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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 10-Q

**(Mark One)**

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

**For the quarterly period ended March 31, 2025**
**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**

**Commission File Number 001-40598**

# ZURA BIO LIMITED

**(Exact name of Registrant as specified in its Charter)**

| | |
|---|---|
| **Cayman Islands** | **98-1725736** |
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **1489 W. Warm Springs Rd. #110** | |
| **Henderson, NV** | **89014** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**Registrant's telephone number, including area code: (702) 825-9872**

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| **Class A Ordinary Shares** | **ZURA** | **The Nasdaq Stock Market LLC** (The Nasdaq Capital Market) |

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

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

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 5, 2025, the registrant had 61,874,998 Class A Ordinary Shares outstanding

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Our forward-looking statements include, but are not limited to, statements regarding our and our management team's expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward- looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

These forward-looking statements are based on the current expectations of Zura Bio Limited (the "Company" or "Zura") and its management thereof and are inherently subject to uncertainties and changes in circumstances and their potential effects and speak only as of the date of such statement. Forward-looking statements are not guarantees of performance. You should not put undue reliance on our forward-looking statements. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to:

- our expectations regarding our product candidates and their related benefits, and our beliefs regarding competing product candidates and products both in development and approved, may not be achieved;
- our vision and strategy may not be successful;
- the timing of key events and initiation of our studies and release of clinical data may take longer than anticipated or may not be achieved at all;
- expectations regarding the potential general acceptability and maintenance of our product candidates by regulatory authorities, payors, physicians, and patients may not be achieved;
- we may be unable to attract and retain key personnel;
- expectations with respect to our future operating expenses, capital requirements and needs for additional financing may not be achieved;
- we have not completed any clinical trials, and have no products approved for commercial sale;
- we have incurred significant losses since inception, and expect to incur significant losses for the foreseeable future and may not be able to achieve or sustain profitability in the future;
- we require substantial additional capital to finance our operations, and if we are unable to raise such capital when needed or on acceptable terms, we may be forced to delay, reduce, and/or eliminate one or more of its development programs or future commercialization efforts;
- we may be unable to renew existing contracts or enter into new contracts;
- we rely on third-party contract development manufacturing organizations for the manufacture of clinical materials;
- we rely on contract research organizations, clinical trial sites, and other third parties to conduct our preclinical studies and clinical trials;
- we may be unable to obtain regulatory approval for our product candidates, and there may be related restrictions or limitations of any approved products;
- we may be unable to successfully respond to general economic and geopolitical conditions;
- we may be unable to effectively manage growth;

- we face competitive pressures from other companies worldwide;
- we may be unable to adequately protect our intellectual property rights; and
- other factors set forth in documents filed, or to be filed, with the Securities and Exchange Commission (the "SEC").

Additional discussion of the risks, uncertainties and other factors described above, as well as other risks material to our business, can be found under "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Annual Report), as supplemented by the risks and uncertainties described in "Risk Factors" Item 1A. Risk Factors in Part II of this Quarterly Report. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements. New risk factors emerge from time to time and it is not possible to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, investments or other transactions we may execute.

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with this Quarterly Report and the documents referenced within this Quarterly Report and the other cautionary statements that are included elsewhere in this Quarterly Report and in our public filings, including under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements, reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

**PART I—FINANCIAL INFORMATION**
**Item 1. Financial Statements.**

**Zura Bio Limited**

**Condensed Consolidated Balance Sheets**
**(In thousands, except share data)**

| | March 31, 2025 (unaudited) | December 31, 2024 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $ 170,569 | $ 176,498 |
| Prepaid expenses and other current assets | 1,123 | 2,246 |
| Total current assets | 171,692 | 178,744 |
| Property and equipment, net | 106 | 91 |
| Other assets | 698 | 698 |
| Total assets | $ 172,496 | $ 179,533 |
| | | |
| **Liabilities, Redeemable Noncontrolling Interest and Shareholders' Equity** | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | $ 21,092 | $ 19,514 |
| Total current liabilities | 21,092 | 19,514 |
| Total liabilities | 21,092 | 19,514 |
| | | |
| Commitments and contingencies (Note 9) | | |
| | | |
| Redeemable noncontrolling interest | 11,663 | 11,663 |
| | | |
| Shareholders' Equity | | |
| Preferred shares, $0.0001 par value, 1,000,000 authorized as of March 31, 2025 and December 31, 2024; no shares issued and outstanding as of March 31 2025 and December 31, 2024 | — | — |
| Class A Ordinary Shares, $0.0001 par value; 300,000,000 shares authorized as of March 31, 2025 and December 31, 2024; 68,374,998 and 65,297,530 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively | 7 | 7 |
| Additional paid-in capital | 311,532 | 302,705 |
| Accumulated deficit | (173,339) | (155,897) |
| Total Zura Bio Limited shareholders' equity | 138,200 | 146,815 |
| Noncontrolling interest | 1,541 | 1,541 |
| Total shareholders' equity | 139,741 | 148,356 |
| Total liabilities, redeemable noncontrolling interest and shareholders' equity | $ 172,496 | $ 179,533 |

*See accompanying notes to unaudited condensed consolidated financial statements.*

**Zura Bio Limited**

**Condensed Consolidated Statements of Operations**
**(Unaudited)**
**(In thousands, except share and per share data)**

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Operating expenses: | | |
| Research and development | $ 10,474 | $ 3,593 |
| General and administrative | 8,780 | 4,786 |
| Total operating expenses | 19,254 | 8,379 |
| Loss from operations | (19,254) | (8,379) |
| Other (income)/expense, net | | |
| Interest income | (1,817) | (1,215) |
| Change in fair value of private placement warrants | — | 606 |
| Other expense (income), net | 5 | (23) |
| Total other income, net | (1,812) | (632) |
| Loss before income taxes | (17,442) | (7,747) |
| Income tax benefit | — | — |
| Net loss | (17,442) | (7,747) |
| Adjustment of redeemable noncontrolling interest from redemption value to carrying value | — | 7,017 |
| Net loss attributable to Class A Ordinary Shareholders of Zura | $ (17,442) | $ (730) |
| Net loss per share attributable to Class A Ordinary Shareholders of Zura, basic and diluted | $ (0.19) | $ (0.02) |
| Weighted-average Class A Ordinary Shares used in computing net loss per share attributable to Class A Ordinary Shareholders of Zura, basic and diluted | 92,964,048 | 46,914,542 |

*See accompanying notes to unaudited condensed consolidated financial statements.*

**Zura Bio Limited**

**Condensed Consolidated Statements of Changes in Redeemable Noncontrolling Interest and Shareholders' Equity**
**(Unaudited)**
**(In thousands, except share data)**

**For the Three Months Ended March 31, 2025**

| | Redeemable Noncontrolling Interest | Class A Ordinary Shares | | Additional Paid-in Capital | Accumulated Deficit | Noncontrolling Interest | Total Shareholders' Equity |
|---|---|---|---|---|---|---|---|
| | | Shares | Amount | | | | |
| **Balance as of December 31, 2024** | **$ 11,663** | **65,297,530** | **$ 7** | **$ 302,705** | **$ (155,897)** | **$ 1,541** | **$ 148,356** |
| Issuance of Class A Ordinary Shares in connection with a sale under the ATM, net of $0.2 million of commissions | — | 3,000,000 | — | 5,093 | — | — | 5,093 |
| Stock option exercises and restricted stock unit releases | — | 77,468 | — | 90 | — | — | 90 |
| Share-based compensation | — | — | — | 3,644 | — | — | 3,644 |
| Net loss | — | — | — | — | (17,442) | — | (17,442) |
| **Balance as of March 31, 2025** | **$ 11,663** | **68,374,998** | **$ 7** | **$ 311,532** | **$ (173,339)** | **$ 1,541** | **$ 139,741** |

**For the Three Months Ended March 31, 2024**

| | Redeemable Noncontrolling Interest | Class A Ordinary Shares | | Additional Paid-in Capital | Accumulated Deficit | Noncontrolling Interest | Total Shareholders' Equity |
|---|---|---|---|---|---|---|---|
| | | Shares | Amount | | | | |
| **Balance as of December 31, 2023** | **$ 18,680** | **43,593,678** | **$ 4** | **$ 162,820** | **$ (103,494)** | **$ 1,541** | **$ 60,871** |
| Share-based compensation | — | — | — | 2,409 | — | — | 2,409 |
| Net loss | — | — | — | — | (7,747) | — | (7,747) |
| Adjustment of redeemable noncontrolling interest from redemption value to carrying value | (7,017) | — | — | 7,017 | — | — | 7,017 |
| **Balance as of March 31, 2024** | **$ 11,663** | **43,593,678** | **$ 4** | **$ 172,246** | **$ (111,241)** | **$ 1,541** | **$ 62,550** |

*See accompanying notes to unaudited condensed consolidated financial statements.*

**Zura Bio Limited**

**Condensed Consolidated Statements of Cash Flows**
**(Unaudited)**
**(In thousands)**

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| **Cash flows from operating activities** | | |
| Net loss | $ (17,442) | $ (7,747) |
| Adjustments to reconcile net loss to net cash used in operating activities | | |
| Share-based compensation expense | 3,644 | 2,409 |
| Change in fair value of private placement warrants | — | 606 |
| Depreciation and amortization | 9 | — |
| Foreign exchange transaction loss (gain) | 24 | (23) |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses and other current assets | 1,123 | 380 |
| Accounts payable and accrued expenses | 1,579 | (607) |
| Net cash used in operating activities | (11,063) | (4,982) |
| **Cash flows from investing activities** | | |
| Purchase of property and equipment | (49) | (7) |
| Purchase of research and development license | — | (5,000) |
| Net cash used in investing activities | (49) | (5,007) |
| **Cash flows from financing activities** | | |
| Proceeds from issuance of Class A Ordinary Shares in connection with a sale under the ATM, net of $0.2 million of commissions | 5,093 | — |
| Proceeds from exercise of stock options | 90 | — |
| Net cash provided by financing activities | 5,183 | — |
| Net decrease in cash and cash equivalents | (5,929) | (9,989) |
| Cash and cash equivalents, beginning of period | 176,498 | 99,806 |
| Cash and cash equivalents, ending of period | $ 170,569 | $ 89,817 |
| | | |
| **Supplemental Disclosure** | | |
| Cash paid for taxes | $ — | $ — |
| Cash paid for interest | $ — | $ — |
| | | |
| **Supplemental Disclosure of Non-Cash Investing and Financing Activities** | | |
| Adjustments to redeemable noncontrolling interest from redemption value to carrying value | $ — | $ 7,017 |
| Purchase of property and equipment included in accounts payable and accrued expenses | $ — | $ 2 |

*See accompanying notes to unaudited condensed consolidated financial statements.*

**Zura Bio Limited**

**Notes to Unaudited Condensed Consolidated Financial Statements**

**(In thousands, except share and per share data)**

## 1. Organization and Description of Business

Zura Bio Limited, a Cayman Islands exempted company, formerly known as JATT Acquisition Corp ("JATT"), together with its subsidiaries (collectively, the "Company", "Zura" or "Zura Bio"), is a clinical-stage, multi-asset immunology company dedicated to developing novel dual-pathway antibodies for a range of autoimmune and inflammatory diseases with unmet needs. The Company's strategic focus is to harness dual-pathway biology to provide broader and deeper clinical benefits to patients with these conditions. The Company is currently developing one clinical-stage product candidate in ongoing Phase 2 trials while actively evaluating development opportunities for its pipeline of clinical-stage assets, focusing on indications with unmet needs and commercial potential.

