Note 7, the Company issued pre-funded warrants ("PFWs") pursuant to underwritten offerings completed in October 2021 and May 2022. Exercisability of 10,947,371 Class B PFWs for net proceeds of approximately $39.1 million received in May 2022 was subject to the Company's ability to obtain shareholder approval for an increase in authorized shares. Since the ability to obtain shareholder approval was outside the Company's control, liability classification was required beginning on the date of issuance of the Class B PFWs on May 4, 2022.

The fair value of the Class B PFWs on the date of issuance was equal to the amount paid by investors of approximately $41.6 million or $3.80 per share, which was accounted for as a derivative liability beginning on May 4, 2022. As discussed in Note 7, the Company's shareholders approved an increase in authorized shares from 40.0 million shares to 100.0 million shares on June 16, 2022. Upon receipt of shareholder approval for the authorized share increase on June 16, 2022, fair value of the derivative liability had decreased to $35.0 million or $3.20 per share, which resulted in a gain of $6.6 million. This gain is included in non-operating income and the liability of $35.0 million was reclassified into shareholders' equity on June 16, 2022. Underwriter discounts of approximately $2.5 million related to the Class B PFWs were expensed at the date of issuance. Fair value of the Class B PFWs was determined using the BSM option-pricing model with the following assumptions as of June 16, 2022:

Market price of common stock	$	3.20
Exercise price	$	0.001
Risk-free interest rate		3.3 %
Dividend rate		0.0 %
Remaining expected term (years)		9.9
Historical volatility		95.0 %

Deficiency Triggered by Charter Revision

As discussed in Note 7, the Company reduced the number of its authorized shares of common stock from 500.0 million shares to 10.0 million shares on February 17, 2021. At the time of this change, the Company had approximately 8.4 million shares of common stock issued and outstanding, plus approximately 2.4 million shares that were required to be reserved for issuance pursuant to the Company's stock option plans and warrant agreements. Accordingly, a total of 10.8 million shares were required to be authorized, which resulted in a deficiency of approximately 0.8 million shares that were unavailable to settle outstanding stock options and warrants as of February 17, 2021. Since the Company could have been required to settle in cash for up to 0.8 million shares, liability classification for these instruments was required beginning on February 17, 2021.

The Company's accounting policy provided for selection of the stock options and warrant agreements with the earliest issuance dates to compute the estimated fair value of the financial instruments associated with the authorized share deficiency. These stock options and warrants were generally those with the highest exercise prices that were least likely to be exercised. The fair value of such stock options and warrants amounted to $3.6 million, which was reclassified from shareholders' equity to a derivative liability as of February 17, 2021. As a result of the expiration of stock options and

warrants for approximately 0.1 million shares from February 2021 through May 2021, the authorized share deficiency was reduced to approximately 0.7 million shares as of May 26, 2021, when the Company's shareholders approved an increase in authorized shares from 10.0 million shares to 40.0 million shares.

Presented below is a summary of the derivative liability associated with the stock options and warrants that were subject to the Company's accounting policy as of February 17, 2021 and May 26, 2021 (in thousands, except per share amounts):

	February 17, 2021			May 26, 2021		
	Stock Options	Warrants	Total	Stock Options	Warrants	Total
Number of shares	253	527	780	212	521	733
Weighted average fair value per share	$ 6.46	$ 3.71	$ 4.60	$ 4.42	$ 1.65	$ 2.45
Fair value of derivative liability	$ 1,638	$ 1,953	$ 3,591	$ 935	$ 861	$ 1,796

Due to the reduction in fair value of the derivative liability from $3.6 million as of February 17, 2021 to $1.8 million as of May 26, 2021, the Company recognized a non-cash gain from the change in fair value of approximately $1.8 million in the accompanying consolidated statements of operations for the fiscal year ended June 30, 2021. This gain is included in non-operating income and the liability of $1.8 million was reclassified into shareholders' equity on May 26, 2021. The primary factor that resulted in this gain was a reduction in the market price in the Company's common stock from $11.99 per share on February 17, 2021 to $7.69 per share on May 26, 2021 when the authorized share deficiency was cured. Fair value of the stock options and warrants set forth above was determined using the BSM option-pricing model with the following weighted-average assumptions as of February 17, 2021 and May 26, 2021:

	February 17, 2021			May 26, 2021		
	Stock Options	Warrants	Total	Stock Options	Warrants	Total
Market price of common stock	$ 11.99	$ 11.99	$ 11.99	$ 7.69	$ 7.69	$ 7.69
Exercise price	$ 84.19	$ 63.88	$ 70.48	$ 69.96	$ 63.67	$ 65.49
Risk-free interest rate	0.6 %	0.1 %	0.3 %	1.0 %	0.2 %	0.4 %
Dividend rate	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Remaining contractual term (years)	4.6	1.5	2.5	5.2	1.3	2.4
Historical volatility	112.6 %	123.5 %	119.9 %	119.1 %	99.6 %	105.2 %

NOTE 7 — SHAREHOLDERS' EQUITY

Changes in Authorized Capital Stock

For the period from April 24, 2019 through February 16, 2021, the Company was authorized to issue 500.0 million shares of common stock and 20.0 million shares of preferred stock. On February 17, 2021, the Company filed a certificate of correction (the "Charter Revision") with the Secretary of State of Delaware that changed the number of authorized shares of common Stock from 500.0 million shares to 10.0 million shares. The Charter Revision also reduced the number of authorized shares of preferred stock from 20.0 million shares to 0.4 million shares on February 17, 2021. In connection with the Reincorporation Merger discussed in Note 1, the Company's shareholders approved an increase in authorized shares from 10.0 million shares to 40.0 million shares of common stock as of June 18, 2021. Accordingly, as of June 30, 2021, the Company was authorized to issue 40.0 million shares of common stock and 0.4 million shares of preferred stock.

On June 16, 2022, the Company's shareholders approved an increase of authorized shares from 40.0 million shares to 100.0 million shares of common stock. Accordingly, as of June 30, 2022, the Company was authorized to issue 100.0 million shares of common stock and 0.4 million shares of preferred stock.

REZOLUTE, INC.
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Reverse Stock Split

As discussed in Note 1, the Company effected a Reverse Stock Split on October 9, 2020. All references in the accompanying consolidated financial statements to the number of shares of common stock and per share amounts have been retroactively adjusted to give effect to the Reverse Stock Split.

May 2022 Registered Direct Offering

On May 1, 2022, the Company entered into (i) an underwriting agreement with Jefferies LLC, as representative of the underwriters listed therein, relating to the issuance and sale of equity securities in an underwritten registered direct offering (the "2022 RDO"), and (ii) a placement agency agreement with Jefferies LLC, that provides for a private placement of equity securities (the "Private Placement"). The 2022 RDO resulted in the issuance of (i) approximately 18.0 million shares of the Company's common stock, at a public offering price of $3.80 per share, (ii) Class A pre-funded warrants (the "Class A PFWs") to purchase up to approximately 2.0 million shares of common stock at a public offering price of $3.799 per Class A PFW and (iii) Class B pre-funded warrants (the "Class B PFWs") to purchase up to 10.9 million shares of common stock at a public offering price of $3.799 per Class B PFW. The gross amount of the 2022 RDO was $117.6 million, before deducting an aggregate of $7.1 million incurred for underwriting discounts and approximately $0.4 million for professional fees and other offering expenses payable by the Company. The 2022 RDO closed on May 4, 2022 and the Company received net proceeds of approximately $110.5 million. In connection with the 2022 RDO, certain of the Company's officers and directors agreed not to sell or otherwise dispose of any common stock held by them through July 30, 2022.

Pursuant to the Private Placement, the Company entered into a securities purchase agreement ("SPA") on May 4, 2022 with Handok, Inc. ("Handok"), an entity affiliated with a member of the Board of Directors, and certain of Handok's affiliates (collectively, the "Purchasers"). Contingent upon satisfaction of certain closing conditions set forth in the SPA, the Company agreed to sell to the Purchasers 3.2 million shares of common stock at a price of $3.80 per share. As discussed in Note 15, the closing of the Private Placement occurred in July 2022 and resulted in the receipt of net cash proceeds of approximately $11.6 million.

2022 Pre-Funded Warrants

The offering price of $3.799 per share for the Class A PFWs and the Class B PFWs (collectively, the "2022 PFWs") is equal to the public offering price for the shares of common stock issued in the 2022 RDO less the $0.001 per share price that is required to be paid to the Company upon exercise of the 2022 PFWs. The exercise price of the 2022 PFWs is subject to adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the common stock, and also upon any distributions for no consideration of assets to the Company's shareholders. In the event of certain corporate transactions, the holders of the 2022 PFWs will be entitled to receive, upon exercise of the 2022 PFWs, the kind and amount of securities, cash or other property that the holders would have received had they exercised the 2022 PFWs immediately prior to such transaction. The 2022 PFWs do not entitle the holders thereof to any voting rights or any of the other rights or privileges to which holders of common stock are entitled.

Each Class A PFW is exercisable upon issuance. The Class B PFWs became exercisable for shares of common stock upon receipt of shareholder approval for an increase in the number of authorized shares of common stock as discussed below under the caption *Required Shareholder Approval*. As of June 30, 2022, no shares underlying the 2022 PFWs have been exercised.

Required Shareholder Approval

The closing of the 2022 RDO resulted in the issuance of the approximately 18.0 million shares of common stock and Class A PFWs for approximately 2.0 million shares. After these issuances, the Company had utilized the entire 40.0 million of authorized shares of common stock that were available under its corporate charter, consisting of issued shares and shares of common stock reserved for issuance under stock option plans and outstanding warrants discussed in Note 7. Accordingly, the Company did not have a sufficient number of shares of common stock available to permit exercise of

any of the Class B PFWs. Therefore, the Class B PFWs were exercisable for shares of common stock to the extent that shareholders subsequently approved an increase in the number of authorized shares (the "Shareholder Approval"), which the Company was required to use its best efforts to obtain at an annual meeting of shareholders to be held by June 30, 2022. As noted under the caption *Changes in Authorized Capital Stock* the Company obtained shareholder approval for an increase of authorized shares on June 16, 2022. As of June 30, 2022, the 10.9 million Class B PFWs issued were exercisable and no shares underlying the Class B PFWs have been exercised.

The Company accounted for the gross proceeds of $41.6 million received from the issuance of the Class B PFWs as derivative liabilities whereby future changes in the fair value of the derivative liabilities would result in gains or losses until such time that Shareholder Approval was obtained. As discussed in Note 6, upon receipt of shareholder approval for an increase in authorized shares to 100.0 million shares, the Company reclassified the derivative liability to shareholders' equity.

Registration Rights Agreement

In connection with the offer of the Class B PFWs, the Company entered into registration rights agreements with the purchasers. Pursuant to the registration rights agreements, the Company was required to file a registration statement with the SEC to register for resale the shares issuable upon exercise of the Class B PFWs, within two days of receipt of Shareholder Approval, and to have such registration statement declared effective by July 5, 2022 in the event the registration statement was not reviewed by the SEC. The Company would be obligated to pay certain liquidated damages to the purchasers if the Company (i) failed to file the registration statement when required, (ii) failed to cause the registration statement to be declared effective by the SEC when required, and (iii) if the Company to fails to maintain the effectiveness of the registration statement.

On June 17, 2022, the Company filed the initial registration statement with the SEC to register the shares issuable upon exercise of the Class B PFWs, which was within 2 days of the Company's shareholder meeting held on June 16, 2022. Subsequently on July 1, 2022, the registration was declared effective by the SEC.

If the Company fails to comply with the registration rights agreement, it will be obligated to pay 2.0% of the purchase price of the Class B PFWs for an aggregate of approximately $0.8 million as liquidated damages. If liquidated damage payments are required in the future, they will be charged to expense in the period incurred.

2021 Underwritten Public Offering

On October 12, 2021, the Company entered into an underwriting agreement with Oppenheimer & Co., Inc., as representative of the underwriters listed therein (the "2021 Underwriters") for the planned issuance and sale of equity securities in an underwritten public offering (the "2021 Underwritten Offering"). On October 15, 2021, closing occurred for the Underwritten Offering resulting in the issuance of (i) 6,030,847 shares of common stock at $6.50 per share for gross proceeds of $39.2 million, and (ii) 1,661,461 pre-funded warrants to purchase 1,661,461 shares of common stock at an issuance price of $6.49 per warrant (the "2021 PFWs") for gross proceeds of $10.8 million. The aggregate gross proceeds from the Underwritten Offering amounted to $50.0 million, excluding the Underwriters' Option discussed below, and before deductions for underwriting commissions of 6.0% of the gross proceeds and other offering costs of approximately $0.3 million. After deducting total offering costs of $3.3 million, the net proceeds of the Underwritten Offering amounted to approximately $46.7 million.

The Company granted the 2021 Underwriters a 30-day option to purchase up to an additional 1,153,845 shares of its common stock in the 2021 Underwritten Offering at a public offering price of $6.50 per share, less underwriting commissions (the "Underwriters' Option"). In November 2021, the Underwriters' Option was partially exercised for 116,266 shares resulting in gross proceeds of approximately $0.8 million.

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2021 Pre-Funded Warrants

The 2021 PFWs have an exercise price of $0.01 per share, which is subject to adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the common stock. Each 2021 PFW is exercisable at any time and from time to time after issuance with no stated expiration date. In the event of certain corporate transactions, the holders of the 2021 PFWs will be entitled to receive, upon exercise of the 2021 PFWs, the kind and amount of securities, cash or other property that the holders would have received had they exercised the 2021 PFWs immediately prior to such transaction. The 2021 PFWs do not entitle the holders thereof to any voting rights or any of the other rights or privileges to which holders of common stock are entitled.

The gross proceeds of $10.8 million received from issuance of the 2021 PFWs was recorded as a component of shareholders' equity within additional paid-in capital. In accordance with the terms of the warrant agreement, holders of the outstanding warrants are not entitled to exercise any portion of the 2021 PFWs if, upon exercise of such portion of the warrant, the holder's aggregate ownership of the Company's common stock or the combined voting power beneficially owned by such holder would exceed a designated percentage elected by the holder ranging from 4.99% to 19.99%, after giving effect to the exercise (the "Maximum Ownership Percentage"). Upon at least 61 days' prior notice to the Company, any warrant holder may elect to increase or decrease the Maximum Ownership Percentage to any other percentage not to exceed 19.99%. As of June 30, 2022, no shares underlying the 2021 PFWs have been exercised.

2021 Registered Direct Offering

Concurrently with the Underwritten Offering, Handok entered into a subscription agreement for a registered direct offering (the "2021 RDO") pursuant to which the Company agreed to sell Handok an aggregate of 769,231 shares of its common stock at a purchase price of $6.50 per share. The closing for the 2021 RDO occurred on October 27, 2021, whereby the Company received gross proceeds of $5.0 million.

Equity Distribution Agreement

In December 2020, the Company and Oppenheimer & Co. Inc. (the "Agent") entered into an Equity Distribution Agreement ("EDA") that provides for an "at the market offering" for the sale of up to $50.0 million in shares of the Company's common stock (the "Placement Shares") through the Agent. The Agent was acting as sales agent and was required to use commercially reasonable efforts to sell all of the Placement Shares requested to be sold by the Company, consistent with the Agent's normal trading and sales practices, on mutually agreed terms between the Agent and the Company. Under the terms of the EDA, the Company agreed to pay the Agent a commission equal to 3.0% of the gross sales price of the Placement Shares plus certain expenses incurred by the Agent in connection with the offering. For the year ended June 30, 2022, the Company sold 138,388 shares of its common stock pursuant to the EDA for net proceeds of approximately $1.5 million.

The EDA was scheduled to terminate when all of the Placement Shares had been sold, or earlier upon the election of either the Company or the Agent. The Company provided the Agent with notice of termination in May 2022 and no further shares will be issued under the EDA.

LPC Purchase Agreement

In August 2021, the Company entered into a purchase agreement (the "Purchase Agreement") and a registration rights agreement (the "RRA") with Lincoln Park Capital Fund, LLC ("LPC"), which provided that the Company could sell to LPC up to an aggregate of $20.0 million shares (the "Purchase Shares") of its common stock. The Company concurrently filed a prospectus supplement with the SEC to register the shares issuable under the Purchase Agreement. The aggregate number of shares that the Company could sell to LPC under the Purchase Agreement was 1,669,620 shares of common stock, subject to certain exceptions set forth in the Purchase Agreement.

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LPC's initial purchase consisted of 95,708 Purchase Shares at a purchase price of approximately $10.45 per share for a total purchase price of $1.0 million. Concurrently, the Company issued 33,799 shares of common stock to LPC as an initial fee for its commitment to purchase shares of common stock under the Purchase Agreement. Subject to the terms of the Purchase Agreement, the Company had the right, in its sole discretion, to present LPC with a purchase notice (a "Regular Purchase Notice"), directing LPC to purchase up to 25,000 Purchase Shares (a "Regular Purchase"). LPC's committed obligation under any single Regular Purchase generally could not exceed $2.0 million. The Purchase Agreement provided for a purchase price per share for each Regular Purchase (the "Purchase Price") equal to the lesser of (i) the lowest sale price of the common stock on the Nasdaq Capital Market ("NCM") on the purchase date of such shares; and (ii) the average of the three lowest closing sale prices for the common stock traded on the NCM during the ten consecutive business days ending on the business day immediately preceding the purchase date of such shares.