The Company is currently developing tibulizumab (ZB - 106), an immunoglobulin G (IgG)-single-chain variable fragment (scFv) bispecific dual-antagonist antibody engineered by the fusion of TALTZ® (ixekizumab) and tabalumab to neutralize interleukin-17A (IL - 17A) and B-cell activating factor (BAFF). In December 2024, the Company initiated TibuSURE, a global Phase 2 study evaluating tibulizumab in adults with systemic sclerosis (SSc). TibuSURE is a randomized, double-blind, placebo-controlled study designed to assess the safety, tolerability, and efficacy of tibulizumab in approximately 80 participants with early diffuse cutaneous systemic sclerosis (dcSSc).

Additionally, the Company is actively assessing the competitive landscape and evaluating potential therapeutic indications for crebankitug and torudokimab.

- Crebankitug (ZB-168) is a fully human, high affinity monoclonal antibody that binds and neutralizes the interleukin-7 receptor (IL - 7R) alpha chain. IL - 7Rα sits at the nexus of two key immune pathways, IL - 7 and thymic stromal lymphopoietin (TSLP), thus IL - 7Rα has the potential to block activation through either of these pathways. As a result, the Company believes crebankitug could be therapeutically relevant in a broad set of indications where the IL - 7 or TSLP pathways may be involved.

- Torudokimab (ZB - 880) is a fully human, high affinity monoclonal antibody that neutralizes interleukin-33 (IL - 33), preventing ST2 - dependent and ST2 - independent (e.g., RAGE) inflammation. The IL - 33/ST2 axis stands as a validated therapeutic target for conditions such as chronic obstructive pulmonary disease ("COPD") and asthma.

***Business Combination***

On March 20, 2023 (the "Closing Date"), the Company consummated the previously announced business combination (the "Business Combination"), pursuant to the terms of a business combination agreement (the "Business Combination Agreement"), dated as of June 16, 2022 (as amended on September 20, 2022, November 14, 2022, and January 13, 2023), by and among JATT, JATT Merger Sub, JATT Merger Sub 2, Zura Bio Holdings Ltd. ("Holdco"), and Legacy Zura. Pursuant to the Business Combination Agreement, (a) before the closing of the Business Combination, Holdco was established as a new holding company of Legacy Zura and became a party to the Business Combination Agreement; and (b) on the Closing Date, in sequential order: (i) Merger Sub merged with and into Holdco, with Holdco continuing as the surviving company and a wholly owned subsidiary of JATT; (ii) immediately following the Merger, Holdco merged with and into Merger Sub 2, with Merger Sub 2 continuing as the surviving company and a wholly owned subsidiary of JATT; and (iii) JATT changed its name to "Zura Bio Limited".

Prior to the Business Combination, JATT's public shares, public warrants, and public units were listed on the New York Stock Exchange ("NYSE") under the symbols "JATT," "JATT.WS," and "JATT.U," respectively. On March 20, 2023, the Company's Class A ordinary shares ("Class A Ordinary Shares") and public warrants began trading on the Nasdaq Stock Market ("Nasdaq") under the symbols "ZURA" and "ZURAW," respectively. As of August 27, 2024, the Public Warrants (as defined herein) were no longer listed on the Nasdaq in connection with the completion of the Warrant Exchange (as defined herein). See Note 7.

***Emerging Growth Company Status***

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use the extended transition period for complying with new or revised accounting standards, and as a result of this election, the condensed consolidated financial statements may not be comparable to companies that comply with public company Financial Accounting Standards Board ("FASB") standards' effective dates. The Company may take advantage of these exemptions up until the last day of the fiscal year following the fifth anniversary of an offering or such earlier time that it is no longer an emerging growth company. The Company expects to no longer be an emerging growth company effective December 31, 2026.

***Liquidity***

The Company has incurred operating losses since inception and expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. The Company has an accumulated deficit of $173.3 million and $155.9 million as of March 31, 2025 and December 31, 2024, respectively, and a net loss of $17.4 million and $7.7 million for the three months ended March 31, 2025 and 2024, respectively. The Company's existing sources of liquidity as of March 31, 2025 include $170.6 million in cash and cash equivalents.

Prior to the Business Combination, the Company historically funded operations primarily with issuances of convertible preferred shares and a promissory note. Upon the closing of the Business Combination, the Company received $56.7 million in net cash proceeds. Additionally, the Company raised (a) $10.6 million of cash proceeds after placement agent commissions in connection with sales under the ATM (as defined herein), (b) an aggregate of $105.3 million of net cash proceeds from the sale of Class A Ordinary Shares and pre-funded warrants in April 2024 (the "April 2024 Private Placement"), and (c) $75.8 million in net cash proceeds from the sale of Class A Ordinary Shares and pre-funded warrants in May and June 2023 (the "April 2023 Private Placement"). The Company's cash requirements include, but are not limited to, clinical development, product manufacturing costs and working capital requirements. The Company expects that such operating losses and negative cash flows from operations will continue, but that it should have sufficient liquidity to fund its operations over the next twelve months.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation and Principles of Consolidation***

The Company's unaudited condensed consolidated financial statements (the "condensed consolidated financial statements") have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the accounts of its consolidated subsidiaries. Other shareholders' interests in the Company's subsidiaries, Z33 Bio, Inc. ("Z33") and ZB17 LLC ("ZB17"), are shown in the condensed consolidated financial statements as redeemable noncontrolling interest and noncontrolling interest, respectively. All intercompany balances and transactions have been eliminated in consolidation.

These condensed consolidated financial statements have been prepared in accordance with U.S. GAAP applicable to interim financial statements. These condensed consolidated financial statements are presented in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with U.S. GAAP. As such, the information included herein should be read in conjunction with the Company's consolidated financial statements and accompanying notes as of and for the year ended December 31, 2024 (the "audited consolidated financial statements") that were included in the Company's Form 10-K filed with the SEC on March 25, 2025 (the "Annual Report"). In Management's opinion, these unaudited condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect all adjustments, which include normal recurring adjustments, necessary for the fair statement of the Company's financial position as of March 31, 2025 and the results of operations for the three months ended March 31, 2025 and 2024. The results of operations for the three months ended March 31, 2025 are not necessarily indicative of the results to be expected for the full year ending December 31, 2025 or any other future interim or annual period.

***Significant Accounting Policies***

There have been no significant changes in the Company's significant accounting policies from those that were disclosed in Note 2, Summary of Significant Accounting Policies, included in the Company's consolidated financial statements in the Company's Annual Report.

***Use of Estimates***

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, as well as the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions reflected in the condensed consolidated financial statements relate to and include, but are not limited to, the fair value of share-based compensation, the fair value of redeemable noncontrolling interest, the valuation allowance of deferred tax assets resulting from net operating losses and the fair value of the private placement warrants.

***Risks and Uncertainties***

The Company is subject to risks common to early-stage companies in the biotechnology industry, including, but not limited to, development by the Company or its competitors of technological innovations, risks of failure of clinical studies, dependence on key personnel, protection of proprietary technology, compliance with government regulations, and ability to transition from preclinical manufacturing to commercial production of products.

The Company's product candidates will require approvals from the United States Food and Drug Administration ("FDA") and comparable foreign regulatory agencies prior to commercial sales in their respective jurisdictions. There can be no assurance that any product candidates will receive the necessary approvals. If the Company was denied approval, approval was delayed or the Company was unable to maintain approval for any product candidate, it could have a material adverse impact on the Company.

The Company has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of $250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations, and cash flows.

***Segments***

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker ("CODM") in making decisions regarding resource allocation and assessing performance. The Company's CODM is the Chief Executive Officer. The Company and the CODM views its operations and manages its business in one operating segment, developing novel medicines for immune and inflammatory disorders. The Company has business activities in different regions that are managed on a consolidated basis.

The accounting policies of the Company's segment are the same as those described within this footnote. The CODM uses net loss, that is reported in the condensed consolidated statements of operations to assess performance for the Company's segment and decide how to allocate resources. The significant expenses within net loss are separately presented in the Company's condensed consolidated statement of operations. The CODM monitors budget versus actual results using operating loss which is a component of net loss. The measure of segment assets is reported on the condensed consolidated balance sheet as total consolidated assets.

***Net Loss Per Share***

Basic net loss per share is computed by dividing net loss attributable to Class A Ordinary Shareholders by the weighted-average number of Class A Ordinary Shares outstanding during the period. Basic and diluted net loss per share were the same for each period presented as the inclusion of all potentially dilutive securities outstanding would have been anti-dilutive due to the Company's net loss.

The table below provides potentially dilutive securities not included in the calculation of the diluted net loss per share as of the periods presented because to do so would be anti-dilutive:

| | March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Shares issuable upon exercise of options to purchase Class A Ordinary Shares | 13,593,638 | 7,108,188 |
| Shares issuable upon exercise of Z33 Series Seed Preferred Shares Put Right | 2,000,000 | 2,000,000 |
| Shares issuable upon vesting of restricted share units | 859,923 | 1,421,473 |
| Restricted share awards | 249,997 | 374,995 |
| Shares issuable upon exercise of warrants to purchase Class A Ordinary Shares | — | 12,809,996 |
| Total | 16,703,558 | 23,714,652 |

***Recently Issued Accounting Pronouncements***

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

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): *Improvements to Income Tax Disclosures* ("ASU 2023-09"), ASU 2023-09 is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in the ASU address investor requests for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for the Company beginning with the Company's Annual Report on Form-10-K for the year ended December 31, 2025. Early adoption is permitted. The Company is currently evaluating the presentational effect that ASU 2023-09 will have on the Company's consolidated financial statements and disclosures, but the Company expects considerable changes to the Company's income tax disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). This ASU requires disclosure, in the notes to financial statements, of the nature of certain expenses included in the income statement. ASU 2024-03 will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2024-03 and expects to adopt it for the year ending December 31, 2027.

## 3. Fair Value Measurements

The Company measures certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair value based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as determined by either the principal market or the most advantageous market. Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy. These levels are:

**Level 1:** Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

**Level 2:** Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and

**Level 3:** Unobservable inputs that are significant to the measurement of the fair value of the assets or liabilities that are supported by little or no market data.

Financial instruments consist of cash and cash equivalents, prepaid and other current assets, accounts payable and accrued expenses, and private placement warrants. The carrying values of the Company's cash, prepaid and other current assets, and accounts payable and accrued expenses approximate their fair value due to the short-term maturity of these instruments.

The following table presents information about the Company's financial assets and liabilities measured at fair value on a recurring basis as of March 31, 2025 and December 31, 2024, and the fair value hierarchy of the valuation techniques utilized.

| | March 31, 2025 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| Cash equivalents | $ 167,563 | $ — | $ — | $ 167,563 |

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| Cash equivalents | $ 170,743 | $ — | $ — | $ 170,743 |

There were no transfers into or out of Level 1, Level 2, or Level 3 during the three months ended March 31, 2025.

***Private Placement Warrants***

In August 2024, pursuant to the Warrant Exchange, the Company exchanged all of the outstanding Private Placement Warrants (as defined herein) for Class A Ordinary Shares. See Note 7. The Private Placement Warrants were measured at fair value on a recurring basis. Because the transfer of Private Placement Warrants to non-permitted transferees would result in the Private Placement Warrants having substantially the same terms as the Public Warrants (as defined herein), the Company determined that the fair value of each Private Placement Warrant is consistent with that of a Public Warrant. Accordingly, the Private Placement Warrants were classified as Level 2 financial instruments. Upon completion of the Warrant Exchange, the Private Placement Warrants were remeasured to settlement value which was determined based on the fair value of the Class A Ordinary Shares issued in exchange for the Private Placement Warrants. There were no Private Placement Warrants outstanding as of March 31, 2025 and December 31, 2024. The change in fair value of the Private Placement Warrants for the three months ended March 31, 2024 was $0.6 million.