On September 17, 2021, the Company submitted a Regular Purchase Notice, resulting in the sale of 20,000 Purchase Shares to LPC for net proceeds of approximately $0.2 million. The Company provided LPC with notice of termination of the Purchase Agreement in May 2022 and no further shares are issuable under this agreement.

Pursuant to the RRA, the Company agreed to use its reasonable best efforts to maintain effectiveness of the registration statement and the related prospectus supplement within prescribed deadlines set forth in the RRA. In addition, the Company is required to use its reasonable best efforts to secure and maintain its listing of the Purchase Shares on the NCM. LPC had no obligation to purchase shares under the Purchase Agreement unless the Company complies with the terms of the RRA.

Fiscal 2021 Equity Financing

On September 15, 2020, the Company entered into financial advisory agreements to undertake a private placement of equity or equity equivalent securities (the "Fiscal 2021 Equity Financing"). Pursuant to the financial advisory agreements, the Company agreed to pay transaction fees to the financial advisors for an aggregate of 6.0% of the gross proceeds plus out-of-pocket expenses. In addition, for any financing completed within 60 days of the closing of the Fiscal 2021 Equity Financing, the financial advisors were entitled to additional transaction fees equal to 6.0% of the gross proceeds. As of June 30, 2021, the advisory agreements were no longer active.

On October 9, 2020, the Company completed the Fiscal 2021 Equity Financing through the sale of units (the "Units") consisting of (i) approximately 2.5 million shares of common stock, and (ii) warrants entitling the holders to purchase approximately 0.8 million shares of common stock. The warrants are exercisable at $19.50 per share for a period of seven years, may be exercised on a cash or cashless basis at the election of the holders, and holders are entitled to share in any dividends or distributions payable to holders of common stock on an as-converted basis (the "Participating Warrants").

The Units were issued for a purchase price of $16.50 per unit, resulting in gross proceeds of $41.0 million. Pursuant to the financial advisory agreements, the Company paid transaction fees of $2.5 million, and costs for professional fees and other offering costs amounted to approximately $1.1 million. After deducting the financial advisory fees and other offering costs, the estimated net proceeds amounted to approximately $37.4 million. Pursuant to the terms of the Fiscal 2021 Equity Financing, the Company executed the Reverse Stock Split of fifty shares into one share as discussed in Note 1 and agreed to enable trading of its common stock on the NCM, whereby the Company's listing application was approved by Nasdaq on November 3, 2020. The Company also entered into a registration rights agreement, pursuant to which the Company agreed to use commercially reasonable efforts to register (i) the shares of common stock included in the Units, and (ii) the shares of common stock issuable upon exercise of the warrants. The Company successfully registered the Units on November 27, 2020.

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NOTE 8 — SHARE-BASED COMPENSATION AND WARRANTS

Stock Option Plans

Presented below is a summary of the number of shares authorized, outstanding, and available for future grants under each of the Company's stock option plans as of June 30, 2022 (in thousands):

Description	Plan Termination Date	Number of Shares		
		Authorized	Outstanding	Available
2015 Plan	February 2020	36	36	—
2016 Plan	October 2021	256	256	—
2019 Plan	July 2029	200	200	—
2021 Plan	March 2030	10,700	8,014	2,686
Total		11,192	8,506	2,686

The Company currently has one active stock option plan, the 2021 Equity Incentive Plan (the "2021 Equity Plan"). On March 31, 2021, the Company's Board of Directors adopted the 2021 Equity Plan that will terminate on March 31, 2030. On May 26, 2021, the 2021 Equity plan was approved by the Company's shareholders with authority to issue up to 1.2 million shares of common stock. Pursuant to the 2021 Equity Plan, no awards may be granted under the three legacy stock option plans shown in the table above, but all outstanding awards previously granted under those plans shall remain outstanding and subject to the terms of the respective plans. On June 16, 2022, the Company's shareholders approved an amendment to the 2021 Equity Plan, increasing the number of shares of common stock to be issued under the plan up to 10.7 million shares of common stock. Stock options outstanding under these plans expire pursuant to their contractual provisions on various dates through 2031.

2022 Employee Stock Purchase Plan

On June 16, 2022, the Company's shareholders approved the adoption of the 2022 Employee Stock Purchase Plan (the "2022 ESPP"). The 2022 ESPP provides an opportunity for employees to purchase the Company's common stock through accumulated payroll deductions.

The 2022 ESPP has consecutive offering periods that begin approximately every 6 months commencing on the first trading day on or after July 1 and terminating on the last trading day of the offering period ending on December 31 and commencing on the first trading day on or after January 1 and terminating on the last trading day of the offering period ending on June 30. The 2022 ESPP reserves 0.5 million shares for purchases. The first offering period began on July 1, 2022.

June 2022 Grants

On June 23, 2022, the Board of Directors granted stock options for an aggregate of approximately 7.0 million shares of common stock to certain officers, employees and independent directors at an exercise price of $3.40 per share (the "June 2022 Grants"). Stock options were granted for an aggregate of approximately (i) 0.4 million shares were granted to independent directors and consultants, (ii) stock options for approximately 3.3 million shares granted to officers of the Company and (iii) 3.2 million shares granted to employees. Vesting of these granted stock options generally occurs over a period between three and four years. The aggregate fair value of the grants in June 2022 was $18.3 million, of which $0.1 million was recognized in June 2022 and the remaining $18.2 million will be recognized over the respective vesting periods.

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Stock Option Cancellations

Certain outstanding stock options held by officers and other employees of the Company were either subject to restrictive vesting terms (requiring a sustained increase in market price to $29.00 per share before vesting commenced) or that had relatively high exercise prices ranging from $50.00 to $103.00 per share. On June 29, 2021, three officers of the Company voluntarily surrendered their awards for approximately 0.3 million shares for no consideration. The previously unrecognized compensation cost for these awards amounted to approximately $0.7 million that was charged to expense on the date of cancellation.

Stock Options Outstanding

The following table sets forth a summary of the combined stock option activity under all of the Company's stock option plans for the fiscal years ended June 30, 2022 and 2021 (shares in thousands):

	2022			2021		
	Shares	Price [1]	Term [2]	Shares	Price [1]	Term [2]
Outstanding, beginning of fiscal year	1,285	$ 16.35	8.7	963	$ 33.06	8.1
Granted						
Directors and officers	3,660	3.40		485	12.47	
Employees	3,713	3.62		228	12.28	
Expired	(78)	19.03		(391)	50.29	
Forfeited	(74)	9.72		—	—	
Outstanding, end of fiscal year	8,506	5.24	9.7	1,285	16.35	8.7
Vested, end of fiscal year	685	18.63	7.5	440	23.07	7.1

(1) Represents the weighted average exercise price.

(2) Represents the weighted average remaining contractual term until the stock options expire.

For the fiscal year ended June 30, 2022, the aggregate fair value of stock options granted for approximately 7.4 million shares of common stock amounted to $20.1 million or approximately $2.72 per share as of the grant dates. For the fiscal year ended June 30, 2021, the aggregate fair value of stock options granted for approximately 0.7 million shares of common stock amounted to $7.5 million or approximately $10.47 per share as of the grant date. Fair value was computed using the BSM option-pricing model and will result in the recognition of compensation cost ratably over the expected vesting period of the stock options. The fair value of stock options was estimated on the date of grant using the BSM option-pricing model, with the following weighted-average assumptions for the fiscal years ended June 30, 2022 and 2021:

	2022	2021
Market price of common stock on grant date	$ 3.51	$ 12.41
Expected volatility	94 %	118 %
Risk free interest rate	3.1 %	0.9 %
Expected term (years)	6.1	5.7
Dividend yield	0 %	0 %

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Share-based compensation expense is included in under the following captions in the consolidated statements of operations for the fiscal years ended June 30, 2022 and 2021 (in thousands):

	2022	2021
Research and development	$ 1,405	$ 1,880
General and administrative	2,280	2,085
Total	$ 3,685	$ 3,965

Unrecognized share-based compensation expense for stock options that provide solely for time-based vesting as of June 30, 2022 was approximately $23.9 million. This amount is expected to be recognized over a remaining weighted average period of 3.7 years. As of June 30, 2022, unrecognized compensation of $0.2 million related to the remaining Hybrid Options is being recognized ratably over a weighted average period of 2.1 years.

Warrants

In connection with the 2021 RDO discussed in Note 7, the Company issued 2021 PFWs to purchase 1,661,461 shares of common stock at an issuance price of $6.49 per warrant for gross proceeds of $10.8 million. The 2021 PFWs may be exercised at any time by paying the exercise price of $0.01 per share, subject to the terms discussed in Note 7.

Additionally, in connection with the 2022 RDO discussed in Note 7, the Company issued 1,973,684 Class A PFWs and 10,947,371 Class B PFWs to purchase an aggregate of 12,921,055 shares of common stock at an issuance price of $3.799 per warrant. As of June 30, 2022 all of the Class A PFWs and Class B PFWs may be exercised at any time by paying the exercise price of $0.001 per share, subject to the terms discussed in Note 7.

The Company has issued warrants to purchase shares of common stock in conjunction with other debt and equity financings and for services. As of June 30, 2022 and 2021, all of the warrants were vested. For the fiscal years ended June 30, 2022 and 2021, no warrants were granted or exercised. Excluding the pre-funded warrants discussed above, the following table summarizes activity for all other warrants for the fiscal years ended June 30, 2022 and 2021 (shares in thousands):

	2022			2021		
	Shares	Price [1]	Term [2]	Shares	Price [1]	Term [2]
Outstanding, beginning of fiscal year	1,252	$ 28.91	4.8	618	$ 57.46	2.3
Warrants granted	—	—		820 [3]	19.50	
Warrant expirations	(102)	97.79		(186)	82.39	
Outstanding, fiscal year	1,150	22.83	4.2	1,252	28.91	4.8

(1) Represents the weighted average exercise price.

(2) Represents the weighted average remaining contractual term for the number of years until the warrants expire.

(3) Represents warrants granted in connection with the Fiscal 2021 Equity Financing on October 9, 2020. The warrants are exercisable at $19.50 per share for a period of 7 years and may be exercised on a cash or cashless basis at the election of the holder.

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NOTE 9 — INCOME TAXES

Net Operating Loss Carryforwards

The Company files income tax returns in the US federal jurisdiction and in several states including California, Colorado, and Oregon. The Company's federal and state tax returns for the 2019 fiscal year and forward are subject to examination by taxing authorities. As of June 30, 2022, the Company has U.S. federal net operating loss ("NOL") carryforwards of approximately $145.1 million, of which approximately $90.4 million does not expire and $54.7 million will begin to expire in 2031 through 2038. Additionally, the Company has Colorado and California NOL carryforwards that begin to expire in 2031.

Federal and state laws impose substantial restrictions on the utilization of NOL carryforwards in the event of an ownership change for income tax purposes, as defined in Section 382 of the Internal Revenue Code ("IRC"). Pursuant to IRC Section 382, annual use of the Company's NOL carryforwards is limited in the event that a cumulative change in ownership of more than 50% occurs within a three-year period. The Company recently completed an IRC Section 382 analysis and concluded that $33.4 million of NOL carryforwards that begin to expire in 2031 will expire without any opportunity for utilization. Accordingly, after giving effect to the limitations under IRC Section 382, the Company has US Federal NOL carryforwards available for utilization of $111.7 million as of June 30, 2022. These NOL carryforwards consist of $21.3 million that will begin to expire in 2031 and $90.4 million that does not expire. Assuming that further IRC Section 382 ownership changes do not occur, these NOL carryforwards consist of approximately (i) $6.8 million that is not subject to any limitations or expiration dates, and (ii) $104.9 million that is subject to limitations whereby amounts ranging from $1.2 million to $4.1 million cumulatively becomes available for unrestricted use in future years.

Income Tax Expense

For the fiscal years ended June 30, 2022 and 2021, the reconciliation between the income tax benefit computed by applying the statutory U.S. federal income tax rate to the pre-tax loss before income taxes, and total income tax expense recognized in the consolidated financial statements is as follows (in thousands):

	2022	2021
Income tax benefit at statutory US federal rate	$ 8,622	$ 4,389
Income tax benefit attributable to US states	3,151	1,584
Impact of reduction in Colorado tax rate	—	(42)
Non-taxable derivative gains	1,379	377
Non-deductible expenses	(527)	(2)
Stock option expirations	(332)	(3,700)
Other	25	(4)
Change in valuation allowance	(12,318)	(2,602)
Total income tax expense	$ —	$ —

For the fiscal years ended June 30, 2022 and 2021, the Company did not recognize any current income tax expense or benefit due to a full valuation allowance on its deferred income tax assets.

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Deferred Income Tax Assets and Liabilities

As of June 30, 2022 and 2021, the income tax effects of temporary differences that give rise to significant deferred income tax assets and liabilities are as follows (in thousands):

	2022	2021
Deferred income tax assets:		
Net operating loss carryforwards	$ 38,361	$ 26,985
Intangible assets	5,215	4,971
Share-based compensation	2,725	2,001
Start-up and organizational expenses	149	176
Accrued expenses and other	124	143
Property and equipment	20	—
Total deferred income tax assets	46,594	34,276
Valuation allowance for deferred income tax assets	(46,594)	(34,276)
Net deferred income tax assets	$ —	$ —

For the fiscal year ended June 30, 2022, the valuation allowance increased by $12.3 million, primarily as a result of the increase in net operating losses. In assessing the realizability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized.

Unrecognized Tax Benefits

The Company did not have any unrecognized tax benefits as of June 30, 2022 and 2021. The Company's policy is to account for any interest expense and penalties for unrecognized tax benefits as part of the income tax provision. The Company does not anticipate that unrecognized tax benefits will significantly increase or decrease within the next twelve months.

NOTE 10 — COMMITMENTS AND CONTINGENCIES

Licensing Commitments

Please refer to Note 4 for further discussion of commitments to make milestone payments and to pay royalties under license agreements with XOMA and ActiveSite.

Employment Agreements

As of June 30, 2022, the Company was subject to employment agreements with two officers and an employee that provide for aggregate annual base salaries of $1.3 million. In the event the Company terminates employment of the officers without cause, severance benefits include (i) between six months and three years of base salary, (ii) 150% of annual target bonuses applicable to the terminated executive, and (iii) continuation of certain medical and dental benefits. In addition, vesting is accelerated for unvested stock options that would have otherwise vested during the period that the severance benefits are paid out.

401(k) Plan

The Company has a defined contribution employee benefit plan under section 401(k) of the Internal Revenue Code (the "401(k) Plan"). The 401(k) Plan covers all eligible employees who are entitled to participate six months after the commencement of employment. The Company matches contributions up to 4% of the participating employee's compensation with such matching contributions vested immediately. Total contributions by the Company to the 401(k)

Plan amounted to approximately $0.2 million and $0.1 million for the fiscal years ended June 30, 2022 and 2021, respectively.

Legal Matters

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of June 30, 2022, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the Company's results of operations. At each reporting period, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under ASC 450, *Contingencies*. Legal fees are expensed as incurred.

NOTE 11 — RELATED PARTY TRANSACTIONS

Related Party Licensing Agreement

On September 15, 2020, the Company entered into an exclusive license agreement with Handok (the "Handok License") for the territory of the Republic of Korea. The Handok License relates to pharmaceutical products in final dosage form containing the pharmaceutical compounds developed or to be developed by the Company, including those related to RZ358 and RZ402. The Handok License is in effect for a period of 20 years after the first commercial sale of each product and requires (i) milestone payments of $0.5 million upon approval of a New Drug Application ("NDA") for each product in the territory, and (ii) the Company will sell products ordered by Handok at a transfer price equal to 70% of the net selling price of the products. To date, no milestone payments have been earned by the Company.

Investors in Registered Direct Offerings

In connection with the 2021 Underwritten Offering discussed in Note 7, a group of affiliated investors purchased approximately (i)1,930,000 shares of common stock at $6.50 per share for a total of $12.5 million, and (ii) 123,000 2021 PFWs at $6.49 each for a total of $0.8 million.

In connection with the 2022 RDO discussed in Note 7, certain officers and directors of the Company purchased 111,840 shares of common stock at $3.80 per share for a total of $0.4 million. In addition, the group of affiliated investors discussed above purchased (i) 3,421,052 shares of common stock at $3.80 per share for a total of $12.2 million, and (ii) 3,421,053 Class B PFWs at $3.799 each for a total of $12.2 million.

NOTE 12 - SUPPLEMENTAL FINANCIAL INFORMATION

Property and Equipment

Property and equipment consisted of the following as of June 30, 2022 and 2021 (in thousands):

	2022	2021
Office furniture and equipment	$ 56	$ 56
Less accumulated depreciation	(40)	(27)
Total	$ 16	$ 29

Depreciation expense related to property and equipment amounted to approximately $13,000 for each of the fiscal years ended June 30, 2022 and 2021.

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NOTE 13 — NET LOSS PER SHARE

Basic net loss per share is computed by dividing net loss by the weighted average number of outstanding shares of common stock and pre-funded warrants that are accounted for as equity instruments. For the calculation of diluted net loss per share, if the impact of accounting for pre-funded warrants as derivative liabilities is dilutive, the numerator is adjusted to eliminate gains on changes in fair value of such pre-funded warrants, and the denominator is adjusted to include the related pre-funded warrant shares.

The calculation of the weighted average number of shares outstanding for purposes of diluted net loss per share is also required to include the dilutive effect, if any, of stock options, warrants, and other common stock equivalents computed using the treasury stock method. For the fiscal years ended June 30, 2022 and 2021, all of such common stock equivalents were antidilutive and exclude from the calculations. In addition, the impact of applying the two-class method related to the Participating Warrants, was antidilutive for the calculation of both basic and diluted net loss per share.