**4. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses is comprised of the following as of March 31, 2025 and December 31, 2024:

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Accrued research and development costs | $ 8,302 | $ 7,100 |
| Accrued 2023 Lilly License costs | 9,500 | 9,500 |
| Accrued bonus | 717 | 1,713 |
| Accounts payable | 1,249 | 733 |
| Accrued professional fees | 796 | 318 |
| Other accrued expenses | 528 | 150 |
| Total accounts payable and accrued expenses | $ 21,092 | $ 19,514 |

## 5. License Agreements

***2023 Lilly License***

On April 26, 2023, the Company's consolidated subsidiary ZB17 LLC ("ZB17") entered into a license agreement (the "2023 Lilly License" and, together with the 2022 Lilly License (as defined below), the "Lilly Licenses") with Lilly, for an exclusive license to develop, manufacture and commercialize a certain bispecific antibody relating to IL-17 and BAFF ("tibulizumab").

In 2023, as a finder's fee for arranging the acquisition of the 2023 Lilly License, ZB17 granted Stone Peach the right, but not the obligation, to purchase 4.99% of the fully diluted equity of ZB17 for $1.0 million (the "Stone Peach Call Right"). The Stone Peach Call Right is not exercisable until after the last patient is dosed in any single next clinical trial with tibulizumab and expires one year from the date of first indication approval for tibulizumab by the FDA or the European Medicines Agency ("EMA"). The Stone Peach Call Right represents noncontrolling interest in the Company's consolidated subsidiary, ZB17. As of March 31, 2025 and December 31, 2024, the noncontrolling interest balance was $1.5 million in the condensed consolidated balance sheets.

As additional consideration, beginning on May 1, 2023, Stone Peach receives an annual payment of $0.6 million initially, and increasing by 10% annually, so long as the Company maintains its license for tibulizumab, to be paid on May 1st of each year. The Company records expenses for these annual payments when they become due.

A one-time payment of $4.5 million for additional consideration due to Stone Peach upon acceptance from the FDA for its Investigational New Drug ("IND") and commencement of the clinical trial for tibulizumab was recorded in research and development in the consolidated statement of operations for the year ended December 31, 2024 and is included in accounts payable and accrued expenses in the condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024.

As a finder's fee for arranging the acquisition of the 2023 Lilly License, the Company agreed to make a one-time milestone payment of $5.0 million to BAFFX17, Ltd ("BAFFX17") upon the occurrence of either: (i) a change of control transaction, (ii) the closing of an issuance of equity or equity-linked securities by the Company of at least $100.0 million, (iii) the consummation of a sale of assets resulting in net proceeds in excess of $100.0 million, or (iv) the Company's fully diluted shares outstanding exceed 52,500,000 shares (on a split adjusted basis) as measured on April 24th of each year. As the Company's fully diluted shares outstanding exceeded 52,500,000 shares prior to December 31, 2023, the $5.0 million fee was recorded in research and development in the consolidated statement of operations for the year ended December 31, 2023, and is included in accounts payable and accrued expenses in the condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024.

In addition to the consideration paid and/or earned during the years ended December 31, 2024 and 2023, the Company is also obligated to make payments (a) to Lilly for four (4) development milestone payments up to an aggregate of $155.0 million, and sales milestone payments up to an aggregate of $440.0 million based on respective thresholds of net sales of products developed from tibulizumab; (b) to Lilly over a multi-year period (twelve years, or upon the later expiration of regulatory exclusivity of tibulizumab in a country) for an annual earned royalty at a marginal royalty rate in the mid-single digits to low-double digits, with increasing rates depending on net sales in the respective calendar year, based on a percentage of sales within varying thresholds for a certain period of years; (c) to BAFFX17 for a fee equal to 3% of any milestone or royalty payments due to Lilly pursuant to the terms of either the 2022 Lilly License or the 2023 Lilly License; (d) to Stone Peach for a one-time milestone payment of $25 million upon either (i) certain equity-related transactions, or (ii) the receipt of regulatory approval from the applicable regulatory authority for any new indication in the applicable jurisdiction; and (e) to Stone Peach for a royalty of 2% of the aggregate net sales of any products developed from the Compound (collectively, the "2023 Lilly Contingent Payments"). As of March 31, 2025, none of the 2023 Lilly Contingent Payments are due and accordingly will not be recorded in the Company's financial statements until they are due.

***2022 Lilly License***

On December 8, 2022, the Company's consolidated subsidiary, Z33, entered into a license agreement (the "2022 Lilly License") with Lilly pursuant to which Lilly granted Z33 an exclusive (even as to Lilly), royalty-bearing global license to develop, manufacture, and commercialize certain intellectual property owned by Lilly relating to its IL-33 compound.

In 2022, as a finder's fee for the 2022 Lilly License, the Company's consolidated subsidiary Z33 issued 4,900,222 shares of Z33 Series Seed Preferred Shares to Stone Peach. Zura and Stone Peach have the following rights, as amended, (a) Zura has the right, but not the obligation to purchase up to 50% of the Series Seed Preferred Shares issued to Stone Peach at a price per share of $2.448869 for a period of two years from the date of the agreement (the "Call Option"); (b) Stone Peach has the right, but not the obligation to sell up to 50% of the Series Seed Preferred Shares issued to Stone Peach to Zura for a price per share of $2.040724 (the "Put Option"), and (c) Stone

Peach has the right, but not the obligation to sell up to 50% of the Series Seed Preferred Shares issued to Stone Peach to Zura in exchange for 2,000,000 Class A Ordinary Shares (the "Put Right"). Stone Peach may exercise its Put Option and Put Right at any time between April 24, 2024, and April 24, 2028. See Note 10. The Z33 Series Seed Preferred Shares are remeasured to the greater of the redemption value or the initial fair value, less noncontrolling shareholder's interest in net loss of Z33, at each reporting period. The Z33 Series Seed Preferred Shares represent redeemable noncontrolling interest in the Company's consolidated subsidiary, Z33.

In addition to the consideration paid and transferred in 2022 and 2023, the Company is also obligated to make payments to Lilly for (a) $3.0 million upon the completion of a financing by Z33 with gross proceeds exceeding $100.0 million; (b) 10 commercial, development and regulatory milestone payments up to an aggregate of $155.0 million and sales milestone payments up to an aggregate of $440.0 million based on respective thresholds of net sales of products developed from the licensed compound, if any; and (c) an annual earned royalty at a marginal royalty rate between in the mid-single to low-double digits (less than 20%), with increasing rates based on net sales in the respective calendar year, based on a percentage of sales within varying thresholds for a certain period of the year, if any year (collectively, the "2022 Lilly Contingent Payments"). The Company will account for these contingent milestone payments when they become due. As of March 31, 2025, none of the 2022 Lilly Contingent Payments are due and accordingly will not be recorded in the Company's financial statements until they are due.

***Pfizer Agreement***

On March 22, 2022, the Company entered into a license agreement and a Series A-1 Subscription and Shareholder's Agreement (collectively, the "Pfizer Agreement") with Pfizer. Under the Pfizer Agreement, the Company acquired a license for a compound previously developed by Pfizer.

In addition to the consideration paid and transferred during 2022 and 2023 and the first $1.0 million development milestone paid during 2024, the Company is obligated to make payments to Pfizer for (a) eleven (11) remaining future development and regulatory milestone payments aggregating up to $69.0 million and sales milestone payments up to an aggregate of $525.0 million based on respective thresholds of net sales of products (developed from the licensed compound) (the "Products"), if any; and (b) an annual earned royalty at a marginal royalty rate in the mid-single digits to low double digits (less than 20%), based on thresholds of net sales of the Company's Products, if any (collectively, the "Pfizer Contingent Payments"). Royalties are payable on a country-by-country basis for a certain period of years or upon the later expiration of regulatory exclusivity of the Company's Products in a country.

As of March 31, 2025, no additional Pfizer Contingent Payments are due and accordingly no additional Pfizer Contingent Payments will be recorded in the Company's financial statements until they are due.

***Lonza License***

In July 2022, the Company entered into a license agreement (the "Lonza License") with Lonza Sales AG ("Lonza") for a worldwide non-exclusive license for Lonza's gene expression system in exchange for varying considerations depending on a number of factors such as whether the Company enters further into manufacturing agreements with Lonza or with a third party, and whether the Company enters into sublicense agreements with third parties (including up to middle six-figure annual payments per sublicense upon commencement of a sublicense, as well as royalties of up to low-single digit percentages of net sales of certain products over a commercially standard double-digit multi-year term). The Lonza License will remain in effect until terminated. The Company may terminate the Lonza License at any time upon 60 days' notice, with or without cause. Lonza may terminate the Lonza License for cause upon a breach by the Company or for other commercially standard reasons.

Pursuant to the terms of the Lonza License, the Company has a license fee of $0.4 million due to Lonza annually in the fourth quarter as a result of manufacturing drug substance with a third party other than Lonza since 2023. For the year ended December 31, 2024 the Company recorded $0.4 million for the Lonza License, which is included in accounts payable and accrued expenses in the condensed consolidated balance sheet as of March 31, 2025.

***WuXi Biologics License***

In July 2023, the Company entered into a cell line license agreement (the "Cell Line License Agreement") with WuXi Biologics and its Affiliates ("WuXi Biologics") for certain of WuXi Biologics' know – how, cell line, and biological materials (the "WuXi Biologics Licensed Technology") to manufacture, have manufactured, use, sell and import certain products produced through the use of the cell line licensed by WuXi Biologics under the Cell Line License Agreement (the "WuXi Biologics Licensed Products"). If the Company manufactures all of its commercial supplies of bulk drug product for WuXi Biologics Licensed Products with a manufacturer other than WuXi Biologics or its affiliates, the Company is required to make royalty payments to WuXi Biologics in an amount equal to a fraction of a single digit percentage of global net sales of WuXi Biologics Licensed Products manufactured by a third-party manufacturer (the "Royalty"). If the Company manufactures part of its commercial supplies of the WuXi Biologics Licensed Products with WuXi Biologics or its affiliates, then the Royalty will be reduced accordingly on a pro rata basis. The Cell Line License Agreement will continue indefinitely unless terminated (i) by the Company upon three months' prior written notice and its payment of all undisputed amounts due to WuXi Biologics through the effective date of termination, (ii) by WuXi Biologics for a material breach by the Company that remains uncured for 30 days after written notice, or (iii) by WuXi Biologics if the Company fails to make a payment and such failure continues for 30 days after receiving notice of such failure. As of March 31, 2025, there are no payments currently due under the Cell Line License Agreement.

**6. Shareholders' Equity**

On March 16, 2023, in connection with the closing of the Business Combination and effective upon the Closing Date, the Company authorized 300,000,000 Class A Ordinary Shares, par value of $0.0001 and 1,000,000 preferred shares, par value of $0.0001.

***Shelf Registration and ATM Program***

The Company filed a shelf registration statement on Form S-3 (the "Shelf Registration Statement"), which was declared effective on September 17, 2024. Pursuant to the Shelf Registration Statement, the Company may offer and sell ordinary shares, preference shares, debt securities, warrants and or units having an aggregate public offering price of up to $300.0 million. In connection with the filing of the Shelf Registration Statement, the Company also entered into a sales agreement (the "Sales Agreement") with Leerink Partners LLC ("Leerink Partners"), relating to the sale of the Company's Class A Ordinary Shares having an aggregate gross sales price of up to $125.0 million, from time to time through Leerink Partners, acting as sales agent (the "ATM"). During 2024, the Company incurred $0.6 million of offering expenses in connection with establishing the ATM.

In the first quarter of 2025, the Company sold 3,000,000 Class A Ordinary Shares at a price of $1.75 per share under the ATM, for net proceeds of $5.1 million, after placement agent commissions. As of March 31, 2025, $114.0 million of Class A Ordinary Shares remained available for sale under the Sales Agreement.

***Ordinary Shares Reserved for Issuance***

A summary of shares reserved for issuance as of March 31, 2025 is summarized below:

| | March 31, 2025 |
|---|---|
| Shares issuable upon exercise of pre-funded warrants to purchase Class A Ordinary Shares | 23,884,348 |
| Shares issuable upon exercise of options to purchase Class A Ordinary Shares | 15,687,069 |
| Shares available for grant under 2023 Equity Incentive Plan and ESPP | 4,772,779 |
| Shares issuable upon exercise of Z33 Put Right | 2,000,000 |
| Shares issuable upon release of restricted share units | 874,923 |
| Total shares reserved for issuance | 47,219,119 |

## 7. Warrants

***Pre-Funded Warrants***

On August 15, 2024, the Company entered into a share surrender and warrant agreement with certain affiliated shareholders (the "Shareholders"), pursuant to which (i) the Shareholders surrendered an aggregate of 4,000,000 Class A Ordinary Shares owned by the Shareholders, for no consideration, which were immediately cancelled and retired, upon surrender; and (ii) the Company issued pre-funded warrants to purchase an aggregate of 4,000,000 Ordinary Shares, with an exercise price of $0.001 per share (the "Share Exchange Warrants"). See Note 12, Subsequent Events, for additional agreements entered into after March 31, 2025.

In connection with the April 2024 Private Placement, the Company sold to accredited investors the pre-funded warrants to purchase up to 16,102,348 Class A Ordinary Shares at a price of $3.107 per pre-funded warrant for an aggregate purchase price of $108.3 million (the "2024 Pre-Funded Warrants").

In connection with the April 2023 Private Placement, the Company sold to accredited investors pre-funded warrants to purchase up to 3,782,000 Class A Ordinary Shares at a price of $4.249 per pre-funded warrant for an aggregate purchase price of approximately $16.1 million (the "2023 Pre-Funded Warrants").

The following table presents the aggregate number of 2023 Pre-Funded Warrants, 2024 Pre-Funded Warrants and Share Exchange Warrants (collectively, the "Pre-Funded Warrants") outstanding and their exercise price as of March 31, 2025:

| Warrants Issued | Exercise Price |
|---|---|
| 23,884,348 | $ 0.001 |

Each Pre-Funded Warrant is exercisable for one Class A Ordinary Share at any time or times until the Pre-Funded Warrants are exercised in full. A holder of the Pre-Funded Warrants (together with its affiliates and other attribution parties) may not exercise any portion of a Pre-Funded Warrant to the extent that immediately prior to or after giving effect to such exercise the holder would beneficially own more than 4.99% or 9.99%, depending on the holder of the Company's outstanding Class A Ordinary Shares immediately after exercise, which percentage may be increased or decreased to any other percentage specified not in excess of 19.99% at the holder's election upon 61 days' notice to the Company subject to the terms of the Pre-Funded Warrants.

***Warrant Exchange***

On August 12, 2024, the Company completed an exchange offer (the "Exchange Offer") relating to its outstanding warrants that it assumed in connection with the Business Combination, including (i) public warrants to purchase 5,910,000 Class A Ordinary Shares (the "Public Warrants") that were held by JATT, and (ii) private placement warrants to purchase 6,899,996 Class A Ordinary Shares (the "Private Placement Warrants") that were held by JATT shareholders, and issued 2,064,082 Class A Ordinary Shares in exchange for the Public Warrants and 1,718,108 Class A Ordinary Shares in exchange for the Private Placement Warrants.

## 8. Share-based Compensation

On March 16, 2023, JATT's board of directors approved the Zura Bio Limited 2023 Equity Incentive Plan (the "Equity Incentive Plan") which became effective on the day immediately preceding the Closing Date of the Business Combination. The Equity Incentive Plan allows for the grant of share options, both incentive and nonqualified share options; stock appreciation rights ("SARs"), alone or in conjunction with other awards; restricted shares awards ("RSAs") and restricted share units ("RSUs"); incentive bonuses, which may be paid in cash, shares, or a combination thereof; and other share-based awards to employees, officers, non-employee directors and other service providers. The Company has granted share options, RSUs and RSAs that generally vest over four years and expire after 10 years.

The Class A Ordinary Shares issuable under the Equity Incentive Plan are subject to an annual increase on January 1st of each calendar year beginning on January 1, 2024, and ending on and including January 1, 2029, equal to the lesser of (i) 5.0% of the aggregate number of Class A Ordinary Shares outstanding on the final day of the immediately preceding calendar year, (ii) 8,059,796 Class A Ordinary Shares or (iii) such smaller number of shares as is determined by the board.

On March 16, 2023, JATT's board of directors approved the Zura Bio Limited 2023 Employee Stock Purchase Plan (the "ESPP") which became effective on the day immediately preceding the Closing Date of the Business Combination. The maximum number of Class A Ordinary Shares that may be issued under the ESPP is 4,029,898, plus an aggregate number of Class A Ordinary shares that are automatically added under the Equity Incentive Plan on January 1st of each calendar year, beginning on January 1, 2024, and ending on and including January 1, 2029, as discussed above. The ESPP enables eligible employees of the Company and designated affiliates to purchase Class A Ordinary Shares at a discount of 15%. As of March 31, 2025, the Company has not activated its ESPP.

On January 1, 2025, the Class A Ordinary Shares reserved for future issuances under the Equity Incentive Plan and ESPP were each increased by the annual automatic increase of 5% of outstanding Class A Ordinary Shares as of December 31, 2024, or 3,264,877 Class A Ordinary Shares. As of March 31, 2025, a maximum of 20,153,865 Class A Ordinary Shares were authorized for issuance under the Equity Incentive Plan and ESPP, collectively.

***Equity Incentive Plan***

*Share Options*

The fair value of Equity Incentive Plan share options are estimated on the date of grant using the Black-Scholes option pricing model. The Company lacks significant company-specific historical and implied volatility information. Therefore, it estimates its expected share volatility based on the historical volatility of a publicly traded set of peer companies. Due to the lack of historical exercise history, the expected term of the Company's share options has been determined using the simplified method, averaging the vesting period and the contractual life of the share options granted. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is zero based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

The following weighted-average assumptions were used to estimate the fair value of the Equity Incentive Plan share options issued during the three months ended March 31, 2025 and 2024:

| | For the Three Months Ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Share price | $ 1.20 | $ 3.53 |
| Expected volatility | 99.7 % | 107.0 % |
| Risk-free rate | 4.1 % | 4.1 % |
| Expected term (in years) | 6.1 | 6.0 |
| Expected dividend yield | 0 % | 0 % |

The following table summarizes the Company's share option activity for the three months ended March 31, 2025:

| | Number of Options | Weighted Average Exercise Price (per share) | Weighted Average Remaining Contractual Life (Years) | Aggregate Intrinsic Value (in thousands) |
|---|---|---|---|---|
| Options outstanding as of December 31, 2024 | 12,217,747 | $ 2.88 | 8.9 | $ 8,388 |
| Granted | 3,572,790 | $ 1.20 | | |
| Exercised | (75,468) | $ 1.20 | | |
| Forfeited | (28,000) | $ 3.59 | | |
| Options outstanding as of March 31, 2025 | 15,687,069 | $ 2.50 | 9.0 | $ 4,096 |
| Options vested and exercisable as of March 31, 2025 | 4,445,826 | $ 1.85 | 8.2 | $ 2,851 |

Included in options outstanding as of March 31, 2025 and December 31, 2024 in the table above are 2,089,901 and 2,165,369, respectively, options to purchase Class A Ordinary Shares issued to certain directors, executives, and employees outside of the Equity Incentive Plan.

In December 2024, the Company granted 1,053,000 share options to purchase Class A Ordinary shares with non-market performance conditions ("PSOs"), included in the table above, that will vest upon the earlier of achieving a one-year service condition or upon the Company's Annual General Meeting ("AGM"). In February 2025, the date of the AGM was set to May 21, 2025, accordingly management determined that the performance condition was met and began recording the remaining unrecognized compensation expense of $1.5 million ratably through the date of the AGM.

The weighted average grant date fair value of options granted during the three months ended March 31, 2025 and 2024 was $0.97 and $2.91, respectively.

*Market-Based Share Options*

As of March 31, 2025, there are 306,373 options outstanding to purchase Class A Ordinary Shares, with market-based performance conditions, ("Market-Based Share Options") that were granted to a certain director of the board during 2023. These awards will vest only to the extent that the 20-day volume weighted average trading price ("VWAP") of the Class A Ordinary Shares is over $30 per Class A Ordinary Share at any time prior to the fifth anniversary of the grant date. These awards have an exercise price of $8.16 and become exercisable when vested and the market condition is satisfied. These awards expire 10 years from the date of grant. The fair value of these Market-Based Share Options was estimated using a Monte Carlo valuation method on the grant date. No Market-Based Share Options were granted during the three months ended March 31, 2025 and the year ended December 31, 2024.

In each of the three months ended March 31, 2025 and 2024, the Company recorded expense related to Market-Based Share Options, at the grant date fair value, of $0.2 million.

*Restricted Share Units*

The following table summarizes the Company's RSU activity for the three months ended March 31, 2025:

| | Number of RSUs | Weighted Average Grant Date FV |
|---|---|---|
| Unvested RSUs outstanding as of December 31, 2024 | 874,923 | $ 5.99 |
| Unvested RSUs outstanding as of March 31, 2025 | 874,923 | $ 5.99 |

For the three months ended March 31, 2025 and 2024, the Company recorded expense related to RSUs of $0.4 million and $0.6 million, respectively.

*Restricted Share Awards*

The following table summarizes the Company's RSA activity for the three months ended March 31, 2025:

| | Number of RSAs | Weighted Average Grant Date Fair Value |
|---|---|---|
| Unvested RSAs outstanding as of December 31, 2024 | 374,995 | 8.16 |
| Vested | (124,998) | 8.16 |
| Unvested RSAs outstanding as of March 31, 2025 | 249,997 | $ 8.16 |

For each of the three months ended March 31, 2025 and 2024, the Company recorded expense related to RSAs of $0.3 million.

***Share-based Compensation Expense***

Share-based compensation expense for all equity arrangements for the three months ended March 31, 2025 and 2024 was as follows:

| | For the Three Months Ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Research and development | $ 518 | $ 433 |
| General and administrative | 3,126 | 1,976 |
| Total share-based compensation expense | $ 3,644 | $ 2,409 |

As of March 31, 2025, there was approximately $21.7 million of total unrecognized share-based compensation expense related to options granted to employees, executives, and directors that is expected to be recognized over a weighted average period of 3.1 years. As of March 31, 2025, there was approximately $3.7 million of total unrecognized share-based compensation expense related to RSUs granted to certain employees, executives, and directors under the Company's Equity Incentive Plan that is expected to be recognized over a weighted average period of 2.2 years. As of March 31, 2025, there was approximately $2.0 million of total unrecognized share-based compensation expense related to RSAs granted to a certain director under the Company's Equity Incentive Plan that is expected to be recognized over a weighted average period of 2.0 years.

## 9. Commitments and Contingencies

***Litigation***

The Company is not a party to any material legal proceedings and is not aware of any pending or threatened claims. From time to time, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of its business activities.

## 10. Redeemable Noncontrolling Interest

As a finder's fee for the 2022 Lilly License, the Company's consolidated subsidiary Z33 issued 4,900,222 shares of Z33 Series Seed Preferred Shares to Stone Peach. Zura and Stone Peach have the following rights, as amended, (a) Zura has the right, but not the obligation to purchase up to 50% of the Series Seed Preferred Shares issued to Stone Peach at a price per share of $2.448869 for a period of two years from the date of the agreement (the "Call Option"); (b) Stone Peach has the right, but not the obligation to sell up to 50% of the Series Seed Preferred Shares issued to Stone Peach to Zura for a price per share of $2.040724 (the "Put Option"), and (c) Stone Peach has the right, but not the obligation to sell up to 50% of the Series Seed Preferred Shares issued to Stone Peach to Zura in exchange for 2,000,000 Class A Ordinary Shares (the "Put Right"). Stone Peach may exercise its Put Option and Put Right at any time between April 24, 2024, and April 24, 2028.