Presented below are the calculations of the numerators and the denominators for basic and diluted net loss per share for the fiscal years ended June 30, 2022 and 2021 (in thousands except per share amounts):

	2022	2021
Calculation of Numerators:		
Net loss for calculation of basic net loss per share	$ (41,060)	$ (20,902)
Dilutive derivative gains, net of losses, related to Class B PFWs:		
Gain from change in fair value of derivative liability	(6,565) (1)	—
Underwriting discount on issuance of derivative	2,495 (1)	—
Net loss for the calculation of diluted net loss per share	$ (45,130)	$ (20,902)
Calculation of Denominators:		
Weighted Average number of common shares outstanding	16,254	7,671
Weighted average shares related to pre-funded warrants:		
2021 PFWs	1,179 (2)	—
Class A PFWs	314 (3)	—
Class B PFWs	450 (4)	—
Weighted average shares for basic net loss per share	18,197	7,671
Weighted average adjustment for Class B PFWs	1,290 (5)	—
Weighted average shares for diluted net loss per share	19,487	7,671
Net loss per share of common stock:		
Basic	$ (2.26)	$ (2.72)
Diluted	$ (2.32)	$ (2.72)

(1) For the calculation of diluted net loss per share, the net impact of the discount expense and the derivative gain related to the Class B PFWs is dilutive and has been eliminated from the denominator for the period from the issuance date on May 4, 2022 through June 16, 2022, when the fair value of the Class B PFWs was reclassified to stockholders' equity.

(2) Represents the weighted average number of shares related to the 2021 PFWs discussed in Note 7 for the period from the issuance date on October 15, 2021 through June 30, 2022.

(3) Represents the weighted average number of shares related to the Class A PFWs discussed in Note 7 for the period from the issuance date on May 4, 2022 through June 30, 2022.

(4) Represents the weighted average number of shares related to the Class B PFWs discussed in Note 7 for the period when they became equity-classified on June 16, 2022 through June 30, 2022.

(5) Represents the weighted average number of shares related to the Class B PFWs discussed in Note 7 during the period when they were liability-classified from the issuance date on May 4, 2022 through June 15, 2022.

As of June 30, 2022 and 2021, the following potential common stock equivalents were excluded from the calculation of diluted net loss per share since the impact of inclusion was anti-dilutive (in thousands):

	2022	2021
Stock options	8,506	1,590
Warrants	1,150	1,158
Total	9,656	2,748

NOTE 14 — FINANCIAL INSTRUMENTS AND SIGNIFICANT CONCENTRATIONS

Fair Value Measurements

Fair value is defined as the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. When determining fair value, the Company considers the principal or most advantageous market in which it transacts and considers assumptions that market participants would use when pricing the asset or liability. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair measurement:

Level 1—Quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2—Other than quoted prices included in Level 1 that are observable for the asset and liability, either directly or indirectly through market corroboration, for substantially the full term of the asset or liability.

Level 3—Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any market activity for the asset or liability at the measurement date.

The derivative liabilities for the authorized share deficiencies discussed in Note 6 were classified under Level 3. These liabilities were required to be measured at fair value on a recurring basis from February 17, 2021 until May 26, 2021 for the first deficiency and from May 4, 2022 until June 16, 2022 for the second deficiency. Key valuation assumptions are summarized in Note 6.

The embedded derivative liabilities discussed in Note 5 were classified under Level 3 and were required to be measured at fair value on a recurring basis beginning on April 14, 2021. Fair value was determined based on management's

assessment of the probability and timing of occurrence for the embedded derivatives using a discounted rate equal to the effective interest rate for the term A loan.

The following table sets forth a summary of changes in the fair value of embedded derivative liabilities for which fair value was determined by Level 3 inputs for the fiscal years ended June 30, 2022 and 2021 (in thousands):

	2022	2021
Fair value, beginning of fiscal year	$ 387	$ —
Fair value of embedded derivatives upon execution of Loan Agreement	—	381
Loss from change in fair value	20	6
Fair value, end of fiscal year	$ 407	$ 387

Due to the relatively short maturity of the respective instruments, the fair value of cash and cash equivalents, accounts payable and accrued liabilities approximated their carrying values as of June 30, 2022 and 2021. The Company did not have any other assets and liabilities measured at fair value as of June 30, 2022 and 2021. The Company's policy is to recognize asset or liability transfers among Level 1, Level 2 and Level 3 as of the actual date of the events or change in circumstances that caused the transfer. During the fiscal years ended June 30, 2022 and 2021, the Company did not have any transfers of its assets or liabilities between levels of the fair value hierarchy.

Fair Value of Debt

Management believes the interest rate and other provisions of the Company's term loan approximated the rate at which the Company could obtain alternative financing. Therefore, the carrying amount of the term loan was approximated at its fair value as of June 30, 2021.

Significant Concentrations

Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash, cash equivalents and restricted cash. The Company maintains its cash, cash equivalents and restricted cash at high-quality financial institutions. For the fiscal years ended June 30, 2022 and 2021, cash deposits exceeded the amount of federal insurance provided on such deposits. As of June 30, 2022 and 2021, substantially all of the Company's cash and cash equivalents was invested with a single financial institution. The Company has never experienced any losses related to its investments in cash and cash equivalents.

NOTE 15 — SUBSEQUENT EVENTS

July 2022 Financing

In July 2022, the company entered into amended securities purchase agreements with Handok and certain of its affiliates. Upon amendment of the securities and purchase agreement, the Company received gross proceeds of $12.3 million in exchange of the issuance of approximately 3.2 million shares of our common stock. The Company incurred approximately $0.8 million for underwriting commissions and other offering costs, resulting in net proceeds of $11.6 million.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures" as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and such information is accumulated and communicated to our management, including the individual that serves as both our chief executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this Annual Report, we carried out an evaluation, under the supervision and with the participation of senior management, including our chief executive officer (our principal executive and financial officer), of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15(b) and 15d-15(b). Based upon this evaluation, our chief executive officer concluded that our disclosure controls and procedures as of the end of the period covered by this Annual Report were not effective at the reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP.

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of our assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with US GAAP, and that receipts and expenditures are being made only in accordance with authorization of our management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of June 30, 2022. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013 Internal Control—Integrated Framework. Based on that assessment under those criteria, our management has determined that, as of June 30, 2022, our internal control over financial reporting was not effective due to a material weakness in the system of internal control that related to an inadequate segregation of duties. A material weakness is a deficiency, or combination of deficiencies, that creates a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected in a timely manner.

The material weakness identified by management is that due to our limited number of employees, we have not adequately segregated certain duties to prevent employees from overriding the internal control system. During our fiscal years ended June 30, 2022 and 2021, we have hired additional personnel which enabled us to better segregate many functions, and we recently implemented more robust accounting software that is expected to result in stronger controls. While we believe these are important steps in our ongoing remediation efforts, we concluded that this material weakness had not been

remediated as of June 30, 2022. We cannot provide assurance that the actions taken to date or other measures will eventually result in the elimination of the material weakness related to the segregation of duties.

Changes in Internal Control over Financial Reporting

Prior to the fiscal year ended June 30, 2022, we had identified a material weakness whereby we had ineffective treasury controls over authorized share limits such that an inadequate number of shares is authorized to ensure that all securities and contracts to issue common shares may be exercised, converted or exchanged. During the fiscal year ended June 30, 2022, we successfully remediated this material weakness. There were no other changes in our internal control over financial reporting during the fiscal quarter ended June 30, 2022, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. There were no other changes in our internal control over financial reporting during the fiscal quarter ended June 30, 2022, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Attestation Report of Independent Registered Public Accounting Firm

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to include an attestation report of our registered public accounting firm regarding internal control over financial reporting.

Item 9B. Other Information.

Not applicable.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The following table sets forth certain information as of June 30, 2022 with respect to our directors, executive officers and key employees. The term for each director expires at our next annual meeting or until his or her successor is appointed.

Name	Age	Position	Date Appointed
Nevan Charles Elam	54	Acting Chairman of the Board of Directors and Chief Executive Officer	January 31, 2013
Young-Jin Kim	65	Director	February 10, 2019
Gil Labrucherie	51	Director	November 20, 2019
Philippe Fauchet	64	Director	September 10, 2020
Nerissa Kreher, M.D.	49	Director	March 2, 2021
Wladimir Hogenhuis, M.D.	57	Director	March 2, 2021
Brian Roberts, M.D.	47	Chief Medical Officer	October 23, 2020

Set forth below is biographical information with respect to each of the aforementioned individuals.

Nevan Charles Elam. Mr. Elam has served as our Chief Executive Officer since January 2013 and also currently serves as our principal financial officer. Mr. Elam is also serving as our Acting Chairman of the Board since May 2022. Prior to Mr. Elam's service with Rezolute, he has served various leadership roles throughout his career including as Chief Executive Officer of a European medical device company, co- founder and Chief Financial Officer of a software company, as well as a Senior Vice President at Nektar Therapeutics. Earlier in his career, Mr. Elam was a corporate partner in the law firm of Wilson Sonsini Goodrich & Rosati. He serves as Director of Savara, Inc. Mr. Elam received his Juris Doctorate from Harvard Law School and a Bachelor of Arts from Howard University. We believe that Mr. Elam's experience advising pharmaceutical companies of their unique legal and regulatory obligations qualifies him to serve on the Board.

Young-Jin Kim. Mr. Kim serves as a member of our Board and served as Chairman of the Board until May 2022. Mr. Kim is Chairman and Chief Executive Officer Handok Inc. ("Handok"), one of the leading pharmaceutical companies in the Republic of Korea. Since May 2022, Mr. Kim has also served as chairman of the Board of Directors of Genexine Inc. Mr. Kim joined Handok in 1984 and spent two years between 1984 and 1986 working at Hoechst AG in Frankfurt, Germany. Between 1991 and 2005, he served as CEO of Roussel Korea, Hoechst Marion Roussel Korea and Aventis Pharma Korea and also appointed as the Country Manager of Hoechst AG and Aventis in Korea between 1996 and 2005. In 1996, he was appointed as CEO of Handok. Mr. Kim has been serving as President of Handok Jeseok Foundation since 2014. He has also been serving as President of KDG (Korean-German Society) since 2010. Mr. Kim received an MBA at the Kelley School of Business at Indiana University in 1984 and received the award of Distinguished Alumni Fellows from Indiana University. Mr. Kim completed Advanced Management Program at the Harvard Business School in 1996. We believe Mr. Kim's experience working with pharmaceutical companies qualifies him to serve on the Board.

Gil Labrucherie. Mr. Labrucherie serves as a member of our Board. Mr. Labrucherie brings more than 20 years of senior leadership experience in finance, legal and corporate development to the Board. He currently serves as Chief Financial Officer at ACELYRIN, Inc, a late-stage clinical biopharma company with an initial focus in immunology. Previously he served as Chief Financial Officer of Nektar Therapeutics, a publicly traded development stage biopharmaceutical company, from 2016 to June 2022, and also has held the position of Chief Operating Officer since 2019. Prior to serving as Chief Operating Officer and Chief Financial Officer of Nektar, he was Senior Vice President, General Counsel and Secretary of Nektar from 2007 to 2016. Earlier in his career, Mr. Labrucherie was an executive at different organizations where he was responsible for global corporate alliance and mergers and acquisitions. Mr. Labrucherie began his career as an associate in the corporate practice of the law firm of Wilson Sonsini Goodrich & Rosati. Mr. Labrucherie received his J.D. from University of California Boalt Hall School of Law, where he was a member of the California Law Review and Order of the Coif, and received his B.A. with highest honors from the University of California, Davis. Mr. Labrucherie is a member of the State Bar of California and is a Certified Management Accountant. We believe Mr. Labrucherie's experience as the Chief Operating Officer and Chief Financial Officer of a public biotechnology company and his management background as an executive in different organizations qualify him to serve on the Board.

Philippe Fauchet. Mr. Fauchet serves as a member of our Board. Mr. Fauchet has spent more than 35 years in the pharmaceutical industry, most recently as the Chairman of GlaxoSmithKline K.K. from April 2017 to February 2019. Mr. Fauchet joined GlaxoSmithKline K.K. as President & Representative Director in 2010. Previously, he served as Senior Vice President, Corporate Business Development Head of Sanofi-Aventis Group and a member of the Management Committee. Mr. Fauchet is an independent director on the board of JCR Pharmaceutical (4502.T) as well as a director of unlisted Japanese biotech companies. Mr. Fauchet is a graduate of Hautes Etudes Commerciales in France and received a Bachelor of Law at Paris X University. He is an Honorary Officer of the Order of the British Empire (O.B.E.). We believe Mr. Fauchet's experience in the pharmaceutical industry qualifies him to serve on the Board.

Nerissa Kreher, M.D., M.S., MBA. Dr. Kreher serves as a member of our Board. She has served as Chief Medical Officer of Entrada Therapeutics, Inc. since December 2020. From February 2019 to October 2020, Dr. Kreher served as Chief Medical Officer at Tiburio Therapeutics, Inc., where she was responsible for clinical development, clinical operations, regulatory and patient advocacy. From October 2016 to December 2018, Dr. Kreher served as Chief Medical Officer at Avrobio, Inc., where she oversaw clinical and regulatory development strategy for the Company's rare disease, ex vivo lentiviral gene therapy pipeline programs. From March 2015 to July 2016, Dr. Kreher served as Global Head (VP) of Clinical and Medical Affairs of Zafgen, Inc., where she was a strategic leader of a cross-functional team charged with creation of global development strategy for beloranib. Dr. Kreher is a board-certified pediatric endocrinologist and holds multiple degrees including her B.S. in biology from University of North Carolina at Chapel Hill, M.D. from East Carolina University, an M.S. in clinical research from Indiana University-Purdue University Indianapolis, and an MBA from Northeastern University Graduate School of Business Administration. We believe Dr. Kreher's experience in the pharmaceutical industry and her service as an executive and Chief Medical Officer of a range of private and publicly held companies qualify her to serve on the Board.

Wladimir Hogenhuis, M.D., MBA. Dr. Hogenhuis serves as a member of our Board. He is currently the Chief Executive Officer of Chimera Bioengineering, where he also serves on the Board of Directors. He previously served as Chief Operating Officer of Ultragenyx Pharmaceutical Inc. (NASDAQ: RARE) with responsibilities for global commercial operations, business development, and manufacturing of medicines for patients with rare diseases. Before that, Dr. Hogenhuis served as Senior Vice President and Global Franchise Head, Specialty Pharmaceuticals of GlaxoSmithKline Plc. (LSE/NYSE: GSK), from December 2012 to September 2018. From 1994 to 2012, he served in leadership positions at Merck in the US, China, and Europe, where he was responsible for managing the P&L of specialty and cardiovascular care medicines. He also served as a National Institutes of Health Fellow in Medical Decision Making at New England Medical Centre in Boston, and as a Naval Lieutenant Surgeon in the Royal Dutch Navy. Dr. Hogenhuis currently serves on the board of GATT Technologies B.V., a private company in the Netherlands developing novel surgical hemostats and sealants. He previously served as a member of the Board of Directors of Vision 2020, a global initiative for the elimination of avoidable blindness, a joint program of the World Health Organization and the International Agency for the Prevention of Blindness. Dr. Hogenhuis received his M.D. Cum Laude from the University of Leiden in the Netherlands and received an M.B.A. from the Wharton School of Business at The University of Pennsylvania, Philadelphia. We believe Dr. Hogenhuis's experience in the pharmaceutical industry and his service on the board of directors of a range of private companies qualify him to serve on the Board.

Brian Roberts, M.D. Dr. Roberts has served as our Chief Medical Officer since June 2022. Prior to serving as Chief Medical Officer, he served as our Senior Vice President and Head of Clinical Development, from October 2020 to June 2022, and as our Vice President of Clinical Development from April 2017 to October 2020. Prior to joining us, Dr. Roberts served as Senior Director at Fibrogen, Inc. from 2012 to April 2017, where he directed clinical development and helped successfully launch and execute the global Phase 3 program and pharmaceutical partnership for a novel oral therapy for anemia associated with kidney disease, concluding the largest Phase 3 program ever conducted in CKD anemia, and resulting in global NDA filings. From 2007 until 2012 Dr. Roberts held clinical development positions of increasing responsibility at Metabolex, Inc. Dr. Roberts received his B.S. in biochemistry from the University of California, San Diego and his M.D. Magna Cum Laude from Georgetown University.

Family Relationships

There are no family relationships between any of our directors and executive officers.

Legal Proceedings

During the past ten years, none of our directors, executive officers, promoters, control persons, or nominees has been:

- the subject of any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- convicted in a criminal proceeding or is subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

- subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or any Federal or State authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities;
- found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law;
- the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of (a) any Federal or State securities or commodities law or regulation; (b) any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or (c) any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics that is applicable to all of our employees, officers and directors. The code is available on our web site, *www.rezolutebio.com*, under the "Investors" tab. We intend to disclose future amendments to, or waivers from, certain provisions of our code of ethics, if any, on the above website within four business days following the date of such amendment or waiver.

Committees of the Board of Directors

The standing committees of our Board of Directors are the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

Audit Committee

The Audit Committee operates under an Audit Committee Charter that is available on our website, www.rezolutebio.com. The functions performed by our Audit Committee consist of selection of the firm of independent registered public accountants to be retained by us subject to stockholder ratification, periodic meetings with our independent registered public accountants to review our accounting policies and internal controls, review the scope and adequacy of the independent registered public accountants' examination of our annual financial statements, and pre-approval of services rendered by our independent registered public accountants and pre-approval of all related-party transactions.