As it is not possible to specifically identify the shares that may be redeemed by exercising the Put Option, and the applicable unit of account is each share, the Company assessed that each share must be considered redeemable until the exercise or the expiration of the Put Option. Accordingly, the Z33 Series Seed Preferred Shares issued to Stone Peach represents redeemable noncontrolling interest.

As of each of March 31, 2025 and December 31, 2024, the redeemable noncontrolling interest balance was recorded at its initial carrying amount, decreased for the noncontrolling interest's share of Z33's net loss, of $11.7 million.

For the three months ended March 31, 2024, the Company recorded the $7.1 million difference from remeasuring the redeemable noncontrolling interest from its redemption price to its initial carrying amount, decreased for the noncontrolling interest's share of Z33's net loss, as an adjustment to net loss to arrive at net loss attributable to Class A ordinary shareholders for the three months ended March 31, 2024 in the condensed consolidated statement of operations.

**11. Defined Contribution Plans**

The Company maintains a 401(k) defined contribution retirement plan (the "401(k) Plan") for all of its U.S. employees. For the 401(k) Plan, the Company makes a matching contribution up to a maximum of 6% of an employee's annual salary. For U.K. employees, the Company contributes up to 6% of an employee's annual salary to defined contribution retirement pension plans (the "U.K. Defined Contribution Plan" and, together with the 401(k) Plan, the "Defined Contribution Plans"). Contributions made by the Company vest 100% upon contribution. For each of the three months ended March 31, 2025 and 2024, the Company recorded expense of $0.1 million for the Defined Contribution Plans.

**12. Subsequent Events**

In April 2025, the Company entered into share surrender and warrant agreements with certain affiliated shareholders (the "2025 Shareholders"), pursuant to which (i) the 2025 Shareholders surrendered an aggregate of 6,500,000 Class A Ordinary Shares owned by the 2025 Shareholders, for no consideration, which were immediately cancelled and retired, upon surrender; and (ii) the Company issued pre-funded warrants to purchase an aggregate of 6,500,000 Class A Ordinary Shares with an exercise price of $0.001 per share and no expiration date (the "2025 Pre-Funded Warrants). The 2025 Pre-Funded Warrants are exercisable immediately and have substantially identical terms to the form of 2024 Pre-Funded Warrant.

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

*The following discussion and analysis provides information that management believes is relevant to an assessment and understanding of our consolidated results of operations and financial condition. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our audited consolidated financial statements as of December 31, 2024, included in the 2024 Annual Report filed with the SEC on March 25, 2025, and in conjunction with the unaudited condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report.*

*In addition to historical information, this discussion and analysis contains forward-looking statements. These forward-looking statements are subject to risks and uncertainties, including those discussed in the section titled "Risk Factors" in our Form 10-K filed with the SEC on March 25, 2025, as supplemented by the risks and uncertainties described in "Risk Factors" Item I.A. Risk Factors in Part II of this Quarterly Report, that could cause actual results to differ materially from historical results or anticipated results. You should carefully read the information under "Cautionary Note Regarding Forward-Looking Statements" in this Quarterly Report. Unless the context otherwise requires, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" to "Zura," "we," "us," and "our" refer to Zura Bio Limited, a Cayman Islands exempted company formerly known as JATT Acquisition Corp, and its consolidated subsidiaries. References to JATT Acquisition Corp or "JATT" refer to the Company prior to the consummation of the Business Combination.*

**Overview**

We are a clinical-stage, multi-asset immunology company dedicated to developing novel dual-pathway antibodies for a range of autoimmune and inflammatory diseases with unmet needs. Leveraging the extensive experience of our team, we identify relevant diseases and develop our differentiated assets in those diseases. Our strategic focus is to harness dual-pathway biology to provide broader and deeper clinical benefits to patients with autoimmune and inflammatory diseases.

We are currently developing one clinical-stage product candidate in ongoing Phase 2 trials while actively evaluating development opportunities for our pipeline of clinical-stage assets, focusing on indications with unmet needs and commercial potential.

We are currently developing tibulizumab (ZB-106), an immunoglobulin G (IgG)-single-chain variable fragment (scFv) bispecific dual-antagonist antibody engineered by the fusion of TALTZ® (ixekizumab) and tabalumab to neutralize interleukin-17A (IL-17A) and B-cell activating factor (BAFF). These cytokines play pivotal roles in various inflammatory and autoimmune disorders. By targeting IL-17A and BAFF, tibulizumab demonstrates potential in mitigating chronic inflammation while preserving the integrity of the immune system. Three Phase 1/1b clinical studies have been completed for tibulizumab, including studies involving participants with rheumatoid arthritis and Sjögren's syndrome.

In December 2024, we initiated TibuSURE, a global Phase 2 study evaluating tibulizumab in adults with systemic sclerosis (SSc). TibuSURE is a randomized, double-blind, placebo-controlled study designed to assess the safety, tolerability, and efficacy of tibulizumab in approximately 80 participants with early diffuse cutaneous systemic sclerosis (dcSSc). The study includes a 24-week efficacy period followed by a 28-week open-label extension (OLE). The primary endpoint is the modified Rodnan Skin Score (mRSS). Key efficacy endpoints include lung disease, assessed by quantitative high-resolution computed tomography (qHRCT) and forced vital capacity (FVC); physical function, measured by the Health Assessment Questionnaire-Disability Index (HAQ-DI); and the revised Combined Response Index in Systemic Sclerosis (rCRISS). Topline data are expected to be available in the fourth quarter of 2026.

In September 2024, we engaged a third-party Contract Research Organization ("CRO") to oversee and conduct the Phase 2 clinical program evaluating tibulizumab in hidradenitis suppurativa (HS). This study is expected to initiate in the second quarter of 2025.

Crebankitug (ZB-168) is a fully human, high affinity monoclonal antibody that binds and neutralizes the interleukin-7 receptor (IL-7R) alpha chain. IL-7Rα sits at the nexus of two key immune pathways, IL-7 and thymic stromal lymphopoietin (TSLP), thus IL-7Rα has the potential to block activation through either of these pathways. As a result, we believe crebankitug could be therapeutically relevant in a broad set of indications where the IL-7 or TSLP pathways may be involved. Three Phase 1/1b clinical studies have been conducted to date. We are actively assessing the competitive landscape and evaluating potential therapeutic indications for crebankitug.

Torudokimab (ZB-880) is a fully human, high affinity monoclonal antibody that neutralizes interleukin-33 (IL-33), preventing ST2-dependent and ST2-independent (e.g., RAGE) inflammation. The IL-33/ST2 axis stands as a validated therapeutic target for conditions such as chronic obstructive pulmonary disease ("COPD") and asthma. Three Phase 1/2 clinical studies have been conducted to date. We are continuing to monitor external Phase 2 and Phase 3 IL-33/ST2 data releases from other companies related to asthma and COPD and

are actively assessing the competitive landscape and evaluating potential therapeutic indications to guide our future development efforts for torudokimab.

We were incorporated as a Cayman Islands exempted company on March 10, 2021. Our wholly owned subsidiary, Zura Bio Limited ("Zura Bio UK") was formed in the United Kingdom ("U.K."), on January 18, 2022. Prior to March 20, 2023, our operations were conducted through Zura Bio UK.

We have a limited operating history. Since our inception, our operations have focused on organizing and staffing our company, business planning, raising capital and entering into collaboration agreements for conducting manufacturing, and research and development activities. Our lead product candidates are in the clinical testing stage; however, prior to the initiation of TibuSURE in December 2024, we have not conducted any clinical tests ourselves, nor have any been conducted during the period since our inception. We do not have any product candidates approved for sale and have not generated any revenue from product sales. We have funded our operations through (i) the sale of equity, raising an aggregate of $10.0 million of gross proceeds from the sale of our convertible preferred shares of Zura Bio UK through March 31, 2023; (ii) the issuance of a promissory note, receiving net proceeds of $7.6 million in December 2022; (iii) proceeds from the Business Combination of $56.7 million in March 2023; (iv) the sale of Class A Ordinary Shares and pre-funded warrants during the year ended December 31, 2023 (the "April 2023 Private Placement"), raising an aggregate of $80.0 million of gross proceeds; (v) the sale of Class A Ordinary Shares and pre-funded warrants in April 2024 (the "April 2024 Private Placement") raising an aggregate of $112.5 million of gross proceeds; (vi) the sale of 1,500,000 Class A Ordinary Shares at a price of $3.80 per share under the ATM (as defined below) for net proceeds of $5.5 million, after placement agent commissions, in September 2024; and (vii) the sale of 3,000,000 Class A Ordinary Shares at a price of $1.75 per share under the ATM for net proceeds of $5.1 million, after placement agent commissions, in the first quarter of 2025.

Since our inception, we have incurred significant operating losses. Our net loss for the three months ended March 31, 2025 and 2024 were $17.4 million and $7.7 million, respectively. As of March 31, 2025, we had an accumulated deficit of $173.3 million. We anticipate that our expenses will increase significantly in connection with our ongoing activities, as we:

- continue to advance the preclinical and clinical development of our product candidates;
- conduct our planned preclinical studies and clinical trials for our product candidates, as well as initiate and complete additional trials of future potential product candidates;
- scale up our clinical and regulatory capabilities;
- manufacture current good manufacturing practices, or cGMP, material for clinical trials or potential commercial sales;
- hire additional clinical, quality, regulatory, manufacturing, scientific and administrative personnel;
- establish a commercialization infrastructure and scale up manufacturing and distribution capabilities to commercialize any product candidates for which we may obtain regulatory approval;
- adapt our regulatory compliance efforts to incorporate requirements applicable to marketed products;
- seek regulatory approval for any product candidates that successfully complete clinical trials;
- maintain, expand and protect our intellectual property portfolio;
- add operational, financial, and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts; and
- incur additional legal, accounting, and other expenses in operating as a public company.

**Business Combination**

On March 20, 2023 (the "Closing Date"), we consummated the previously-announced transactions contemplated by the Business Combination Agreement, dated June 16, 2022, as amended on September 20, 2022, November 14, 2022, and January 13, 2023 by and among Zura Bio Limited, a limited company incorporated under the laws of England and Wales ("Zura Bio UK"), JATT Acquisition Corp, a Cayman Islands exempted company ("JATT"), JATT Merger Sub, a Cayman Islands exempted company and wholly owned subsidiary of JATT ("Merger Sub"), JATT Merger Sub 2, a Cayman Islands exempted company and wholly owned subsidiary of JATT ("Merger Sub 2") and Zura Bio Holdings Ltd, a Cayman Islands exempted company ("Holdco"), following the approval at an extraordinary general meeting of JATT's shareholders held on March 16, 2023.On March 21, 2023, our Class A Ordinary Shares and public warrants began trading on the Nasdaq under the symbols "ZURA" and "ZURAW," respectively. As of August 27, 2024, our public warrants were no longer listed on the Nasdaq in connection with the completion of our exchange of our public warrants for shares.

**Shelf Registration and ATM Program**

Pursuant to the shelf registration statement on Form S-3 declared effective on September 17, 2024 (the "Shelf Registration Statement"), we may offer and sell ordinary shares, preference shares, debt securities, warrants and or units having an aggregate public offering price of up to $300.0 million. In connection with the filing of the Shelf Registration Statement, we also entered into a sales agreement (the "Sales Agreement") with Leerink Partners LLC ("Leerink Partners"), relating to the sale of our Class A Ordinary Shares having an aggregate gross sales price of up to $125.0 million, from time to time through Leerink Partners, acting as sales agent (the "ATM"). In the first quarter of 2025, we sold 3,000,000 Class A Ordinary Shares at a price of $1.75 per share under the ATM, for net proceeds of $5.1 million, after placement agent commissions. As of the date of this filing, we have $114.0 million of Class A Ordinary Shares remaining available for sale under the Sales Agreement.

**Pre-Funded Warrant Exchange**

In April 2025, we entered into share surrender and warrant agreements with certain affiliated shareholders (the "2025 Shareholders"), pursuant to which (i) the 2025 Shareholders surrendered an aggregate of 6,500,000 Class A Ordinary Shares owned by the 2025 Shareholders, for no consideration, which were immediately cancelled and retired, upon surrender; and (ii) we issued pre-funded warrants to purchase an aggregate of 6,500,000 Class A Ordinary Shares, with an exercise price of $0.001 per share and no expiration date (the "2025 Pre-Funded Warrants). The 2025 Pre-Funded Warrants are exercisable immediately and have substantially identical terms to the pre-funded warrants issued in 2024 in connection with our April 2024 subscription agreements.

**2023 Lilly License**

On April 26, 2023, our consolidated subsidiary ZB17 LLC ("ZB17") entered into a license agreement (the "2023 Lilly License" and, together with the 2022 Lilly License (as defined below), the "Lilly Licenses") with Lilly, for an exclusive license to develop, manufacture and commercialize a certain bispecific antibody relating to IL-17 and BAFF ("tibulizumab").

As a finder's fee for arranging the acquisition of the 2023 Lilly License, in 2023 ZB17 granted Stone Peach the right, but not the obligation, to purchase 4.99% of the fully diluted equity of ZB17 for $1.0 million (the "Stone Peach Call Right"). The Stone Peach Call Right is not exercisable until after the last patient is dosed in any single next clinical trial with tibulizumab and expires one year from the date of first indication approval for tibulizumab by the United States Food and Drug Administration ("FDA") or the European Medicines Agency ("EMA"). The Stone Peach Call Right represents noncontrolling interest in our consolidated subsidiary, ZB17. As of March 31, 2025 and December 31, 2024 the noncontrolling interest balance was $1.5 million in the condensed consolidated balance sheets.

As additional consideration, beginning on May 1, 2023, Stone Peach receives an annual payment of $0.6 million initially, and increasing by 10% annually, so long as we maintain our license for tibulizumab, to be paid on May 1st of each year. We record expenses for these annual payments when they become due.

A one-time payment of $4.5 million for additional consideration due to Stone Peach upon acceptance from the FDA for our Investigational New Drug ("IND") and commencement of our clinical trial for tibulizumab was recorded in research and development in the consolidated statement of operations for the year ended December 31, 2024 and is included in accounts payable and accrued expenses in the condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024.

As a finder's fee for arranging the acquisition of the 2023 Lilly License, we agreed to make a one-time milestone payment of $5.0 million to BAFFX17, Ltd ("BAFFX17") upon the occurrence of either: (i) a change of control transaction, (ii) the closing of an issuance of equity or equity-linked securities by us of at least $100.0 million (iii) the consummation of a sale of assets resulting in net proceeds in excess of $100.0 million, or (iv) our fully diluted shares outstanding exceed 52,500,000 shares (on a split adjusted basis), as measured on April 24th of each year. As our fully diluted shares outstanding exceeded 52,500,000 shares prior to December 31, 2023, the $5.0 million fee was recorded in research and development in the consolidated statement of operations for the year ended December 31, 2023, and is included in accounts payable and accrued expenses in the condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024.

In addition to the consideration paid and/or earned in 2024 and 2023, we are also obligated to make payments (a) to Lilly for four (4) development milestone payments up to an aggregate of $155.0 million, and sales milestone payments up to an aggregate of $440.0 million based on respective thresholds of net sales of products developed from tibulizumab; (b) to Lilly over a multi-year period (twelve years, or upon the later expiration of regulatory exclusivity of tibulizumab in a country) for an annual earned royalty at a marginal royalty rate in the mid-single digits to low-double digits, with increasing rates depending on net sales in the respective calendar year, based on a percentage of sales within varying thresholds for a certain period of years; (c) to BAFFX17 for a fee equal to 3% of any milestone or royalty payments due to Lilly pursuant to the terms of either the 2022 Lilly License or the 2023 Lilly License; (d) to Stone Peach for a one-time milestone payment of $25 million upon either (i) certain equity-related transactions, or (ii) the receipt of regulatory approval from the applicable regulatory authority for any new indication in the applicable jurisdiction; and (e) to Stone Peach for a royalty of 2% of the aggregate net sales of any products developed from the Compound (collectively, the "2023 Lilly Contingent Payments"). As of March 31, 2025, none of the 2023 Lilly Contingent Payments are due and accordingly will not be recorded in our financial statements until they are due.

**2022 Lilly License**

On December 8, 2022, our consolidated subsidiary, Z33 Bio Inc. ("Z33"), entered into a license agreement (the "2022 Lilly License") with Lilly pursuant to which Lilly granted Z33 an exclusive (even as to Lilly), royalty-bearing global license to develop, manufacture, and commercialize certain intellectual property owned by Lilly relating to its IL-33 compound.

In 2022, as a finder's fee in connection with arranging the acquisition, Z33 issued to Stone Peach Properties, LLC ("Stone Peach") 4,900,222 shares of Z33 Series Seed Preferred Shares to Stone Peach. We and Stone Peach have the following rights, as amended, (a) we have the right, but not the obligation to purchase up to 50% of the Series Seed Preferred Shares issued to Stone Peach at a price per share of $2.448869 for a period of two years from the date of the agreement (the "Call Option"); (b) Stone Peach has the right, but not the obligation to sell up to 50% of the Series Seed Preferred Shares issued to Stone Peach to us for a price per share of $2.040724 (the "Put Option"), and (c) Stone Peach has the right, but not the obligation to sell up to 50% of the Series Seed Preferred Shares issued to Stone Peach to us in exchange for 2,000,000 Class A Ordinary Shares (the "Put Right"). Stone Peach may exercise its Put Option and Put Right at any time between April 24, 2024, and April 24, 2028. The Z33 Series Seed Preferred Shares are remeasured to the greater of the redemption value or the initial fair value, less noncontrolling shareholder's interest in net loss of Z33, at each reporting period. The Z33 Series Seed Preferred Shares represent redeemable noncontrolling interest in our consolidated subsidiary, Z33.

In addition to the consideration paid and transferred in 2022, we are also obligated to make payments to Lilly for (a) $3.0 million upon the completion of a financing by Z33 with gross proceeds exceeding $100.0 million; (b) 10 commercial, development and regulatory milestone payments up to an aggregate of $155.0 million and sales milestone payments up to an aggregate of $440.0 million based on respective thresholds of net sales of products developed from the licensed compound, if any; and (c) an annual earned royalty at a marginal royalty rate between in the mid-single to low-double digits (less than 20%), with increasing rates based on Net Sales in the respective calendar year, based on a percentage of sales within varying thresholds for a certain period of the year, if any year (collectively, "the "2022 Lilly Contingent Payments"). We will account for these contingent milestone payments as they become due. As of March 31, 2025, none of the 2022 Lilly Contingent Payments are due and accordingly will not be recorded in our financial statements until they are due.

**Pfizer Agreement**

On March 22, 2022, we entered into a license agreement and a Series A-1 Subscription and Shareholder's Agreement (collectively, the "Pfizer Agreement") with Pfizer. Under the Pfizer Agreement, we acquired a license for a compound previously developed by Pfizer.

In addition to the consideration paid and transferred during 2022 and 2023 and the first $1.0 million development milestone paid during 2024, we are obligated to make payments to Pfizer for (a) eleven (11) remaining future development and regulatory milestone payments aggregating up to $69.0 million and sales milestone payments up to an aggregate of $525.0 million based on respective thresholds of net sales of products (developed from the licensed compound) (the "Products"), if any; and (b) an annual earned royalty at a marginal royalty rate in the mid-single digits to low double digits (less than 20%), based on thresholds of net sales of Products, if any (collectively, the "Pfizer Contingent Payments"). Royalties are payable on a country-by-country basis for a certain period of years or upon the later expiration of regulatory exclusivity of our Products in a country.

As of March 31, 2025, no additional Pfizer Contingent Payments are due and accordingly no additional Pfizer Contingent Payments will be recorded in our financial statements until they are due.

**Impact of Global Economic Trends**

Macroeconomic conditions, including uncertainties associated with the changes to and by the United States federal government administration, the Israel-Hamas war, the ongoing conflict between Ukraine and Russia, international trade policies including tariffs, economic slowdowns, public health crises, labor shortages, recessions or market corrections, supply chain disruptions, inflation and monetary policy shifts, liquidity concerns at, and failures of, banks and other financial institutions or other disruptions in the banking system or financing markets, rising interest rates and financial and credit market fluctuations, volatility in the capital markets or other evolving macroeconomic developments, continue to have direct and indirect impacts on our business and could in the future materially impact our results of operations and financial condition. Recent tariffs and trade restrictions have increased costs and complexity for many businesses, which we expect to have an adverse impact on our business. We continue to actively monitor the impact of these macroeconomic factors on our results of operations, financial condition and cash flows. The extent of the impact of these factors on our operational performance and financial condition, including our ability to execute our business strategies and initiatives in the expected timeframe, will depend on future developments, which are uncertain and cannot be predicted; however, any continued or renewed disruption resulting from these factors could negatively impact our business.

**Components of Operating Results**

***Operating Expenses***

*Research and Development Expenses*

Research and development ("R&D") expenses consist of all direct and indirect operating expenses supporting the processes and manufacturing in development, including consulting fees for clinical and manufacturing advisory services, CRO costs, costs related to manufacturing material for preclinical studies, payroll and benefits, which includes share-based compensation for research and development employees, licensing fees, and data and study acquisition costs. Expenses are recognized as the related goods are delivered or the services are performed.

R&D expenses include the cost of in-process research and development ("IPR&D") assets purchased in an asset acquisition transaction. IPR&D assets are expensed provided that the acquired asset did not also include processes or activities that would constitute a "business" as defined under United States Generally Accepted Accounting Principles ("U.S. GAAP"), the drug has not achieved regulatory approval for marketing and, absent obtaining such approval, has no established alternative future use. Acquired IPR&D payments, including upfront payments, transaction fees and subsequent pre-commercial milestone payments, are immediately expensed in the period in which they are incurred. Research and development costs incurred after the acquisition are expensed as incurred. R&D expenses also include the remeasurement of the research and development license consideration liability.

Research and development expenses could include:

- employee-related expenses, including salaries, bonuses, benefits, share-based compensation and other related costs for those employees involved in research and development efforts;
- external research and development expenses incurred under agreements with CROs, investigative sites and consultants to conduct our studies;
- costs related to manufacturing material for preclinical studies and clinical trials, including fees paid to contract manufacturing organizations;
- milestone payments under our licensing agreements;
- laboratory supplies and research materials;
- costs related to compliance with regulatory requirements; and
- facilities, depreciation and other allocated expenses, which include direct and allocated expenses for rent, maintenance of facilities, insurance and equipment.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We plan to substantially increase our research and development expenses for the foreseeable future as we develop our product candidates and manufacturing processes and conduct discovery and research activities for our clinical programs. We cannot determine with certainty the timing of initiation, the duration or the completion costs of current or future clinical studies of our product candidates due to the inherently unpredictable nature of clinical development. Clinical development timelines, the probability of success and development costs can differ materially from expectations. We anticipate that we will make determinations as to how we pursue our product candidates and how much funding to direct to each program on an ongoing basis in response to the results of future clinical trials, regulatory developments and our ongoing assessments as to commercial potential. We will need to raise substantial additional capital in the future. Our clinical development costs are expected to increase as we commence, continue and expand our clinical trials. Our future expenses may vary significantly each period based on factors such as:

- expenses incurred to conduct preclinical studies required to advance our product candidates into clinical trials;
- per patient clinical trial costs, including based on the number of doses that patients receive;
- the number of patients who enroll in each clinical trial;
- the number of clinical trials required for approval;
- the number of sites included in the clinical trials;
- the countries in which the clinical trials are conducted;
- the length of time required to enroll eligible patients;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of patient participation in clinical trials and follow-up;
- the phase of development of the product candidate;

- third party contractors failing to comply with regulatory requirements or meet their contractual obligations in a timely manner, or at all;
- the cost of insurance, including product liability insurance, in connection with clinical trials;
- regulators or institutional review boards requiring that we or our investigators suspend or terminate clinical development for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks; and
- the efficacy and safety profile of our product candidates.