Mr. Labrucherie serves as the chairman of the audit committee and along with Mr. Fauchet and Dr. Hogenhuis are "independent directors" as defined in Rule 5605(a)(2) of the Nasdaq Listing Rules. In addition, the Board determined that Mr. Gil Labrucherie and Dr. Hogenhuis are qualified as "audit committee financial experts" as such term is used in the rules and regulations of the SEC. Accordingly, the functions of our Audit Committee are now being performed by independent directors that serve as members of our Audit Committee. Our Audit Committee held four meetings during the fiscal year ended June 30, 2022.

For the fiscal year ended June 30, 2022, Mr. Labrucherie, Mr. Fauchet and Dr. Hogenhuis received additional compensation for their service as a member of our Audit Committee as discussed under the caption *Non-Employee Director Compensation* below.

Compensation Committee

The Compensation Committee operates under a Compensation Committee Charter that is available on our website, www.rezolutebio.com. Mr. Labrucherie, Mr. Fauchet, Dr. Hogenhuis and Dr. Kreher each serve as members of the Compensation Committee and are each considered an "independent director" as defined in Rule 5605(a)(2) of the Nasdaq Listing Rules. The Compensation Committee is responsible for establishing and administering our compensation arrangements for all executive officers.

The functions performed by our Compensation Committee provided for meetings no less frequently than annually (and more frequently as circumstances dictate) to discuss and determine executive officer and director compensation. The Compensation Committee has not retained the services of any compensation consultants. However, from time to time it utilizes compensation data from companies that the Compensation Committee deems to be competitive with us in connection with its annual review of executive compensation. The Compensation Committee has the power to form and delegate authority to subcommittees when appropriate, provided that such subcommittees are composed entirely of directors who would qualify for membership on the Compensation Committee pursuant to applicable Nasdaq Listing Rules. Our Compensation Committee held seven meetings during the fiscal year ended June 30, 2022.

For the fiscal year ended June 30, 2022, Mr. Labrucherie, Mr. Fauchet, Dr. Hogenhuis and Dr. Kreher received additional compensation for their service as a member of our Compensation Committee as discussed under the caption *Non-Employee Director Compensation* below.

Nominating and Governance Committee

The Nominating and Governance Committee operates under a Nominating and Governance Committee Charter that is available on our website at www.rezolutebio.com. The Nominating and Governance Committee was established in accordance with the rules and regulations of the SEC Given the overlap between the nominating and corporate governance function with the compensation function, the Company's independent board members historically have served as the members of the Nominating and Governance Committee through June 30, 2022. Although both the Compensation Committee and the Nominating and Governance Committee had remained separate committees, board membership on both committees counted as one for board compensation purposes. Effective July 1, 2022, the Nominating and Governance Committee was eligible for separate compensation, and members will receive additional compensation for their service as a member of this committee.

Stockholders who wish to recommend nominees for consideration by the Nominating and Governance Committee must submit their nominations in writing to our Acting Chairman of the Board of Directors. Submissions must include sufficient biographical information concerning the recommended individual for the Nominating and Governance Committee to consider, including age, five-year employment history with employer names and a description of the employer's business, whether such individual can read and comprehend basic financial statements, and other board memberships (if any) held by the recommended individual. The submission must be accompanied by a written consent of the individual to stand for election if nominated by the Nominating and Governance Committee and to serve if elected by stockholders. The Nominating and Governance Committee may consider such stockholder recommendations when it evaluates and recommends nominees to the Board of Directors for submission to the stockholders at each annual meeting.

The Nominating and Governance Committee do not have a specific diversity policy, but consider diversity of race, ethnicity, gender, age, cultural background and professional experiences in evaluating candidates for Board membership. Diversity is important because a variety of points of view contribute to a more effective decision-making process. Our Nominating and Governance Committee held one meeting during the fiscal year ended June 30, 2022.

Scientific Advisory Board

We have established a Scientific Advisory Board ("SAB"). The members of the SAB are Adrian Vella, M.D., Quan Dong Nguyen, *M.D., MSc,* Robert B. Bhisitkul, *M.D., PH.D.* and Jerrold Olefsky, *M.D.*

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the SEC and to provide us with copies of those filings. Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, we believe that during the fiscal year ended June 30, 2022, all filing requirements applicable to its executive officers, directors and ten percent beneficial owners were complied with except that (i) Form 4 was filed late by Wladimir Hogenhuis for shares of common stock purchased in the October 15, 2021 public offering, (ii) Form 4 was filed late by Young-Jin Kim for stock options granted in June 2022, and (iii) Handok failed to file a Form 4 for shares of common stock purchased during the 2021 RDO.

Item 11. Executive Compensation.

Summary Compensation Table

Our named executive officers consist of all individuals that served as our principal executive officer during the fiscal year ended June 30, 2022, and the next most highly compensated executive officer who was serving as an executive officer as of June 30, 2022. The following table sets forth information concerning the compensation of Mr. Elam and Dr. Roberts, (our "Named Executive Officers") during the fiscal years ended June 30, 2022 and 2021:

Name and Position	Fiscal Year	Salary	Bonus	Stock Option Awards	All Other Compensation	Total
Nevan Charles Elam	2022	$ 515,000 (1)	$ 378,750 (3)	$ 6,862,960 (5)	$ 24,590 (6)	$ 7,781,300
Chief Executive Officer	2021	$ 495,682 (1)	$ 490,980 (4)	$ 3,888,117 (5)	$ 21,953 (6)	$ 4,896,732
Brian Roberts, M.D.	2022	$ 401,500 (2)	$ 121,875 (3)	$ 1,847,720 (5)	$ 52,053 (7)	$ 2,423,148
Chief Medical Officer	2021	$ 371,364 (2)	$ 171,300 (4)	$ 775,203 (5)	$ 36,074 (8)	$ 1,353,941

(1) Pursuant to the amended and restated employment agreement discussed below, on July 31, 2019, Mr. Elam's base salary increased to $490,000 with an effective date of June 1, 2019, and subsequently increased to $505,000 on February 15, 2021. On May 25, 2022, Mr. Elam's base salary was increased to $525,000, with an effective date of January 1, 2022. Mr. Elam also serves as Acting Chairman of our Board of Directors for which no incremental compensation is paid.

(2) Pursuant to the employment agreement discussed below, Dr. Roberts received an annual base salary of $360,000 through February 14, 2021. On February 15, 2021, Dr. Roberts' base salary increased to $390,000, and subsequently increased to $405,900 on January 1, 2022. On May 25, 2022, Dr. Roberts was appointed by our Board of Directors as our Chief Medical Officer, with a base salary of $450,000 effective June 1, 2022.

(3) On May 25, 2022, the Board of Directors approved bonus payments for calendar year 2021 services in the amounts shown in the table. In June 2022, these cash bonus payments were paid to each executive officer.

(4) On October 7, 2020, in connection with the Company's financing and up listing, the Board of Directors approved bonus payments to Mr. Elam for approximately $197,000 and Dr. Roberts for approximately $60,000. These bonus payments were paid to each executive officer in October 2020. On February 11, 2021, the Board of Directors approved bonus payments for calendar year 2020 services to Mr. Elam for $294,000 and Dr. Roberts for approximately $104,000. In February 2021, these cash bonus payments were paid to each executive officer.

(5) The aggregate grant date fair value for stock option awards is computed in accordance with ASC 718 set forth by the Financial Accounting Standards Board. A discussion of key assumptions made in the valuation of stock options is presented in Note 8 to our consolidated financial statements, included in Item 8 of this Annual Report. For purposes of this table, the entire fair value of awards with time-based vesting are reflected in the year of grant, whereas under ASC 718 the fair value of such awards is generally recognized over the vesting period in our financial statements.

(6) Amount includes health, dental, disability and life insurance premiums under our employee benefit plans.

(7) Amount consists of health, dental, disability and life insurance premiums under our employee benefit plans of $36,553, health club fees of $3,300, and matching contributions under our 401(k) Plan of $12,200.

(8) Amount consists of health, dental, disability and life insurance premiums under our employee benefit plans of $21,512, health club fees of $300, and matching contributions under our 401(k) Plan of $14,262.

Narrative Disclosure to Summary Compensation Table

Presented below is summary of key terms of employment agreements with our Named Executive Officers:

Nevan Charles Elam

On June 23, 2015, we entered into an amended and restated employment agreement with Nevan Charles Elam to serve as our Chief Executive Officer. Under the terms of this agreement Mr. Elam is entitled to receive an annual base salary of $450,000 plus a calendar year target bonus up to 60% of his annual base salary based on performance criteria set forth by the Board of Directors. Effective June 1, 2019, the Board of Directors approved an increase in Mr. Elam's base salary to $490,000. Effective February 15, 2021, the Board of Directors approved an increase in Mr. Elam's base salary to $505,000. Effective January 1, 2022, the Board of Directors approved an increase in Mr. Elam's base salary to $525,000. Mr. Elam is eligible to participate in all benefit programs available to our executives and employees, including medical, dental, life and disability insurance plans, and our employee stock option plans. The employment agreement requires Mr. Elam to undertake certain confidentiality, non-competition and non-solicitation obligations. In the event that we terminate Mr. Elam's employment without "Cause" or if Mr. Elam resigns for "Good Reason", we are required to pay a severance benefit equal to (i) three times his then current annual base salary, (ii) 150% of his annual Target Bonus, (iii) payment of accrued vacation benefits, and (iv) continuation of certain other benefits such as medical and dental insurance. The aggregate severance benefit is payable over a period of twelve months (the "Elam Severance Period"), and any outstanding stock options that are subject to vesting shall have vesting accelerated with respect to the number of shares that would have vested during the Elam Severance Period as if Mr. Elam had remained employed by us during such period. The terms "Cause" and "Good Reason" are defined in the employment agreement.

Brian Roberts, M.D.

On July 22, 2019, we entered into an employment agreement with Brian Roberts to serve as our Vice President of Clinical Development. Under the terms of this agreement Dr. Roberts is entitled to receive annual base salary of $360,000 plus calendar year target bonus up to 25% of his annual base salary based on performance criteria set forth by the Board of Directors. On October 23, 2020, Dr. Roberts was appointed Senior Vice President, Clinical Development. Effective January 1, 2022, the Board of Directors approved an increase in Dr. Roberts' salary to $405,900. Effective June 1, 2022, Dr. Roberts was appointed Chief Medical Officer and annual base salary increase was approved to $450,000 with an increase in target bonus to 40% of his annual base salary. The employment agreement requires Mr. Roberts to undertake certain confidentiality, non-competition and non-solicitation obligations. In the event that we terminate Dr. Roberts' employment without "Cause" or if Dr. Roberts resigns for "Good Reason", we are required to pay a severance benefit equal to six months' salary. The aggregate severance benefit is payable over a period of six months (the "Roberts Severance Period"), and any outstanding stock options that are subject to vesting shall have vesting accelerated with respect to the number of shares that would have vested during the Roberts Severance Period as if Dr. Roberts had remained employed by us during such period. The terms "Cause" and "Good Reason" are defined in the employment agreement.

Outstanding Equity Awards

As of June 30, 2022, there were no restricted stock awards and no stock options that provide for performance vesting conditions held by any of our Named Executive Officers. The following table provides a summary of equity awards outstanding, consisting solely of stock options, for each of our Named Executive Officers as of June 30, 2022:

Name	Grant Date	Number of Securities Underlying Unexercised Options		Option Exercise Price	Option Expiration Date
		Exercisable	Unexercisable		
Nevan Charles Elam					
	7/31/19	195,833	4,167 (1)	$ 14.50	7/31/29
	6/14/21	125,000	250,000 (2)	12.28	6/14/31
	6/23/22	—	2,600,000 (4)	3.40	6/23/32
Total for Mr. Elam		320,833	2,854,167		
Brian Roberts, M.D.					
	7/31/19	39,166	834 (1)	$ 14.50	7/31/29
	6/14/21	37,500	37,500 (3)	12.28	6/14/31
	6/23/22	—	700,000 (4)	3.40	6/23/32
Total for Dr. Roberts		76,666	738,334		

(1) These stock options vest over a three-year period as follows: 25% of the shares underlying the options became exercisable on the grant date and the remainder of the shares underlying the options became exercisable in equal monthly installments over the remaining 36 months thereafter, subject to the executive's continued service through each vesting date.

(2) These stock options vest over a three-year period as follows: the shares underlying the options become exercisable in equal monthly installments over 36 months beginning on July 1, 2021, subject to the executive's continued service through each vesting date.

(3) These stock options vest over a three-year period as follows: 25% of the shares underlying the options became exercisable on grant date and the remaining shares underlying the options become exercisable in equal monthly installments over the remaining 36 months beginning on July 1, 2021, subject to the executive's continued service through each vesting date.

(4) These stock vest over a four-year period as follows: 25% of the shares underlying the options become exercisable on the anniversary of the grant date and the remaining shares underlying the options become exercisable in equal monthly installments over the remaining 36 months beginning on July 1, 2023, subject to the executive's continued service through each vesting date.

Options Exercised

As of June 30, 2022, there were no shares acquired upon the exercise of stock options for any of our Named Executive Officers.

Director Compensation

Effective January 1, 2021, we began using a combination of cash and share-based incentive compensation to attract and retain qualified candidates to serve on our Board of Directors. Additionally, our directors are reimbursed for reasonable

travel expenses incurred in attending meetings. Presented below is a listing of the individuals that served as directors and the related committee appointments during the fiscal year ended June 30, 2022:

		Committee Appointments		
Director Name		**Audit**	**Compensation**	**Nominating and Governance**
Committee Members as of June 30, 2022:				
Gil Labrucherie	(1)	**X**	**X**	**X**
Philippe Fauchet	(2)	**X**	**X**	**X**
Wladimir Hogenhuis	(3)	**X**	**X**	**X**
Nerissa Kreher	(4)		**X**	**X**
Young-Jin Kim	(5)			

(1) Mr. Labrucherie was appointed to serve as a member of our Board of Directors, Compensation Committee, Nominating and Governance Committee, and as chairman of our Audit Committee on November 20, 2019.

(2) Mr. Fauchet was appointed to serve as a member of our Board of Directors, Audit Committee, Nominating and Governance Committee and as a chairman of our Compensation Committee on September 10, 2020.

(3) Dr. Hogenhuis was appointed to serve as a member of our Board of Directors, Audit Committee, Nominating and Governance Committee and Compensation Committee on March 2, 2021.

(4) Dr. Kreher was appointed to serve as a member of our Board of Directors and Compensation Committee Nominating and Governance Committee on March 2, 2021.

(5) Mr. Young-Jin Kim was appointed to serve as our Chairman of the Board of Directors on February 16, 2019. He resigned from this position in May 2022, however, remains a member of our Board of Directors.

Director Compensation Table

Nevan Charles Elam, Acting Chairman of our Board of Directors, effective May 2022, and our Chief Executive Officer, did not receive any additional compensation for serving as a director and has been excluded from this table. Please refer to the "Executive Compensation" section above for a description of Mr. Elam's compensation. In addition, our director and former Chairman, Young-Jin Kim, has historically not reeved any compensation for his service on the Board. In June 2022, the Board determined to provide Mr. Kim with a one-time grant of stock options in recognition of his contributions as Chairman. The following table provides information related to the compensation of the remaining individuals that served as a member of our Board of Directors during the fiscal year ended June 30, 2022:

Name	**Fees Earned or Paid in Cash ($)**	**Option Awards ($)** (6)	**Total ($)**
Gil Labrucherie	57,000 (1)	211,168 (7)	268,168
Phillipe Fauchet	57,000 (2)	211,168 (7)	268,168
Wladimir Hogenhuis	54,000 (3)	211,168 (7)	265,168
Nerissa Kreher	47,000 (4)	211,168 (7)	258,168
Young-Jin Kim	— (5)	105,584 (8)	105,584

(1) Consists of $40,000 for serving as a member of the Board of Directors, $10,000 for serving as Chairman of the Audit Committee and $7,000 for serving as a member of the Compensation Committee.

(2) Consists of $40,000 for serving as a member of the Board of Directors, $10,000 for serving as Chairman of the Compensation Committee and $7,000 for serving as a member of the Audit Committee.

(3) Consists of $40,000 for serving as a member of the Board of Directors, $7,000 for serving as a member of the Compensation Committee and $7,000 for serving as a member of the Audit Committee.

(4) Consists of compensation for fiscal year ended June 30, 2022 of $40,000 for serving as a member of the Board of Directors and $7,000 for serving as a member of the Compensation Committee.

(5) Mr. Young-Jin Kim served as our Board Chairman until May 2022, for which he did not receive any compensation. Mr. Kim remains a member of our Board of Directors.

(6) The aggregate grant date fair value for stock option awards is computed in accordance with ASC 718 set forth by the Financial Accounting Standards Board. A discussion of key assumptions made in the valuation of stock options is presented in Note 8 to our consolidated financial statements, included in Item 8 of this Annual Report. For purposes of this table, the entire fair value of awards is reflected in the year of grant, whereas under ASC 718 the fair value of such awards is generally recognized over the vesting period in our financial statements.

(7) Consists of the fair value of stock options granted on June 23, 2022 for 80,000 shares exercisable at $3.40 per share for a period of ten years. These stock options vest ratably over 36 months until July 1, 2025 when the entire award will be vested.

(8) Consists of the fair value of stock options granted on June 23, 2022 for 40,000 shares exercisable at $3.40 per share for a period of ten years. These stock options vest ratably over 36 months until July 1, 2025 when the entire award will be vested.

The aggregate number of outstanding options held by our non-employee directors as of June 30, 2022 was as follows:

	Shares Underlying Options outstanding	
	Vested	**Unvested**
Gil Labrucherie	8,554	84,446
Philippe Fauchet	5,110	84,890
Wladimir Hogenhuis	3,333	86,667
Nerissa Kreher	3,333	86,667
Young-Jin Kim	—	40,000

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth information with respect to the beneficial ownership of shares of our common stock by (i) each director, (ii) each Named Executive Officer, (iii) all directors and executive officers as a group, and (iv) each person who we know beneficially owns more than 5% of our common stock, in each case as of September 8, 2022 (the "**Determination Date**"), unless otherwise indicated below. Beneficial ownership is determined in accordance with the rules and regulations of the SEC and generally includes voting or investment power with respect to such securities. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power and investment power and includes any shares that an individual or entity has the right to acquire beneficial ownership of within 60 days after the Determination Date through the exercise of any pre-funded warrant, warrant, stock option, or other right. Shares subject to beneficial ownership through the exercise of pre-funded warrants, stock options and warrants are deemed to be outstanding and beneficially owned for the purpose of computing share and percentage ownership of that person or entity, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person or entity. Except as indicated in the footnotes to this table, and as affected by applicable community property laws, all persons listed have sole voting and investment power for all shares shown beneficially owned by them. This information is not necessarily indicative of beneficial ownership for any other purpose.

The number of shares beneficially owned and the percentage of shares beneficially owned are based on 36,827,567 shares of common stock issued and outstanding as of the Determination Date. Unless otherwise indicated, the address of our

directors and executive officers is c/o Rezolute, Inc., 201 Redwood Shores Parkway, Suite 315, Redwood City, California 94065.

Name of Beneficial Owner	Position with Company	Beneficial Ownership	Percent of Class
Stockholders in excess of 5%			
Entities associated with Federated Hermes, Inc.	Stockholder	7,549,032 (1)	19.9 %
Handok, Inc.	Stockholder	5,942,617 (2)	16.1 %
Stonepine Capital, L.P.	Stockholder	3,001,926 (3)	8.2 %
Genexine, Inc.	Stockholder	1,826,019 (4)	5.0 %
Directors and Executive Officers:			
Nevan Charles Elam	Chief Executive Officer, Acting Chairman of the Board of Directors	379,900 (5)	1.0 %
Young-Jin Kim	Director	6,027,119 (6)	16.4 %
Gil Labrucherie	Director	74,821 (7)	*
Philippe Fauchet	Director	17,388 (8)	*
Wladimir Hogenhuis	Director	48,526 (9)	*
Nerissa Kreher	Director	15,833 (10)	*
Brian Roberts	Chief Medical Officer	107,864 (11)	*
Directors and executive officers as a group (7 people)		6,671,451 (12)	17.9 %

(1) The number of shares includes 6,610,274 shares of common stock held by entities associated with Federated Hermes, Inc., 123,000 shares currently issuable upon the exercise of pre-funded warrants at $0.01 per share and 815,758 shares currently issuable under the exercise of pre-funded warrants at $0.001 per share. The number of shares excludes 400,000 shares currently issuable upon the exercise of warrants at $19.50 per share due to a 14.99% ownership blocker and 2,605,295 shares currently issuable upon the exercise of Class B pre-funded warrants at $0.001 per share that due to a 19.99% ownership blocker. These shares are owned by separate entities which are collectively referred to as the "Funds" which are managed by Federated Equity Management Company of Pennsylvania and subadvised by Federated Global Investment Management Corp., which are wholly owned subsidiaries of FII Holdings, Inc., which is a wholly owned subsidiary of Federated Hermes, Inc. (the "Parent"). All of the Parent's outstanding voting stock is held in the Voting Shares Irrevocable Trust (the "Trust") for which Thomas R. Donahue, Rhodora J. Donahue and J. Christopher Donahue act as trustees (collectively referred to as the "Trustees"). The Parent's subsidiaries have the power to direct the vote and disposition of the securities held by the Funds. Each of the Parent, its subsidiaries, the Trust, and each of the Trustees expressly disclaim beneficial ownership of such securities. The address of the entities associated with Federated Hermes, Inc. is 4000 Ericsson Drive, Warrendale, PA 15086.

(2) Voting and investment authority over our shares of common stock owned by Handok, Inc. is held by the board of directors of Handok, Inc. The address of stockholder is 132, Teheran-Ro, Gangman Gu, Seoul, Republic of Korea.

(3) The amount reported as beneficially owned in the table is based solely on a Schedule 13G/A filed with the SEC on February 14, 2022, reporting beneficial ownership as of December 31, 2021, a Schedule 13F-HR filed with the SEC on August 12, 2022, reporting holdings as of June 30, 2022, and this number may have changed subsequent to June 30, 2022. Stonepine Capital Management, LLC, is the General Partner of the partnership and Jon M. Plexico and Timothy P. Lynch are the control persons of the General Partner. Each reporting person disclaims beneficial ownership of except to the extent of that person's pecuniary interest therein. The address of the filers is 919 NW Bond Street, Suite 20, Bend, Oregon 977003-2767.

(4) Voting and investment authority over our shares of common stock owned by Genexine, Inc. is held by the board of directors of Genexine, Inc. The address of stockholder is 700 Daewangpangyo-ro, Korea Bio Park, Building B Seongnam-Si, 13488, Republic of Korea.

(5) Consists of (i) 2,817 shares of our common stock and (ii) 377,083 shares of our common stock issuable upon exercise of stock options that are exercisable within 60 days of the Determination Date.

(6) Consists of (i) 78,947 shares of our common stock owned by Mr. Kim and (ii) 5,942,617 shares of our common stock that are owned by Handok, Inc. and (iii) 5,555 shares of our common stock issuable upon exercise of stock options that are exercisable within 60 days of the Determination Date. As Chairman and CEO of Handok, Inc., Mr. Kim has shared investment and voting authority over the shares owned by Handok, Inc.

(7) Consists of (i) 53,752 shares of our common stock owned by a trust controlled by Mr. Labrucherie and (ii) 21,249 shares of our common stock issuable upon exercise of stock options that are exercisable within 60 days of the Determination Date.

(8) Consists of (i) 17,388 shares of our common stock issuable upon exercise of stock options that are exercisable within 60 days of the Determination Date.

(9) Consists of (i) 32,693 shares of our common stock and (ii) 15,833 shares of our common stock issuable upon exercise of stock options that are exercisable within 60 days of the Determination Date.

(10) Consists of (i) 15,833 shares of our common stock issuable upon exercise of stock options that are exercisable within 60 days of the Determination Date.

(11) Consists of (i) 22,552 shares of our common stock and (ii) 85,312 shares of our common stock issuable upon exercise of stock options that are exercisable within 60 days of the Determination Date

(12) Consists of (i) 6,133,198 shares of our common stock that are either owned or beneficially owned by our directors and officers as discussed above and (iii) an aggregate of 538,253 shares of our common stock issuable upon exercise of stock options that are exercisable within 60 days of the Determination Date.

* Less than 1%.

Equity Compensation Plan Information

The following table displays equity compensation plan information as of June 30, 2022:

	Plan Termination Date	Shares to be Issued Upon Exercise of Outstanding Options: Number of Shares	Weighted Average Exercise Price	Securities Available For Future Issuance
Equity compensation plans approved by security holders:				
2015 Non-Qualified Stock Option Plan	February 23, 2020	36	$ 50.73	—
2016 Non-Qualified Stock Option Plan	October 31, 2021	256	22.77	—
2021 Equity Incentive Plan	March 31, 2031	8,014	4.24	2,686
Equity compensation plans not approved by security holders:				
2019 Non Qualified Stock Option Plan	July 31, 2029	200	14.50	—
Total		492	5.24	2,686

Item 13. Certain Relationships and Related Transactions and Director Independence.

Review, Approval or Ratification of Transactions with Related Persons

We have not adopted a policy on related party transactions and rely on our Board to review related party transactions on an ongoing basis to prevent conflicts of interest. Our Board reviews a transaction in light of the affiliations of the director, officer or employee and the affiliations of such person's immediate family. Transactions are presented to our Board for approval before they are entered into or, if this is not possible, for ratification after the transaction has occurred. If our Board finds that a conflict of interest exists, then it will determine the appropriate remedial action, if any. Our Board approves or ratifies a transaction if it determines that the transaction is consistent with the best interests of the Company.

Director Independence

As the Company is listed on the Nasdaq Capital Market, we have used the definition of "independence" of the Nasdaq Stock Market to determine whether our directors are independent. We have determined that as of June 30, 2022, Mr. Labrucherie, Mr. Fauchet, Dr. Hogenhuis and Dr. Kreher were independent directors as defined by Nasdaq Rule 5605(a)(2), and for purposes of Section 16 of the Exchange Act. Nasdaq Listing Rule 5605(a)(2) provides that an "independent director" is a person other than an officer or employee of the Company or any other individual having a relationship which, in the opinion of our Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Nasdaq listing rules provide that a director cannot be considered independent if:

- the director is, or at any time during the past three years was, an employee of the Company;
- the director or a family member of the director accepted any compensation from the Company in excess of $120,000 during any period of twelve consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);
- a family member of the director is, or at any time during the past three years was, an executive officer of the Company;
- the director or a family member of the director is a partner in, controlling shareholder of, or an executive officer of an entity to which the Company made, or from which the Company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year or $200,000, whichever is greater (subject to certain exclusions);
- the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the Company served on the compensation committee of such other entity; or
- the director or a family member of the director is a current partner of the Company's outside auditor, or at any time during the past three years was a partner or employee of the Company's outside auditor, and who worked on the Company's audit.

Presented below is a summary of transactions with related parties for the fiscal years ended June 30, 2022 and 2021:

Licensing Agreement

On September 15, 2020, we entered into an exclusive license agreement with Handok (the "Handok License") for the territory of the Republic of Korea. The Handok License relates to pharmaceutical products in final dosage form containing the pharmaceutical compounds developed or to be developed by us, including those related to RZ358 and RZ402. The Handok License is in effect for a period of 20 years after the first commercial sale of each product and requires (i) milestone payments of $0.5 million upon approval of a New Drug Application ("NDA") for each product in the territory, and (ii) we

will sell products ordered by Handok at a transfer price equal to 70% of the net selling price of the products. To date, no milestone payments have been earned by us.

Investors in Registered Direct Offerings

In connection with the 2021 RDO, Handok, an entity affiliated with a member of the Board of Directors, purchased 769,231 shares of our common stock at a purchase price of $6.50 per share, whereby we received gross proceeds of $5.0 million.

In connection with the 2022 RDO, certain officers and directors of the Company purchased 111,840 shares of common stock at $3.80 per share for a total of $0.4 million.

Item 14. Principal Accounting Fees and Services.

Principal Accounting Fees and Services

The aggregate fees billed by Plante & Moran, PLLC for professional services rendered to us for the years ended June 30, 2022 and 2021 are set forth in the table below.

	2022		2021	
	Amount	Percent	Amount	Percent
Audit fees [1]	$ 259,000	85 %	$ 175,500	82 %
Tax fees	47,225	15 %	38,100	18 %
Total	$ 306,225	100 %	$ 213,600	100 %

(1) Audit fees represent amounts billed for professional services rendered for the audit of our annual financial statements, the reviews of the financial statements included in our quarterly reports on Form 10-Q, and reviews of any other SEC filings.

(2) Tax fees consist of fees billed for professional services for tax compliance, tax planning and tax advice. These services include assistance regarding federal and state tax compliance.

Pre-Approval Policy

Our Audit Committee endeavors to approve in advance all services provided by our independent registered public accounting firm. All services provided by of our independent registered public accounting firm for the fiscal years ended June 30, 2022 and 2021 were pre-approved by the Audit Committee.

PART IV

Item 15. Exhibit and Financial Statement Schedules.

(a)(1) Financial Statements

Reference is made to Item 8 of Part II for the Company's consolidated financial statements filed as part of this Report.

(a)(2) Financial Statement Schedules

All financial statement schedules are omitted because they are not applicable, or the amounts are immaterial, not required, or the required information is presented in the financial statements and notes thereto included in Item 8 of Part II of this Report.

(a)(3) Exhibits

Certain of the agreements filed as exhibits to this Report contain representations and warranties by the parties to the agreements that have been made solely for the benefit of the parties to the agreement. These representations and warranties:

- may have been qualified by disclosures that were made to the other parties in connection with the negotiation of the agreements, which disclosures are not necessarily reflected in the agreements;
- may apply standards of materiality that differ from those of a reasonable investor; and
- were made only as of specified dates contained in the agreements and are subject to subsequent developments and changed circumstances.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date that these representations and warranties were made or at any other time. Investors should not rely on them as statements of fact.

The following exhibits of Rezolute, Inc. are filed or incorporated by reference as part of this Report. For exhibits that are incorporated by reference, we have indicated the document previously filed with the SEC in which the exhibit was included.

Exhibit No.	Description
1.1	Underwriting Agreement, dated as of May 1, 2022, by and between the Company and Jefferies LLC *(incorporated by reference to Exhibit 1.1 of the Company's Form 8-K filing on May 4, 2022)*
1.2	Underwriting Agreement, dated as of October 12, 2021, by and between the Company and Oppenheimer & Co., Inc. *(incorporated by reference to Exhibit 1.1 of the Company's Form 8-K filing on October 13, 2021)*
2.1	Agreement and Plan of Merger dated as of June 18, 2021, by and between Rezolute, Inc. and Rezolute Nevada Merger Corporation *(incorporated by reference to Exhibit 2.1 of the Company's Form 8-K filing on June 21, 2021)*
3.1	Delaware Certificate of Merger, effective as of June 18, 2021 *(incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filing on June 21, 2021)*
3.2	Nevada Articles of Merger, effective as of June 18, 2021 *(incorporated by reference to Exhibit 3.3 of the Company's Form 8-K filing on June 21, 2021)*
3.3	Amended and Restated Articles of Incorporation of Rezolute Nevada Merger Corporation *(incorporated by reference to Exhibit 3.3 of the Company's Form 8-K filing on June 21, 2021)*
3.4	Certificate of Amendment, as filed with the Secretary of State of the State of Nevada on June 16, 2022 *(incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filing on June 17, 2022)*
3.5	Amended and Restated Bylaws of Rezolute Nevada Merger Corporation (*incorporated by reference to Exhibit 3.4 of the Company's Form 10-K filing on September 15, 2021*)
4.1	Form of Financing Warrant *(incorporated by reference to Exhibit 4.1 of the Company's Form 8-K filing on April 3, 2018)*
4.2	Form of Common Stock Purchase Warrant by and between the Company and the Investor identified therein *(incorporated by reference to Exhibit 4.1 the Company's 8-K filing on October 13, 2020)*
4.3	Form of Pre-Funded Warrant to Purchase Common Stock (*Incorporated by reference to Exhibit 4.1 of the Company's 8-K filing on October 13, 2021*)
4.4	Form of Class A Pre-Funded Warrant (*incorporated by reference to Exhibit 4.1 of the Company's 8-K filing on May 4, 2022*)
4.5	Form of Class B Pre-Funded Warrant (*incorporated by reference to Exhibit 4.2 of the Company's 8-K filing on May 4, 2022*)
10.1	Second Amended and Restated Employment Agreement with Nevan Elam, dated February 23, 2015 *(incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filing on February 24, 2015)*

10.2	AntriaBio, Inc. 2014 Stock and Incentive Plan *(incorporated by reference to Appendix B to the Company's Definitive Information Statement on Schedule 14C filed on April 10, 2014)*
10.3	AntriaBio, Inc. 2015 Non Qualified Stock Option Plan *(incorporated by reference to Exhibit 10.5 of the Company's Form 8-K filing on February 24, 2015)*
10.4	AntriaBio, Inc. 2016 Non Qualified Stock Option Plan *(incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filing on November 4, 2016)*
10.5	AntriaBio, Inc. 2016 Non Qualified Stock Option Plan, as Amended *(incorporated by reference to Exhibit 10.25 of the Company's Form 10-K on September 21, 2017)*
10.6	2019 Non Qualified Stock Option Plan *(incorporated by reference to Exhibit 10.3 of the Company's Form 8-K filing on August 6, 2019)*
10.7	Rezolute, Inc. 2021 Equity Incentive Plan *(incorporated by reference to Exhibit 4.2 of the Registration Statement on Form S-8 filed on July 28, 2021)*
10.8	Development and License Agreement with ActiveSite Pharmaceuticals, Inc. *(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filing on August 7, 2017)*
10.9	License Agreement with XOMA (US) LLC *(incorporated by reference to Exhibit 10.1 of the Company's 10-Q filing on February 14, 2018)*
10.10	Amendment No. 2 to the Stock Purchase Agreement with XOMA (US) LLC *(incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q filing on February 14, 2019)*
10.11	Amendment No. 2 to the License Agreement with XOMA (US) LLC *(incorporated by reference to Exhibit 10.2 of the Company's Form 10-Q filing on February 14, 2019)*
10.12	First Amendment to the 2016 Non-Qualified Stock Option Plan *(incorporated by reference to Exhibit C to the Company's Schedule 14A definitive proxy statement filing on April 5, 2019)*
10.13	Master Services Agreement with Genexine, Inc. and Handok, Inc., effective as of July 1, 2019 *(incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q filing on November 14, 2019)*
10.14	Amendment No. 3 to the License Agreement with XOMA (US) LLC *(incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q filing on May 14, 2020)*
10.15	License Agreement with Handok, Inc. entered into on September 15, 2020 *(incorporated by reference to Exhibit 10.21 of the Company's Form 10-K filing on October 13, 2020)*
10.16	Registration Rights Agreement, dated as of October 8, 2020, by and between Rezolute, Inc., and the Investors identified therein (*incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filing on October 13, 2020*)
10.17	Loan and Security Agreement, dated as of April 14, 2021 by and among Rezolute, Inc., SLR Investment Corp, as collateral agent and lender, and the other lenders named therein *(incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q filing on May 17, 2021)*
10.18	Exit Fee Agreement, dated as of April 14, 2021 by and among Rezolute, Inc., SLR Investment Corp, as collateral agent and lender, and the other lenders named therein *(incorporated by reference to Exhibit 10.2 of the Company's Form 10-Q filing on May 17, 2021)*
10.19	Form of Subscription Agreement, dated October 12, 2021 *(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filing on October 13, 2021)*
10.20	Registration Rights Agreement, dated as of May 4, 2022, by and between Rezolute, Inc., and the purchasers identified therein (*incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filing on May 4, 2022*)
10.21	Placement Agency Agreement, dated as of May 1, 2022, by and between the Company and Jefferies LLC (*incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filing on May 4, 2022*)
10.22	Form of Amended and Restated Securities Purchase Agreement, dated as of July 22, 2022*
10.23	Amended and Restated Rezolute, Inc. 2021 Equity Incentive Plan*
21.1	Listing of Subsidiaries*
23.1	Consent of Plante & Moran, PLLC*
31.1	Certifications of Chief Executive Officer and Principal Financial Officer as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*

32.1	Certifications of Chief Executive Officer and Principal Financial Officer as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase*
104	Cover Page Interactive Data File, formatted in Inline XBRL (included as Exhibit 101)

* Filed herewith.