*General and Administrative Expenses*

General and administrative ("G&A") expenses primarily consist of professional fees for legal, accounting, and consulting costs relating to corporate matters, as well as salaries and related costs for personnel in executive and administrative functions and board of director fees, including share-based compensation.

We anticipate that our general and administrative expenses will increase in the future as we continue to support research and development activities and incur increased costs of operating as a public company. These costs include increased headcount to support expanded operations and infrastructure.

Additionally, we anticipate increased costs associated with maintaining compliance with Nasdaq rules and SEC requirements such as accounting, audit, legal and consulting services, as well as director and officer liability insurance, investor and public relations activities.

**Results of Operations**

***Comparison of the Three months ended March 31, 2025 and 2024***

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

| | For the Three Months Ended March 31, | | $ | % |
|---|---|---|---|---|
| | 2025 | 2024 | Change | Change |
| Operating expenses: | | | | |
| Research and development | $ 10,474 | $ 3,593 | $ 6,881 | 192 % |
| General and administrative | 8,780 | 4,786 | 3,994 | 83 % |
| Total operating expenses | 19,254 | 8,379 | 10,875 | 130 % |
| Loss from operations | (19,254) | (8,379) | (10,875) | 130 % |
| Other (income)/expense, net: | | | | |
| Interest income | (1,817) | (1,215) | (602) | 50 % |
| Change in fair value of private placement warrants | — | 606 | (606) | * % |
| Other expense (income), net | 5 | (23) | 28 | (122)% |
| Total other income, net | (1,812) | (632) | (1,180) | 187 % |
| Loss before income taxes | (17,442) | (7,747) | (9,695) | 125 % |
| Income tax benefit | — | — | — | 0 % |
| Net loss | (17,442) | (7,747) | (9,695) | 125 % |
| Adjustment of redeemable noncontrolling interest from redemption value to carrying value | — | 7,017 | (7,017) | * % |
| Net loss attributable to Class A Ordinary Shareholders of Zura | $ (17,442) | $ (730) | $ (16,712) | * % |

*Percentage change not meaningful

***Operating Expenses***

*Research and development expenses (in thousands):*

Research and development expenses increased by $6.9 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. This was primarily due to increases of $3.7 million of costs incurred for CRO fees for clinical trial execution, and $2.1 million for manufacturing costs for our product candidates, as well as $0.6 million in compensation expenses, including share-based compensation, for personnel in research and development functions, as we advance our Phase 2 clinical trials evaluating tibulizumab in SSc and HS. We anticipate that research and development expenses will continue to increase in the future as we conduct research and development activities.

*General and administrative expenses (in thousands):*

General and administrative expenses increased by $4.0 million for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. The increase was primarily due to an increase of $2.6 million in compensation expenses, including share-based compensation, for personnel in executive and administrative functions and our board of directors and an increase of $1.2 million in professional fees to support our growing organization as we advance our Phase 2 clinical trials evaluating tibulizumab in SSc and HS.

***Other Expense (Income), net***

Interest income

Interest income increased by $0.6 million for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024. This is primarily due to an increase in our cash and cash equivalents balance during three months ended March 31, 2025 as compared to the three months ended March 31, 2024, primarily resulting from the April 2024 Private Placement and sales under our ATM.

*Change in fair value of private placement warrants*

For the three months ended March 31, 2025, we did not have any private placement warrants as all private placement warrants were exchanged for Class A Ordinary Shares in August 2024. Revaluation loss on the liability-classified private placement warrants assumed in the Business Combination was $0.6 million during the three months ended March 31, 2024.

*Other expense (income), net*

Other expense (income), net remained relatively consistent for the three months ended March 31, 2025 and compared to the three months ended March 31, 2024.

***Adjustment of Redeemable Noncontrolling Interest from Redemptions Value to Carrying Value***

For the three months ended March 31, 2025, there is no adjustment to the noncontrolling interest as the initial fair value of the noncontrolling interest, decreased for the noncontrolling shareholder’s interest in net loss of Z33, was greater than the redemption value as of both March 31, 2025 and December 31, 2024. For the three months ended March 31, 2024, redeemable noncontrolling interest was adjusted from its redemption value to its initial fair value, decreased for the noncontrolling shareholder’s interest in net loss of Z33. This $7.0 million adjustment was the result of a decrease in the redemption price below the initial fair value, less the noncontrolling shareholder’s interest in net loss of Z33 as of March 31, 2024.

**Liquidity and Capital Resources**

***Overview***

Since our inception, we have not generated any revenue and expect to continue to incur significant operating losses for the foreseeable future and may never become profitable. As of March 31, 2025, we had cash and cash equivalents of $170.6 million. We have funded our operations through (i) the sale of equity, raising an aggregate of $10.0 million of gross proceeds from the sale of our convertible preferred shares of Zura Bio UK through March 31, 2023; (ii) the issuance of a promissory note, receiving net proceeds of $7.6 million in December 2022; (iii) proceeds from the Business Combination of $56.7 million in March 2023; (iv) the April 2023 Private Placement, raising an aggregate of $80.0 million of gross proceeds; (v) the April 2024 Private Placement, raising an aggregate of $112.5 million of gross proceeds; (vi) the sale of 1,500,000 Class A Ordinary Shares at a price of $3.80 per share under the ATM for net proceeds of $5.5 million, after placement agent commissions, in September 2024; and (vii) the sale of 3,000,000 Class A Ordinary Shares at a price of $1.75 per share under the ATM for net proceeds of $5.1 million, after placement agent commissions, in the first quarter of 2025.

We have experienced operating losses and cash outflows from operations since inception and will require ongoing financing in order to continue our research and development activities. We have not earned any revenue or reached successful commercialization of our products. Our future operations are dependent upon our ability to finance our cash requirements which will allow us to continue our research and development activities and the commercialization of our products. There can be no assurance that we will be successful in continuing to finance our operations.

***Capital Requirements***

To date, we have not generated revenue from any source, including the commercial sale of approved drug products, and we do not expect to generate revenue for at least the next few years. If we fail to complete the development of our product candidates in a timely manner or fail to obtain their regulatory approval, our ability to generate future revenue will be adversely affected. We do not know when, or if, we will generate any revenue from our product candidates, and we do not expect to generate revenue unless and until we obtain regulatory approval of, and commercialize, our product candidates.

We expect our expenses to continue to increase in connection with our ongoing activities, particularly as we continue the research and development, and seek marketing approval for our product candidates, as well as administrative costs associated with supporting our operations. In addition, if we obtain approval for any of our product candidates, we expect to incur significant commercialization expenses related to sales, marketing, manufacturing and distribution. Furthermore, we expect to incur additional costs associated with operating as a public company.

We will also be responsible to Pfizer and Lilly for significant future contingent payments under the Pfizer Agreement and the Lilly Licenses upon the achievement of certain development, regulatory, and sales milestones, as well as ongoing royalties on net commercial sales. The size and timing of these milestone payments will vary greatly depending upon a number of factors, and it is therefore difficult to estimate the total payments that could become payable to Pfizer and Lilly and when those payments would be due. If we achieve all of the milestones, we would be obligated to pay multimillion dollar development and regulatory milestone payments and sales milestone payments. We will be required to pay certain of these milestone payments prior to the time at which we are able to generate sufficient revenue, if any, from commercial sales of any of our product candidates. We intend to fund these milestone payments using a portion of the proceeds from the Business Combination, the April 2023 Private Placement, the April 2024 Private Placement and sales under the ATM. In addition to milestone payments, we are also required to pay Pfizer and Lilly under the Pfizer Agreement and Lilly Licenses, respectively, ongoing royalties in the mid-single digits to low double-digits (less than 20%) percentage range based upon thresholds of net sales of products.

We intend to devote most of the net proceeds from the Business Combination, the April 2023 Private Placement, the April 2024 Private Placement and sales under the ATM to the preclinical and clinical development of our product candidates, our public company compliance costs and certain milestone payments. Based on our current business plans, we believe that our existing cash, cash equivalents and investments should be sufficient to fund our operating expenses and capital requirements through 2027. Our estimate as to how long we expect our existing cash and cash equivalents to be able to fund our operating expenses and capital requirements is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. Changing circumstances, some of which may be beyond our control, could result in less cash available to us or cause us to consume capital significantly faster than we currently anticipate, and we may need to seek additional funds sooner than planned.

Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical drug products, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the extent to which we develop, in-license or acquire other product candidates and technologies in our product candidates pipeline;
- the costs and timing of process development and manufacturing scale-up activities associated with our product candidates and other programs as we advance them through preclinical and clinical development;
- the number and development requirements of product candidates that we may pursue;
- the costs, timing and outcome of regulatory review of our product candidates;
- the timing and amount of our milestone payments to Pfizer under the Pfizer Agreement and to Lilly under the Lilly Licenses;
- our headcount growth and associated costs as we expand our research and development capabilities and establish and expand our commercial infrastructure and operations;
- the costs and timing of future commercialization activities, including product manufacturing, marketing, sales and distributions, for any of our product candidates for which we receive marketing approval;
- royalty payments to Pfizer under the Pfizer Agreement and Lilly under the Lilly Licenses;
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims;
- the revenue, if any, received from sales of our product candidates for which we receive marketing approval; and
- the costs of operating as a public company.

Identifying potential product candidates and conducting preclinical studies and clinical trials is a time-consuming, expensive and uncertain process that takes many years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of our product candidates that we do not expect to be commercially available in the near term, if at all and are subject to successful clinical development and regulatory approval. Accordingly, we may need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all. To the extent that we raise additional capital through securities or debt financing, the terms of these securities or this debt may restrict our ability to operate. Any financing, if available, may involve covenants limiting and restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, entering into profit-sharing or other arrangements or declaring dividends. If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may be required to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise capital when needed or on acceptable terms, we could be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

***Cash Flows***

| | For the Three Months Ended March 31, | |
|---|---|---|
| | 2025 | 2024 |
| Net cash used in operating activities | $ (11,063) | $ (4,982) |
| Net cash used in investing activities | (49) | (5,007) |
| Net cash provided by financing activities | 5,183 | — |
| Net decrease in cash and cash equivalents | $ (5,929) | $ (9,989) |

*Cash flows from operating activities*

Net cash used in operating activities increased by $6.1 million to $11.1 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. This was primarily due to an increase in our cash net loss of $9.0 million, which is comprised of a $9.7 million decrease in net loss before redeemable noncontrolling interest, as adjusted for the increase in non-cash charges of $0.7 million, for the three months ended March 31, 2025. The increase of $0.7 in non-cash charges was due to an increase of $1.2 million for share-based payment expense for the three months ended March 31, 2025, partially offset by a decrease in the change in fair value on the private placement warrants of $0.6 million for the three months ended March 31, 2024. Working capital changes resulted in decreased cash used in operating activities of $2.9 million, resulting from higher prepaid expenses and other current assets and a decrease in cash used in paying accounts payable and accrued expenses for the three months ended March 31, 2025.