In accordance with SEC Release 33-8238, Exhibit 32.1 is being furnished and not filed.

Item 16. Form 10-K Summary.

Not applicable

SIGNATURES

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

REZOLUTE, INC.

Date: September 15, 2022

By: /s/ Nevan Charles Elam
Nevan Charles Elam
Acting Chairman of the Board of Directors and Chief Executive Officer
(Principal Executive and Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: September 15, 2022

By: /s/ Nevan Charles Elam
Nevan Charles Elam
Acting Chairman of the Board of Directors and Chief Executive Officer (Principal Executive and Financial Officer)

Date: September 15, 2022

By: /s/ Young-Jin Kim
Young-Jin Kim
Director

Date: September 15, 2022

By: /s/ Gil Labrucherie
Gil Labrucherie
Director

Date: September 15, 2022

By: /s/ Philippe Fauchet
Philippe Fauchet
Director

Date: September 15, 2022

By: /s/ Nerissa Kreher
Nerissa Kreher
Director

Date: September 15, 2022

By: /s/ Wladimir Hogenhuis
Wladimir Hogenhuis
Director

Exhibit 10.22

AMENDED AND RESTATED
SECURITIES PURCHASE AGREEMENT

Rezolute, Inc.
201 Redwood Shores Parkway, Suite 315
Redwood City, California 94065

Ladies and Gentlemen:

The undersigned (the "**Investor**") hereby confirms its agreement with you as follows:

1. This Subscription Agreement (this "**Agreement**") is made as of the date set forth below between Rezolute, Inc., a Nevada corporation (the "**Company**"), and the Investor.

2. The Company has authorized the sale and issuance to certain investors of up to an aggregate of [•] shares (the "**Shares**") of its Common Stock, par value $0.001 per share (the "**Common Stock**"), for a purchase price of $3.80 per share (together, the "**Purchase Price**").

3. The Company and the Investor agree that the Investor will purchase from the Company and the Company will issue and sell to the Investor the Shares of Common Stock and the Warrants set forth below at the aggregate purchase price set forth below. The Securities shall be purchased pursuant to the Terms and Conditions for Purchase of Securities attached hereto as Annex I and incorporated herein by reference as if fully set forth herein. The Investor acknowledges that the Offering is not being underwritten.

4. The Investor acknowledges that (i) there is no minimum offering amount and (ii) the Investor's obligations under this Agreement, including the obligation to purchase Securities, are expressly not conditioned on the purchase by any or all of the Other Investors (as defined in Annex I hereto) of the Securities that they have agreed to purchase from the Company or the sale by the Company of any specified aggregate number of Securities.

5. The settlement of the Securities purchased by the Investor shall be by delivery by electronic book-entry at The Depository Trust Company ("**DTC**"), registered in the Investor's name and address as set forth below, and released by Direct Transfer LLC, a subsidiary of Issuer Direct Corporation the Company's transfer agent (the "**Transfer Agent**"), to the Investor at Closing (as defined in Section 3.1 of Annex I hereto).

NO LATER THAN [●] ([●]) BUSINESS DAYS AFTER THE EXECUTION OF THIS AGREEMENT BY THE INVESTOR AND THE COMPANY, THE INVESTOR SHALL DIRECT THE BROKER-DEALER AT WHICH THE ACCOUNT OR ACCOUNTS TO BE CREDITED WITH THE SECURITIES ARE MAINTAINED TO SET UP A DEPOSIT/WITHDRAWAL AT CUSTODIAN ("DWAC") INSTRUCTING THE TRANSFER AGENT TO CREDIT SUCH ACCOUNT OR ACCOUNTS WITH THE SECURITIES.

AFTER THE EXECUTION OF THIS AGREEMENT BY THE INVESTOR AND THE COMPANY, THE INVESTOR SHALL AT CLOSING REMIT BY WIRE TRANSFER THE AMOUNT OF FUNDS EQUAL TO THE AGGREGATE PURCHASE PRICE FOR THE SECURITIES BEING PURCHASED BY THE INVESTOR TO THE FOLLOWING ACCOUNT:

Bank:
Bank Address:

Routing#:
Acct#:
Acct Name:

IT IS THE INVESTOR'S RESPONSIBILITY TO (A) MAKE THE NECESSARY WIRE TRANSFER IN A TIMELY MANNER AND (B) ARRANGE FOR SETTLEMENT BY WAY OF DWAC IN A TIMELY MANNER. IF THE INVESTOR DOES NOT DELIVER THE AGGREGATE PURCHASE PRICE FOR THE SECURITIES OR DOES NOT MAKE PROPER ARRANGEMENTS FOR SETTLEMENT IN A TIMELY MANNER, THE SECURITIES MAY NOT BE DELIVERED AT CLOSING TO THE INVESTOR OR THE INVESTOR MAY BE EXCLUDED FROM THE CLOSING ALTOGETHER.

6. The Investor represents that, except as set forth below, it is not a FINRA member or an Associated Person (as such term is defined under the FINRA Membership and Registration Rules Section 1011) as of the Closing.

7. Contemporaneously with the execution and delivery of this Agreement, the parties will execute and deliver a Registration Rights Agreement, in the form attached hereto as Exhibit A (the "**Registration Rights Agreement**") The Investor represents that the Investor understands that except as provided in the Registration Rights Agreement: (i) the Securities have not been and are not being registered under the Act or any state securities Laws, and may not be offered for sale, sold, assigned or transferred unless (a) subsequently registered thereunder, (b) such Investor shall have delivered to the Company an opinion of counsel, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (c) such Investor provides the Company with reasonable assurance that such Securities can be sold, assigned or transferred pursuant to Rule 144 or Rule 144A promulgated under the Act, as amended, (or a successor rule thereto) (collectively, "**Rule 144**"); (ii) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144 and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the Person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Act) may require compliance with some other exemption under the Act or the rules and regulations of the SEC thereunder; and (iii) neither the Company nor any other Person is under any obligation to register the Securities under the Act or any state securities Laws or to comply with the terms and conditions of any exemption thereunder. .

8. No offer by the Investor to buy Securities will be accepted and no part of the Purchase Price will be delivered to the Company until the Investor has received the Offering Information and the Company has accepted such offer by countersigning a copy of this Agreement, and any such offer may be withdrawn or revoked by the Investor, without obligation or commitment of any kind, at any time prior to the Company sending (orally, in writing or by electronic mail) notice of its acceptance of such offer. An indication of interest will involve no obligation or commitment of any kind until the Investor has been delivered the Offering Information and this Agreement is accepted and countersigned by or on behalf of the Company.

[*The remainder of this page is intentionally left blank*.]

Number of Shares: _____
Purchase Price Per Share: _____
Aggregate Purchase Price: _____

Please confirm that the foregoing correctly sets forth the agreement between us by signing in the space provided below for that purpose.

Dated as of:

_____
INVESTOR

By: _____
Print Name: _____
Title: _____
Address: _____
_____
_____
Facsimile: _____

Agreed and Accepted
This day of , 2022:

REZOLUTE, INC.

By: _____
Name:
Title:

ANNEX I

TERMS AND CONDITIONS FOR PURCHASE OF SECURITIES

1. Authorization and Sale of the Securities. Subject to the terms and conditions of this Agreement, the Company has authorized the sale of the Securities.

2. Agreement to Sell and Purchase the Securities.

2.1. At the Closing (as defined in Section 3.1), the Company will sell to the Investor, and the Investor will purchase from the Company, upon the terms and conditions set forth herein, the number of Securities set forth on the last page of the Agreement to which these Terms and Conditions for Purchase of Securities are attached as Annex I (the "**Signature Page**") for the aggregate purchase price therefor set forth on the Signature Page.

2.2. The Company proposes to enter into substantially this same form of Subscription Agreement with certain other investors (the "**Other Investors**") and expects to complete sales of Securities to them. The Investor and the Other Investors are hereinafter sometimes collectively referred to as the "**Investors**," and this Agreement and the Subscription Agreements executed by the Other Investors are hereinafter sometimes collectively referred to as the "**Agreements**."

3. Closings and Delivery of the Securities and Funds.

3.1. Closing. The completion of the purchase and sale of the Securities, or a portion thereof, (the "**Closing**") shall occur upon delivery of the Securities against payment therefor on or about [•], which is the [•] business day following the date of pricing of the Securities, or at such earlier date as the Company and Investors shall agree (the "**Closing Date**"), in accordance with Rule 15c6-1 promulgated under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). At the Closing, (a) the Company shall cause the Transfer Agent to deliver to the Investor the number of Securities set forth on the Signature Page registered in the name of the Investor or, if so indicated on the Investor Questionnaire attached hereto as Exhibit B, in the name of a nominee designated by the Investor and (b) the aggregate purchase price for the Securities being purchased by the Investor will be delivered by or on behalf of the Investor to the Company.

3.2. Conditions to the Company's Obligations. (a) The Company's obligation to issue and sell the Securities to the Investor shall be subject to (i) the receipt by the Company of the purchase price for the Securities being purchased hereunder as set forth on the Signature Page and (ii) the accuracy of the representations and warranties made by the Investor and the fulfillment of those undertakings of the Investor to be fulfilled prior to the Closing Date.

(b) **Conditions to the Investor's Obligations**. The Investor's obligation to purchase the Securities as set forth on the Signature Page will be subject to the completion of the Offering by the Company.

(c) **Disclaimer Regarding Partial Settlement**. The Investor's obligations are expressly not conditioned on the purchase by any or all of the Other Investors of the Securities that they have agreed to purchase from the Company or the sale by the Company of any specified aggregate number of Securities to the Other Investors or in the concurrent registered public offering being conducted by the Company.

3.3. Delivery of Funds. Delivery by Electronic Book-Entry at The Depository Trust Company. **After the execution of this Agreement by the Investor and the Company**, at Closing the Investor shall remit by wire transfer the amount of funds equal to the aggregate purchase price for the Securities being purchased by the Investor to the following account designated by the Company:

Bank:
Bank Address:

Routing#:
Acct#:
Acct Name:

Investor shall also furnish the Company a completed W-9 form (or, in the case of an Investor who is not a United States citizen or resident, a W-8 form).

3.4. Delivery of Securities. Delivery by Electronic Book-Entry at The Depository Trust Company. **No later than [●] ([●]) business days after the execution of this Agreement by the Investor and the Company**, the Investor shall direct the broker-dealer at which the account or accounts to be credited with the Securities being purchased by such Investor are maintained, which broker/dealer shall be a DTC participant, to set up a Deposit/Withdrawal at Custodian ("**DWAC**") instructing Direct Transfer LLC, a subsidiary of Issuer Direct Corporation, the Company's transfer agent, to credit such account or accounts with the Securities by means of an electronic book-entry delivery. Such DWAC shall indicate the settlement date for the deposit of the Securities, which date shall be the Closing. Simultaneously with the delivery to the Company by the Investor of the funds pursuant to Section 3.3 above, the Company shall direct its transfer agent to credit the Investor's account or accounts with the Securities pursuant to the information contained in the DWAC.

4. Representations, Warranties and Covenants of the Investor.

The Investor acknowledges, represents and warrants to, and agrees with, the Company that:

4.1. The Investor (a) is knowledgeable, sophisticated and experienced in making, and is qualified to make decisions with respect to, investments in shares presenting an investment decision like that involved in the purchase of the Securities, including investments in securities issued by the Company and investments in comparable companies, (b) has answered all questions on the Signature Page and the Investor Questionnaire and the answers thereto are true and correct as of the date hereof and will be true and correct as of the Closing Date and (c) in connection with its decision to purchase the number of Securities set forth on the Signature Page, has received and is relying solely upon (i) the Disclosure Package and the documents incorporated by reference therein and (ii) the Offering Information.

4.2. (a) No action has been or will be taken in any jurisdiction outside the United States by the Company that would permit an offering of the Securities, or possession or distribution of offering materials in connection with the issue of the Securities in any jurisdiction outside the United States where action for that purpose is required and (b) if the Investor is outside the United States, it will comply with all applicable laws and regulations in each foreign jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes any offering material, in all cases at its own expense.

4.3. The Investor has full right, power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery and performance of this Agreement, and (b) this Agreement constitutes a valid and binding obligation of the Investor enforceable against the Investor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' and contracting parties' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and except as to the enforceability of any rights to indemnification or contribution that may be violative of the public policy underlying any law, rule or regulation (including any federal or state securities law, rule or regulation).

4.4. The Investor understands that nothing in this Agreement, the Prospectus or any other materials presented to the Investor in connection with the purchase and sale of the Securities constitutes legal, tax or investment advice. The Investor has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of Securities.

4.5. Since the date on which the Company first contacted such Investor about the Offering, the Investor has not engaged in any transactions in the securities of the Company (including, without limitation, any Short

Sales (as defined below) involving the Company's securities) and has not violated its obligations of confidentiality. Each Investor covenants that it will not engage in any transactions in the securities of the Company (including Short Sales) or disclose any information about the contemplated offering (other than to its advisors that are under a legal obligation of confidentiality) prior to the time that the transactions contemplated by this Agreement are publicly disclosed. Each Investor agrees that it will not use any of the Securities acquired pursuant to this Agreement to cover any short position in the Common Stock if doing so would be in violation of applicable securities laws. For purposes hereof, "Short Sales" include, without limitation, all "**Short Sales**" as defined in Rule 200 promulgated under Regulation SHO under the Exchange Act, whether or not against the box, and all types of direct and indirect stock pledges, forward sales contracts, options, puts, calls, short sales, swaps, "put equivalent positions" (as defined in Rule 16a-1(h) under the Exchange Act) and similar arrangements (including on a total return basis), and sales and other transactions through non-US broker dealers or foreign regulated brokers.

5. Survival of Representations, Warranties and Agreements. Notwithstanding any investigation made by any party to this Agreement, all covenants, agreements, representations and warranties made by the Company and the Investor herein will survive the execution of this Agreement, the delivery to the Investor of the Securities being purchased and the payment therefor.

6. Notices. All notices, requests, consents and other communications hereunder will be in writing, will be mailed (a) if within the domestic United States by first-class registered or certified airmail, or nationally recognized overnight express courier, postage prepaid, or by facsimile or (b) if delivered from outside the United States, by International Federal Express or facsimile, and will be deemed given (i) if delivered by first-class registered or certified mail domestic, three business days after so mailed, (ii) if delivered by nationally recognized overnight carrier, one business day after so mailed, (iii) if delivered by International Federal Express, two business days after so mailed and (iv) if delivered by facsimile, upon electric confirmation of receipt and will be delivered and addressed as follows:

(a) if to the Company, to:

Rezolute, Inc.201 Redwood Shores
Parkway, Suite 315 Redwood City,
California 94065
Attention: Chief Executive Officer
Email: nevan@rezolutebio.com

with copies to:

Anthony Epps
Dorsey & Whitney LLP
1400 Wewatta St, Suite 400
Denver, Colorado 80202
Email: epps.anthony@dorsey.com

(b) if to the Investor, at its address on the Signature Page hereto, or at such other address or addresses as may have been furnished to the Company in writing.

7. **Changes**. This Agreement may not be modified or amended except pursuant to an instrument in writing signed by the Company and the Investor.

8. **Headings**. The headings of the various sections of this Agreement have been inserted for convenience of reference only and will not be deemed to be part of this Agreement.

9. **Severability**. In case any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

10. **Governing Law**. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of California, without giving effect to the principles of conflicts of law that would require the application of the laws of any other jurisdiction.

11. **Counterparts**. This Agreement may be executed in two or more counterparts, each of which will constitute an original, but all of which, when taken together, will constitute but one instrument, and will become effective when one or more counterparts have been signed by each party hereto and delivered to the other parties. The Company and the Investor acknowledge and agree that the Company shall deliver its counterpart to the Investor along with the Prospectus Supplement (or the filing by the Company of an electronic version thereof with the Commission).

12. **Confirmation of Sale**. The Investor acknowledges and agrees that such Investor's receipt of the Company's counterpart to this Agreement, together with the Prospectus Supplement (or the filing by the Company of an electronic version thereof with the Commission), shall constitute written confirmation of the Company's sale of Securities to such Investor.

13. **Press Release**. The Company and the Investor agree that the Company shall issue a press release announcing the Offering and disclosing all material terms and conditions of the Offering prior to the opening of the financial markets in New York City on the business day after the date hereof at the latest.

[The remainder of this page is intentionally left blank.]

EXHIBIT A

FORM OF REGISTRATION RIGHTS AGREEMENT

EXHIBIT B

INVESTOR QUESTIONNAIRE

Pursuant to Section 3 of Annex I to the Agreement, please provide us with the following information:

1. The exact name that your Securities are to be registered in (attach additional sheets, if necessary). You may use a nominee name if appropriate: _____

2. The relationship between the Investor and the registered holder listed in response to item 1 above: _____

3. The mailing address of the registered holder listed in response to item 1 above: _____

4. The Social Security Number or Tax Identification Number of the registered holder listed in the response to item 1 above: _____

5. Name of DTC Participant (broker-dealer at which the account or accounts to be credited with the Securities are maintained): _____

6. DTC Participant Number: _____

7. Name of Account at DTC Participant being credited with the Securities **: _____

8. Account Number at DTC Participant being credited with the Securities: _____

**** In order to ensure timely settlement, please cause your broker or custodian to include the name of the ultimate beneficial holder or sub-account to which the Securities shall be credited in the DWAC authorization request.**

Exhibit 10.23

REZOLUTE, INC.
2021 EQUITY INCENTIVE PLAN
(as amended and restated on June 16, 2022)

Section 1. Purpose

The purpose of the Plan is to promote the interests of the Company and its shareholders by aiding the Company in attracting and retaining employees, officers, consultants, advisors and non-employee Directors capable of assuring the future success of the Company, to offer such persons incentives to put forth maximum efforts for the success of the Company's business and to compensate such persons through various share-based arrangements and provide them with opportunities for share ownership in the Company, thereby aligning the interests of such persons with the Company's shareholders.

Section 2. Definitions

As used in the Plan, the following terms shall have the meanings set forth below:

(a) "*Affiliate*" shall mean any entity that, directly or indirectly through one or more intermediaries, is controlled by the Company.

(b) "*Award*" shall mean any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Dividend Equivalent or Other Share-Based Award granted under the Plan.

(c) "*Award Agreement*" shall mean any written agreement, contract or other instrument or document evidencing an Award granted under the Plan (including a document in an electronic medium) executed in accordance with the requirements of Section 9(b).

(d) "*Board*" shall mean the Board of Directors of the Company.

(e) "*Code*" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.

(f) "*Committee*" shall mean the Compensation and Management Development Committee of the Board or such other committee designated by the Board to administer the Plan. The Committee shall be comprised of not less than such number of Directors as shall be required to permit Awards granted under the Plan to qualify under Rule 16b-3.

(g) "*Company*" shall mean Rezolute, Inc., a Nevada corporation, and any successor corporation.

(h) "*Director*" shall mean a member of the Board.

(i) "*Dividend Equivalent*" shall mean any right granted under Section 6(d) of the Plan.

(j) "*Eligible Person*" shall mean any employee, officer, non-employee Director, consultant, independent contractor or advisor providing services to the Company or any Affiliate, or any person to whom an offer of employment or engagement with the Company or any Affiliate is extended. An Eligible Person must be a natural person.

(k) "*Exchange Act*" shall mean the Securities Exchange Act of 1934, as amended.

(l) "*Fair Market Value*" shall mean, with respect to any property (including, without limitation, any Shares or other securities), the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee. Notwithstanding the foregoing, unless otherwise determined by the Committee, the Fair Market Value of Shares on a given date for purposes of the Plan shall be the closing sale price of the Shares as reported on the Nasda Capital Market on such date or, if such market is not open for trading on such date, on the most recent preceding date when such market is open for trading.

(m) "*Incentive Stock Option*" shall mean an option granted under Section 6(a) of the Plan that is intended to meet the requirements of Section 422 of the Code or any successor provision.

(n) "*Non-Qualified Stock Option*" shall mean an option granted under Section 6(a) of the Plan that is not intended to be an Incentive Stock Option.

(o) "*Option*" shall mean an Incentive Stock Option or a Non-Qualified Stock Option to purchase shares of the Company.

(p) "*Other Share-Based Award*" shall mean any right granted under Section 6(e) of the Plan.

(q) "*Participant*" shall mean an Eligible Person designated to be granted an Award under the Plan.

(r) "*Plan*" shall mean the Rezolute, Inc. 2021 Equity Incentive Plan, as amended from time to time.

(s) "*Prior Plans*" shall mean the 2015 and 2016 Non-Qualified Stock Option Plans (and any predecessor plans to such plans), as amended from time to time.

(t) "*Restricted Stock*" shall mean any Share granted under Section 6(c) of the Plan.

(u) "*Restricted Stock Unit*" shall mean any unit granted under Section 6(c) of the Plan evidencing the right to receive a Share (or a cash payment equal to the Fair Market Value of a Share) at some future date.

(v) "*Rule 16b-3*" shall mean Rule 16b-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, or any successor rule or regulation.

(w) *"Section 409A"* shall mean Section 409A of the Code, or any successor provision, and applicable Treasury Regulations and other applicable guidance thereunder.

(x) "*Securities Act*" shall mean the Securities Act of 1933, as amended.

(y) "*Share*" or *Shares*" shall mean common shares, $0.01 par value per share, of the Company or such other securities or property as may become subject to Awards pursuant to an adjustment made under Section 4(c) of the Plan.

(z) *"Specified Employee"* shall mean a specified employee as defined in Section 409A(a)(2)(B) of the Code or applicable proposed or final regulations under Section 409A, determined in accordance with procedures established by the Company and applied uniformly with respect to all plans maintained by the Company that are subject to Section 409A.

(aa) "*Stock Appreciation Right*" shall mean any right granted under Section 6(b) of the Plan.

Section 3. Administration

(a) Power and Authority of the Committee. The Plan shall be administered by the Committee. Subject to the express provisions of the Plan and to applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or the method by which payments or other rights are to be calculated in connection with) each Award; (iv) determine the terms and conditions of any Award or Award Agreement, including any terms relating to the forfeiture of any Award and the forfeiture, recapture or disgorgement of any cash, Shares or other amounts payable with respect to any Award; (v) amend the terms and conditions of any Award or Award Agreement, subject to the limitations under Sections 6 and 7; (vi) accelerate the exercisability of any Award or the lapse of any restrictions relating to any Award, subject to the limitations of Sections 6 and 7; (vii) determine whether, to what extent and under what circumstances Awards may be exercised in cash, Shares, other securities, other Awards or other property (but excluding promissory notes), or canceled, forfeited or suspended; (viii) determine whether, to what extent and under what circumstances amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or the Committee, subject to the requirements of Section 409A; (ix) interpret and administer the Plan and any instrument or agreement, including an Award Agreement, relating to the Plan; (x) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper

administration of the Plan; (xi) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan; and (xii) adopt such modifications, rules, procedures and sub-plans as may be necessary or desirable to comply with provisions of the laws of non-U.S. jurisdictions in which the Company or an Affiliate may operate, including, without limitation, establishing any special rules for Affiliates, Eligible Persons or Participants located in any particular country, in order to meet the objectives of the Plan and to ensure the viability of the intended benefits of Awards granted to Participants located in such non-United States jurisdictions. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award or Award Agreement shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon any Participant, any holder or beneficiary of any Award or Award Agreement, and any employee of the Company or any Affiliate.

(b) Delegation. The Committee may delegate to one or more officers or Directors of the Company, subject to such terms, conditions and limitations as the Committee may establish in its sole discretion, the authority to grant Awards; *provided*, *however*, that the Committee shall not delegate such authority (i) with regard to grants of Awards to be made to officers of the Company or any Affiliate who are subject to Section 16 of the Exchange Act or (ii) in such a manner as would cause the Plan not to comply with applicable exchange rules or applicable law.

(c) Power and Authority of the Board. Notwithstanding anything to the contrary contained herein, the Board may, at any time and from time to time, without any further action of the Committee, exercise the powers and duties of the Committee under the Plan, unless the exercise of such powers and duties by the Board would cause the Plan not to comply with the requirements of Rule 16b-3.

(d) Indemnification. To the full extent permitted by law, (i) no member of the Board, the Committee or any person to whom the Committee delegates authority under the Plan shall be liable for any action or determination taken or made in good faith with respect to the Plan or any Award made under the Plan, and (ii) the members of the Board, the Committee and each person to whom the Committee delegates authority under the Plan shall be entitled to indemnification by the Company with regard to such actions and determinations. The provisions of this paragraph shall be in addition to such other rights of indemnification as a member of the Board, the Committee or any other person may have by virtue of such person's position with the Company.

Section 4. Shares Available for Awards

(a) Shares Available.

(i) Subject to adjustment as provided in Section 4(c) of the Plan, the aggregate number of Shares that may be issued under all Awards under the Plan shall equal 10,700,000 Shares.

(ii) On and after shareholder approval of this Plan, no awards shall be granted under the Prior Plans, but all outstanding awards previously granted under the Prior Plans shall remain outstanding and subject to the terms of the Prior Plans.

The aggregate number of Shares that may be issued under all Awards under the Plan shall be reduced by Shares subject to Awards issued under the Plan in accordance with the Share counting rules described in Section 4(b) below. When determining the Shares added to and subtracted from the aggregate reserve above, the number of Shares added or subtracted shall be also determined in accordance with the Share counting rules described in Section 4(b) below.

(b) Counting Shares. Except as set forth in this Section 4(b) below, if an Award entitles the holder thereof to receive or purchase Shares, the number of Shares covered by such Award or to which such Award relates shall be counted on the date of grant of such Award against the aggregate number of Shares available for granting Awards under the Plan.

(i) Shares Added Back to Reserve. Subject to the limitations in Section 4(b)(ii) below, if any Shares covered by an Award or to which an Award relates are not purchased or are forfeited or are reacquired by the Company, or if an Award otherwise terminates or is cancelled without delivery of any Shares, then the number of Shares counted against the aggregate number of Shares available under the Plan

with respect to such Award, to the extent of any such forfeiture, reacquisition by the Company, termination or cancellation, shall again be available for granting Awards under the Plan.

(ii) Shares Not Added Back to Reserve. Notwithstanding anything to the contrary in Section 4(b)(i) above, the following Shares will not again become available for issuance under the Plan: (A) any Shares which would have been issued upon any exercise of an Option but for the fact that the exercise price was paid by a "net exercise" pursuant to Section 6(a)(iii)(B) or any Shares tendered in payment of the exercise price of an Option; (B) any Shares withheld by the Company or Shares tendered to satisfy any tax withholding obligation with respect to an Award; (C) Shares covered by a share-settled Stock Appreciation Right issued under the Plan that are not issued in connection with settlement in Shares upon exercise; or (D) Shares that are repurchased by the Company using Option exercise proceeds.

(iii) Cash-Only Awards. Awards that do not entitle the holder thereof to receive or purchase Shares shall not be counted against the aggregate number of Shares available for Awards under the Plan.

(iv) Substitute Awards Relating to Acquired Entities. Shares issued under Awards granted in substitution for awards previously granted by an entity that is acquired by or merged with the Company or an Affiliate shall not be counted against the aggregate number of Shares available for Awards under the Plan.

(c) Adjustments. In the event that any dividend (other than a regular cash dividend) or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, share split, reverse share split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company or other similar corporate transaction or event affects the Shares such that an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Shares (or other securities or other property) that thereafter may be made the subject of Awards, (ii) the number and type of Shares (or other securities or other property) subject to outstanding Awards, (iii) the purchase price or exercise price with respect to any Award and (iv) the limitations contained in Section 4 below; *provided*, *however*, that the number of Shares covered by any Award or to which such Award relates shall always be a whole number. Such adjustment shall be made by the Committee or the Board, whose determination in that respect shall be final, binding and conclusive.

Section 5. Eligibility

Any Eligible Person shall be eligible to be designated as a Participant. In determining which Eligible Persons shall receive an Award and the terms of any Award, the Committee may take into account the nature of the services rendered by the respective Eligible Persons, their present and potential contributions to the success of the Company or such other factors as the Committee, in its discretion, shall deem relevant. Notwithstanding the foregoing, an Incentive Stock Option may only be granted to full-time or part-time employees (which term as used herein includes, without limitation, officers and Directors who are also employees), and an Incentive Stock Option shall not be granted to an employee of an Affiliate unless such Affiliate is also a "subsidiary corporation" of the Company within the meaning of Section 424(f) of the Code or any successor provision.

Section 6. Awards

(a) Options. The Committee is hereby authorized to grant Options to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Committee shall determine:

(i) Exercise Price. The purchase price per Share purchasable under an Option shall be determined by the Committee and shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant of such Option; *provided, however,* that the Committee may designate a purchase price below Fair Market Value on the date of grant if the Option is granted in substitution for an option previously granted by an entity that is acquired by or merged with the Company or an Affiliate.

(ii) Option Term. The term of each Option shall be fixed by the Committee at the date of grant but shall not be longer than 10 years from the date of grant.

(iii) Time and Method of Exercise. The Committee shall determine the time or times at which an Option may be exercised within the Option term, either in whole or in part, and the method of exercise, except that any exercise price tendered shall be in either cash, Shares having a Fair Market Value on the exercise date equal to the applicable exercise price or a combination thereof, as determined by the Committee.

(A) Promissory Notes. For avoidance of doubt, the Committee may not accept a promissory note as consideration.

(B) Net Exercises. The terms of any Option may be written to permit the Option to be exercised by delivering to the Participant a number of Shares having an aggregate Fair Market Value (determined as of the date of exercise) equal to the excess, if any, of the Fair Market Value of the Shares underlying the Option being exercised, on the date of exercise, over the exercise price of the Option for such Shares.

(iv) Incentive Stock Options. Notwithstanding anything in the Plan to the contrary, the following additional provisions shall apply to the grant of options which are intended to qualify as Incentive Stock Options:

(A) All Incentive Stock Options must be granted within ten years from the earlier of the date on which this Plan was adopted by the Board or the date this Plan was approved by the shareholders of the Company.

(B) Unless sooner exercised, all Incentive Stock Options shall expire and no longer be exercisable no later than ten (10) years after the date of grant; provided, however, that in the case of a grant of an Incentive Stock Option to a Participant who, at the time such Option is granted, owns (within the meaning of Section 422 of the Code) shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or of its Affiliates, such Incentive Stock Option shall expire and no longer be exercisable no later than five (5) years from the date of grant.

(C) The purchase price per Share for an Incentive Stock Option shall be not less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant of the Incentive Stock Option; provided, however, that, in the case of the grant of an Incentive Stock Option to a Participant who, at the time such Option is granted, owns (within the meaning of Section 422 of the Code) shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or of its Affiliates, the purchase price per Share purchasable under an Incentive Stock Option shall be not less than one hundred ten percent (110%) of the Fair Market Value of a Share on the date of grant of the Incentive Stock Option.

(D) Any Incentive Stock Option authorized under the Plan shall contain such other provisions as the Committee shall deem advisable, but shall in all events be consistent with and contain all provisions required in order to qualify the Option as an Incentive Stock Option.

(b) Stock Appreciation Rights. The Committee is hereby authorized to grant Stock Appreciation Rights to Eligible Persons subject to the terms of the Plan and any applicable Award Agreement. A Stock Appreciation Right granted under the Plan shall confer on the holder thereof a right to receive upon exercise thereof the excess of (i) the Fair Market Value of one Share on the date of exercise over (ii) the grant price of the Stock Appreciation Right as specified by the Committee, which price shall not be less than one hundred percent (100%) of the Fair Market Value of one Share on the date of grant of the Stock Appreciation Right; *provided, however,* that the Committee may designate a grant price below Fair Market Value on the date of grant if the Stock Appreciation Right is granted in substitution for a Stock Appreciation Right previously granted by an entity that is acquired by or merged with the Company or an Affiliate. Subject to the terms of the Plan and any applicable Award Agreement, the grant price, term, methods of exercise, dates of exercise, methods of settlement and any other terms and conditions of any Stock Appreciation Right shall be as determined by the Committee (except that the term of each Stock Appreciation Right shall be subject to the term limitation in Section 6(a)(ii) applicable to

Options). The Committee may impose such conditions or restrictions on the exercise of any Stock Appreciation Right as it may deem appropriate.

(c) Restricted Stock and Restricted Stock Units. The Committee is hereby authorized to grant an Award of Restricted Stock and Restricted Stock Units to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Committee shall determine:

(i) Restrictions. Shares of Restricted Stock and Restricted Stock Units shall be subject to such restrictions as the Committee may impose when granting an Award (including, without limitation, any limitation on the right to vote a Share of Restricted Stock or the right to receive any dividend or other right or property with respect thereto), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise as the Committee may deem appropriate. (Notwithstanding the foregoing, rights to dividend or Dividend Equivalent payments shall be subject to the limitations described in Section 6(d)). For purposes of clarity and without limiting the Committee's general authority under Section 3(a), vesting of such Awards may, at the Committee's discretion, be conditioned upon the Participant's completion of a specified period of service with the Company or an Affiliate, or upon the achievement of one or more performance goals established by the Committee, or upon any combination of service-based and performance-based conditions (subject to the minimum requirements in Section 6).

(ii) Issuance and Delivery of Shares. Any Restricted Stock granted under the Plan shall be issued at the time such Awards are granted and may be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or held in nominee name by the transfer agent or brokerage service selected by the Company to provide such services for the Plan. Shares representing Restricted Stock that are no longer subject to restrictions shall be delivered (including by updating the book-entry registration) to the Participant promptly after the applicable restrictions lapse or are waived. In the case of Restricted Stock Units, no Shares shall be issued at the time such Awards are granted. Upon the lapse or waiver of restrictions and the restricted period relating to Restricted Stock Units evidencing the right to receive Shares, such Shares shall be issued and delivered to the holder of the Restricted Stock Units.

(d) Dividends and Dividend Equivalents. The Committee is hereby authorized to grant Dividend Equivalents to Eligible Persons under which the Participant shall be entitled to receive payments (in cash, Shares, other securities, other Awards or other property as determined in the discretion of the Committee) equivalent to the amount of cash dividends paid by the Company to holders of Shares with respect to a number of Shares determined by the Committee. Subject to the terms of the Plan and any applicable Award Agreement, such Dividend Equivalents may have such terms and conditions as the Committee shall determine. Notwithstanding the foregoing, (i) the Committee may not grant Dividend Equivalents to Eligible Persons in connection with grants of Options, Stock Appreciation Rights or other Awards the value of which is based solely on an increase in the value of the Shares after the grant of such Award, and (ii) with respect to any other Award, dividend and Dividend Equivalent amounts with respect to any Share underlying an Award may be accrued but not paid to a Participant until all conditions or restrictions relating to such Share have been satisfied, waived or lapsed.

(e) Other Share-Based Awards. The Committee is hereby authorized to grant to Eligible Persons such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as are deemed by the Committee to be consistent with the purpose of the Plan. The Committee shall determine the terms and conditions of such Awards, subject to the terms of the Plan and any applicable Award Agreement. No Award issued under this Section 6(e) shall contain a purchase right or an option-like exercise feature.

(f) General.

(i) Consideration for Awards. Awards may be granted for no cash consideration or for any cash or other consideration as may be determined by the Committee or required by applicable law.

(ii) Awards May Be Granted Separately or Together. Awards may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with or in substitution for any other Award or any

award granted under any other plan of the Company or any Affiliate. Awards granted in addition to or in tandem with other Awards or in addition to or in tandem with awards granted under any other plan of the Company or any Affiliate may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(iii) Forms of Payment Under Awards. Subject to the terms of the Plan and of any applicable Award Agreement, payments or transfers to be made by the Company or an Affiliate upon the grant, exercise or payment of an Award may be made in such form or forms as the Committee shall determine (including, without limitation, cash, Shares, other securities (but excluding promissory notes), other Awards or other property or any combination thereof), and may be made in a single payment or transfer, in installments or on a deferred basis, in each case in accordance with rules and procedures established by the Committee.

(iv) Limits on Transfer of Awards. No Award (other than fully vested and unrestricted Shares issued pursuant to any Award) and no right under any such Award shall be transferable by a Participant other than by will or by the laws of descent and distribution, and no Award (other than fully vested and unrestricted Shares issued pursuant to any Award) or right under any such Award may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. Notwithstanding the foregoing, the Committee may permit the transfer of an Award to family members if such transfer is for no value and in accordance with the rules of Form S-8. The Committee may also establish procedures as it deems appropriate for a Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to any Award in the event of the Participant's death.

(v) Restrictions; Securities Exchange Listing. All Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such restrictions as the Committee may deem advisable under the Plan, applicable federal or state securities laws and regulatory requirements, and the Committee may cause appropriate entries to be made with respect to, or legends to be placed on the certificates for, such Shares or other securities to reflect such restrictions. The Company shall not be required to deliver any Shares or other securities covered by an Award unless and until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

(vi) Prohibition on Option and Stock Appreciation Right Repricing. Except as provided in Section 4(c) hereof, the Committee may not, without prior approval of the Company's shareholders, seek to effect any re-pricing of any previously granted, "underwater" Option or Stock Appreciation Right by: (i) amending or modifying the terms of the Option or Stock Appreciation Right to lower the exercise price; (ii) canceling the underwater Option or Stock Appreciation Right and granting either (A) replacement Options or Stock Appreciation Rights having a lower exercise price; or (B) Restricted Stock, Restricted Stock Units or Other Share-Based Award in exchange; or (iii) cancelling or repurchasing the underwater Option or Stock Appreciation Right for cash or other securities. An Option or Stock Appreciation Right will be deemed to be "underwater" at any time when the Fair Market Value of the Shares covered by such Option or Stock Appreciation Right is less than the exercise price.

(vii) Minimum Vesting. Except as provided below, no Award shall be granted with terms providing for any right of exercise or lapse of any vesting obligations earlier than a date that is at least one year following the date of grant (or, in the case of vesting based upon performance based objectives, exercise and vesting restrictions cannot lapse earlier than the one year anniversary measured from the commencement of the period over which performance is evaluated). Notwithstanding the foregoing, the following Awards that do not comply with the one year minimum exercise and vesting requirements set forth above may be issued:

(A) substitute Awards granted in connection with awards that are assumed, converted or substituted pursuant to a merger, acquisition or similar transaction entered into by the Company or any of its subsidiaries;

(B) shares delivered in lieu of fully vested cash Awards or any cash incentive compensation earned by a Participant, provided that the performance period for such incentive compensation was at least one fiscal year; and

(C) Nothing in this Section 6 shall limit the authority of the Committee to provide for the acceleration of the exercisability of any Award or the lapse of any restrictions relating to any Award except where expressly limited in Section 6(f)(viii).

(viii) Limits on Acceleration or Waiver of Restrictions Upon Change in Control. No Award Agreement shall contain a definition of change in control that has the effect of accelerating the exercisability of any Award or the lapse of restrictions relating to any Award upon only the announcement or shareholder approval of (rather than consummation of) any reorganization, merger or consolidation of, or sale or other disposition of all or substantially all of the assets of, the Company.

(ix) Section 409A Provisions. Notwithstanding anything in the Plan or any Award Agreement to the contrary, to the extent that any amount or benefit that constitutes "deferred compensation" to a Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to a Participant under the Plan or any Award Agreement solely by reason of the occurrence of a change in control or due to the Participant's disability or "separation from service" (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such change in control event, disability or separation from service meet the definition of a change in control event, disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable proposed or final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise. Any payment or distribution that otherwise would be made to a Participant who is a Specified Employee (as determined by the Committee in good faith) on account of separation from service may not be made before the date which is six months after the date of the Specified Employee's separation from service (or if earlier, upon the Specified Employee's death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise.

Section 7. Amendment and Termination; Corrections

(a) Amendments to the Plan and Awards. The Board may from time to time amend, suspend or terminate this Plan, and the Committee may amend the terms of any previously granted Award, provided that no amendment to the terms of any previously granted Award may (except as expressly provided in the Plan) materially and adversely alter or impair the terms or conditions of the Award previously granted to a Participant under this Plan without the written consent of the Participant or holder thereof. Any amendment to this Plan, or to the terms of any Award previously granted, is subject to compliance with all applicable laws, rules, regulations and policies of any applicable governmental entity or securities exchange, including receipt of any required approval from the governmental entity or share exchange. For greater certainty and without limiting the foregoing, the Board may amend, suspend, terminate or discontinue the Plan, and the Committee may amend or alter any previously granted Award, as applicable, without obtaining the approval of shareholders of the Company in order to:

(i) amend the eligibility for, and limitations or conditions imposed upon, participation in the Plan;

(ii) subject to the limitations in Section 6, amend any terms relating to the granting or exercise of Awards, including but not limited to terms relating to the amount and payment of the exercise price, or the

vesting, expiry, assignment or adjustment of Awards, or otherwise waive any conditions of or rights of the Company under any outstanding Award, prospectively or retroactively;

(iii) make changes that are necessary or desirable to comply with applicable laws, rules, regulations and policies of any applicable governmental entity or share exchange (including amendments to Awards necessary or desirable to maximize any available tax deduction or to avoid any adverse tax results, and no action taken to comply with such laws, rules, regulations and policies shall be deemed to impair or otherwise adversely alter or impair the rights of any holder of an Award or beneficiary thereof); or

(iv) amend any terms relating to the administration of the Plan, including the terms of any administrative guidelines or other rules related to the Plan.

For greater certainty and except as provided in Section 4(c), prior approval of the shareholders of the Company shall be required for any amendment to the Plan or an Award that would:

(I) require shareholder approval under the rules or regulations of the Securities and Exchange Commission, the NASDAQ Capital Market or any other securities exchange that are applicable to the Company;

(II) increase the number of shares authorized under the Plan as specified in Section 4(a) of the Plan;

(III) permit repricing of Options or Stock Appreciation Rights, which is currently prohibited by Section 6 of the Plan;

(IV) permit the award of Options or Stock Appreciation Rights at a price less than one hundred percent (100%) of the Fair Market Value of a Share on the date of grant of such Option or Stock Appreciation Right, contrary to the provisions of Section 6(a)(i) and Section 6(b) of the Plan;

(V) increase the maximum term permitted for Options and Stock Appreciation Rights as specified in Section 6(a) and Section 6(b); or

(VI) increase the number of shares subject to the annual limitations contained in Section 4(d) of the Plan.

(b) Corporate Transactions. In the event of any reorganization, merger, consolidation, split-up, spin-off, combination, plan of arrangement, take-over bid or tender offer, repurchase or exchange of Shares or other securities of the Company or any other similar corporate transaction or event involving the Company (or the Company shall enter into a written agreement to undergo such a transaction or event), the Committee or the Board may, in its sole discretion but subject to the limitations in Section 6 (*e.g.*, limitations on re-pricing and waiver of vesting restrictions), provide for any of the following to be effective upon the consummation of the event (or effective immediately prior to the consummation of the event, provided that the consummation of the event subsequently occurs), and no action taken under this Section 7(b) shall be deemed to impair or otherwise adversely alter or impair the rights of any holder of an Award or beneficiary thereof:

(i) either (A) termination of any Award, whether or not vested, in exchange for an amount of cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of the Award or realization of the Participant's rights (and, for the avoidance of doubt, if, as of the date of the occurrence of the transaction or event described in this Section 7(b)(i)(A), the Committee or the Board determines in good faith that no amount would have been attained upon the exercise of the Award or realization of the Participant's rights, then the Award may be terminated by the Company without any payment) or (B) the replacement of the Award with other rights or property selected by the Committee or the Board, in its sole discretion;

(ii) that the Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the shares of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(iii) that the Award shall be exercisable or payable or fully vested with respect to all Shares covered thereby, notwithstanding anything to the contrary in the applicable Award Agreement; or

(iv) unless otherwise provided for in the applicable Award Agreement, that the Award cannot vest, be exercised or become payable after a date certain in the future, which may be the effective date of the event.

(c) Correction of Defects, Omissions and Inconsistencies. The Committee may, without prior approval of the shareholders of the Company or any Participant, correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award or Award Agreement in the manner and to the extent it shall deem desirable to implement or maintain the effectiveness of the Plan.

Section 8. Income Tax Withholding

In order to comply with all applicable federal, state, local or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant. Without limiting the foregoing, for avoidance of doubt, the Committee, in its discretion and subject to such additional terms and conditions as it may adopt, may permit the Participant to satisfy such tax obligation by (a) electing to have the Company withhold a portion of the Shares otherwise to be delivered upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes (subject to any limitations required by ASC Topic 718 to avoid adverse accounting treatment); (b) delivering to the Company Shares other than Shares issuable upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes or (c) by any other means set forth in the applicable Award Agreement.

Section 9. General Provisions

(a) No Rights to Awards. No Eligible Person, Participant or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Eligible Persons, Participants or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to any Participant or with respect to different Participants.

(b) Award Agreements. No Participant shall have rights under an Award granted to such Participant unless and until an Award Agreement shall have been signed by the Participant (if requested by the Company), or until such Award Agreement is delivered and accepted through an electronic medium in accordance with procedures established by the Company. An Award Agreement need not be signed by a representative of the Company unless required by the Committee. Each Award Agreement shall be subject to the applicable terms and conditions of the Plan and any other terms and conditions (not inconsistent with the Plan) determined by the Committee.

(c) Plan Provisions Control. In the event that any provision of an Award Agreement conflicts with or is inconsistent in any respect with the terms of the Plan as set forth herein or subsequently amended, the terms of the Plan shall control.

(d) No Rights of Shareholders. Except with respect to Shares issued under Awards (and subject to such conditions as the Committee may impose on such Awards), neither a Participant nor the Participant's legal representative shall be, or have any of the rights and privileges of, a shareholder of the Company with respect to any Shares issuable upon the exercise or payment of any Award, in whole or in part, unless and until such Shares have been issued.

(e) No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other or additional compensation plans or arrangements, and such plans or arrangements may be either generally applicable or applicable only in specific cases.

(f) No Right to Employment or Directorship. The grant of an Award shall not be construed as giving a Participant the right to be retained as an employee of the Company or any Affiliate, or the right to be retained as a Director, nor will it affect in any way the right of the Company or an Affiliate to terminate a Participant's employment at any time, with or without cause, or remove a Director in accordance with applicable law. In addition, the Company or an Affiliate may at any time dismiss a Participant from employment, or remove a Director who is a Participant, free from any liability or any claim under the Plan or any Award, unless otherwise

expressly provided in the Plan or in any Award Agreement. Nothing in this Plan shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. Under no circumstances shall any person ceasing to be an employee or Director of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under the Plan which such employee or Director might otherwise have enjoyed but for termination of employment or directorship, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, each Participant shall be deemed to have accepted all the conditions of the Plan and the terms and conditions of any rules and regulations adopted by the Committee and shall be fully bound thereby.

(g) Governing Law. The internal law, and not the law of conflicts, of the State of Nevada shall govern all questions concerning the validity, construction and effect of the Plan or any Award, and any rules and regulations relating to the Plan or any Award.

(h) Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction or Award, and the remainder of the Plan or any such Award shall remain in full force and effect.

(i) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

(j) Other Benefits. No compensation or benefit awarded to or realized by any Participant under the Plan shall be included for the purpose of computing such Participant's compensation or benefits under any pension, retirement, savings, profit sharing, group insurance, disability, severance, termination pay, welfare or other benefit plan of the Company, unless required by law or otherwise provided by such other plan.

(k) No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash shall be paid in lieu of any fractional Share or whether such fractional Share or any rights thereto shall be canceled, terminated or otherwise eliminated.

(l) Headings. Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

Section 10. Clawback or Recoupment

All Awards under this Plan shall be subject to forfeiture or other penalties pursuant to any Company clawback policy, as may be adopted or amended from time to time, and such forfeiture and/or penalty conditions or provisions as determined by the Committee.

Section 11. Effective Date of the Plan

The Plan was adopted by the Board on March 31, 2021 and became effective upon shareholder apprval on May 12, 2021. On and after shareholder approval of the Plan, no awards shall be granted under the Prior Plans, but all outstanding awards previously granted under the Prior Plans shall remain outstanding and subject to the terms of the Prior Plans.

Section 12. Term of the Plan

No Award shall be granted under the Plan, and the Plan shall terminate, on March 31, 2031 or any earlier date of discontinuation or termination established pursuant to Section 7(a) of the Plan. Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend

beyond such dates, and the authority of the Committee provided for hereunder with respect to the Plan and any Awards, and the authority of the Board to amend the Plan, shall extend beyond the termination of the Plan.

Exhibit 21.1

Subsidiaries of the Registrant

Name of Entity	Formation Date	Jurisdiction of Incorporation	Holder of Stock
Rezolute Bio UK, Ltd	July 11, 2019	United Kingdom	Rezolute, Inc.
Rezolute (Bio) Ireland Limited	July 19, 2019	Ireland	Rezolute, Inc.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in Rezolute, Inc.'s Registration Statements on Form S-1 (File Nos. 333-234766, 333-233310, 333-222768, 333-220585, 333-214974, 333-204434, and 333-196093); Form S-3 (File Nos. 333-265703, 333-250073 and 333-251498); and Form S-8 (File No. 333-258222) of our report dated September 15, 2022 with respect to the consolidated financial statements of Rezolute, Inc. and subsidiary as of and for the years ended June 30, 2022 and 2021, that appears in this Annual Report on Form 10-K.

/s/ Plante & Moran, PLLC

September 15, 2022
Cleveland, Ohio

EXHIBIT 31.1

CERTIFICATIONS

I, Nevan Charles Elam, certify that:

1. I have reviewed this annual report on Form 10-K of Rezolute, 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. As the Registrant's certifying officer, I am 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 (fourth 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. As the Registrant's certifying officer, I have disclosed, based on my 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:

   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: September 15, 2022

By: /s/ Nevan Charles Elam
Nevan Charles Elam
Chief Executive Officer
(Principal Executive and Financial Officer)

EXHIBIT 32.1

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 annual report of Rezolute, Inc. (the "Company") on Form 10-K for the period ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nevan Charles Elam, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; 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: September 15, 2022

By: /s/ Nevan Charles Elam
Nevan Charles Elam
Chief Executive Officer
(Principal Executive and Financial Officer)

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