*Cash flows from investing activities*

Cash used in investing activities for the three months ended March 31, 2025 was de minimis. Cash used in investing activities for the three months ended March 31, 2024 was $5.0 million which primarily related to the cash consideration paid to acquire the 2023 Lilly License.

*Cash flows from financing activities*

Cash provided by financing activities for the three months ended March 31, 2025 was $5.2 million, which primarily related to net proceeds of $5.1 million, after placement agent commissions, for the sale of Class A Ordinary Shares under our ATM. There was no cash provided by or used in financing activities for the three months ended March 31, 2024.

***Contractual Obligations and Other Commitments***

We have or will enter into agreements in the normal course of business with contract research organizations, contract manufacturing organizations and other vendors for research and development services for operating purposes, which are generally cancelable upon written notice. Some third party CMOs have intellectual property, such as patents and/or know-how with an annual fee and royalty bearing license to its customers that forms part of the manufacturing agreement.

*Lonza License*

In July 2022, we entered into a license agreement (the "Lonza License") with Lonza Sales AG ("Lonza") for a worldwide non-exclusive license for Lonza's gene expression system in exchange for varying considerations depending on a number of factors such as whether we enter further into manufacturing agreements with Lonza or with a third party, and whether we enter into sublicense agreements with third parties (including up to middle six-figure annual payments per sublicense upon commencement of a sublicense, as well as royalties of up to low-single digit percentages of net sales of certain products over a commercially standard double-digit multi-year term). The Lonza License will remain in effect until terminated. We may terminate the Lonza License at any time upon 60 days' notice, with or without cause. Lonza may terminate the Lonza License for cause upon a breach by us or for other commercially standard reasons.

Pursuant to the terms of the Lonza License, we have a license fee of $0.4 million due to Lonza annually in the fourth quarter as a result of manufacturing drug substance with a third party other than Lonza since 2023. For the year ended December 31, 2024, we recorded $0.4 million for the Lonza License, which is included in accounts payable and accrued expenses in the condensed consolidated balance sheet as of March 31, 2025.

*WuXi Biologics License*

In July 2023, we entered into a cell line license agreement (the "Cell Line License Agreement") with WuXi Biologics and its Affiliates ("WuXi Biologics") for certain of WuXi Biologics' know-how, cell line, and biological materials (the "WuXi Biologics Licensed Technology") to manufacture, have manufactured, use, sell and import certain products produced through the use of the cell line licensed by WuXi Biologics under the Cell Line License Agreement (the "WuXi Biologics Licensed Products"). If we manufacture all of our commercial supplies of bulk drug product for WuXi Biologics Licensed Products with a manufacturer other than WuXi Biologics or its affiliates, we are required to make royalty payments to WuXi Biologics in an amount equal to a fraction of a single digit percentage of global net sales of WuXi Biologics Licensed Products manufactured by a third-party manufacturer (the "Royalty"). If we manufacture part of our commercial supplies of the WuXi Biologics Licensed Products with WuXi Biologics or its affiliates, then the Royalty will be reduced accordingly on a pro rata basis. The Cell Line License Agreement will continue indefinitely unless terminated (i) by us upon three months' prior written notice and its payment of all undisputed amounts due to WuXi Biologics through the effective date of termination, (ii) by WuXi Biologics for a material breach by us that remains uncured for 30 days after written notice, or (iii) by WuXi Biologics if we fail to make a payment and such failure continues for 30 days after receiving notice of such failure. As of March 31, 2025, there are no payments currently due under the Cell Line License Agreement.

**Critical Accounting Estimates**

Management's discussion and analysis of our financial condition and results of operations is based on our unaudited interim condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP, and on a basis consistent with those accounting principles followed by us and disclosed in Note 2 to our most recent annual audited consolidated financial statements in the 2024 Annual Report. The preparation of these unaudited interim condensed 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 condensed consolidated financial statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions and any such differences may be material.

There have been no material changes to our critical accounting policies and estimates since December 31, 2024. For a description of our critical accounting policies that affect our significant judgements and estimates used in preparation of our unaudited condensed consolidated financial statements, refer to Item 7 in "Management's Discussion and Analysis of Financial Condition and Results of Operations," contained in the 2024 Annual Report.

**Recent Accounting Pronouncements**

See Note 2 to our unaudited condensed consolidated financial statements located in "Part I – Financial Information, Item 1. Financial Statements" in this Quarterly Report for a description of recent accounting pronouncements applicable to our financial statements.

**Emerging Growth Company and Smaller Reporting Company Status**

In April 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended ("Securities Act") for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. Upon closing of the Business Combination, we remained an emerging growth company and may elect to extend the transition period for complying with new or revised accounting standards, which delays the adoption of these accounting standards until they would apply to private companies.

In addition, as an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- being permitted to present only two years of audited financial statements in addition to any required unaudited interim financial statements, with correspondingly reduced disclosure in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations";

- an exception from compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended;

- reduced disclosure about our executive compensation arrangements in our periodic reports, proxy statements and registrations statements; and

- exemptions from the requirements of holding non-binding advisory votes on executive compensation or golden parachute arrangements; and an exemption from compliance with the requirements of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in the auditor's report on financial statements.

We would cease to qualify as an emerging growth company on the date that is the earliest of: (i) December 31, 2026, (ii) the last day of the fiscal year in which we have more than $1.235 billion in total annual gross revenues, (iii) the date on which we are deemed to be a "large accelerated filer" under the rules of the SEC, which means the market value of our Class A Ordinary Shares that is held by non-affiliates exceeds $700.0 million as of the prior June 30th, or (iv) the date on which we have issued more than $1.0 billion of non-convertible debt over the prior three-year period. We may choose to take advantage of some but not all of these reduced reporting burdens. We have taken advantage of certain reduced reporting requirements in this Quarterly Report. Accordingly, the information contained herein may be different than you might obtain from other public companies in which you hold equity interests.

We are also a "smaller reporting company" as defined under the Securities Act and Securities Exchange Act of 1934, as amended (the "Exchange Act"). We may continue to be a smaller reporting company so long as either (i) the market value of Class A Ordinary Shares held by non-affiliates is less than $250 million or (ii) our annual revenue was less than $100 million during the most recently completed fiscal year and the market value of Class A Ordinary Shares held by non-affiliates is less than $700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and have reduced disclosure obligations regarding executive compensation, and, similar to emerging growth companies, if we are a smaller reporting company under the requirements of (ii) above, we would not be required to obtain an attestation report on internal control over financial reporting issued by our independent registered public accounting firm.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

As a "smaller reporting company," as defined by Item 10 of Regulation S-K, we are not required to provide the information otherwise required by this Item 3.

**Item 4. Controls and Procedures**

***Evaluation of Disclosure Controls and Procedures***

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to management including our Chief Executive Officer, Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As of March 31, 2025, our Chief Executive Officer and Chief Financial Officer carried out an evaluation with the participation of management of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of March 31, 2025.

***Changes in Internal Control over Financial Reporting***

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended March 31, 2025, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

***Inherent Limitations on Effectiveness of Internal Controls***

A control system, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. In reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. In addition, the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## PART II —OTHER INFORMATION

### Item 1. Legal Proceedings

From time to time, we may become involved in litigation or other legal proceedings arising in the ordinary course of our business. We are not currently a party to any material litigation or legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, negative publicity, reputational harm and other factors.

### Item 1A. Risk Factors.

Below we are providing, in supplemental form, updates to our risk factors from those previously disclosed in Part I, Item 1A of our 2024 Annual Report. Our risk factors disclosed in Part I, Item 1A of our 2024 Annual Report provide additional discussion regarding these supplemental risks and we encourage you to read and carefully consider all of the risk factors disclosed in Part I, Item 1A of our 2024 Annual Report, together with the below, for a more complete understanding of the risks and uncertainties material to our business.

***Disruptions at the FDA, EMA, the European Commission applicable foreign regulatory authorities, the SEC, and other government agencies and regulatory authorities caused by funding shortages, furloughs or other concerns could hinder their ability to hire and retain key leadership and other personnel, or otherwise prevent new or modified products from being developed, approved or commercialized in a timely manner or at all, or otherwise prevent those authorities from performing normal business functions on which the operation of our business may rely, which could significantly harm our business, financial condition, results of operations and prospects.***

The ability of the FDA, EMA, the European Commission or any applicable foreign regulatory authority to review and approve new products can be affected by a variety of factors, including, as applicable government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes, and other events that may otherwise affect the FDA, EMA, the European Commission, or any applicable foreign regulatory authority's ability to perform routine functions. Average review times at the authorities have fluctuated in recent years as a result and could be delayed. Furloughs and reductions in force in early 2025 may adversely impact federal agency responsiveness. In addition, government funding of the SEC and other government authorities on which our operations may rely, including those that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other authorities may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government authorities, which would adversely affect our business. If the FDA or other regulatory authorities are unable to timely conduct their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

***International trade policies, including tariffs, sanctions and trade barriers may adversely affect our business, financial condition,results of operations and prospects.***

We operate in a global economy, which includes utilizing third-party suppliers in several countries outside the United States. There is inherent risk, based on the complex relationships among the United States and the countries in which we conduct our business, that political, diplomatic and national security factors can lead to global trade restrictions and changes in trade policies and export regulations that may adversely affect our business and operations. The current international trade and regulatory environment is subject to significant ongoing uncertainty. The U.S. government has recently announced substantial new tariffs affecting a wide range of products and jurisdictions and has indicated an intention to continue developing new trade policies, including with respect to the pharmaceutical industry. In response, certain foreign governments have announced or implemented retaliatory tariffs and other protectionist measures. These developments have created a dynamic and unpredictable trade landscape, which may adversely impact our business, results of operations, financial condition and prospects.

We do not own or operate, and currently have no plans to establish, any manufacturing facilities. We currently rely, and expect to continue to rely, on third parties for the manufacture of our product candidates for clinical testing, as well as for manufacture of any products that we may commercialize, if approved. Currently, several of our manufacturers and suppliers, including drug substances and drug products for tibulizumab, torudokimab, and crebankitug, are located outside of the United States, and our principal suppliers of critical raw materials are located in Italy, the Netherlands, and the United Kingdom. We also rely on specialized laboratory equipment, supplies, materials, and precursor compounds, all or part of which we believe may be ultimately sourced from multiple countries outside the United States, to advance our research and development efforts.

Additionally, we are party to a cell line license agreement (the "Cell Line License Agreement") with WuXi Biologics, a manufacturer located in China, and its affiliates ("WuXi Biologics"), which provides us with a non-exclusive, worldwide, sublicensable license to certain of WuXi Biologics' know-how, cell line and biological materials to manufacture, have manufactured, use, sell and import certain products produced through the use of the cell line licensed by WuXi Biologics under the Cell Line License Agreement. If we have product manufactured at WuXi Biologics in the future, we may face additional manufacturing and supply-chain risks due to the regulatory and political structure of the PRC, or as a result of the international relationship with the PRC, including but not limited to sanctions, tariffs and other restrictions that have been or may be imposed.

Current or future tariffs will result in increased research and development expenses, including with respect to increased costs associated with APIs, raw materials, laboratory equipment and research materials and components. In addition, such tariffs will increase our supply chain complexity and could also potentially disrupt our existing supply chain. Trade restrictions affecting the import of materials necessary for clinical trials could result in delays to our development timelines. Increased development costs and extended development timelines could place us at a competitive disadvantage compared to companies operating in regions with more favorable trade relationships and could reduce investor confidence, negatively impacting our ability to secure additional financing on favorable terms or at all. In addition, as we advance toward commercialization in the future, tariffs and trade restrictions could hinder our ability to establish cost-effective production capabilities, negatively impacting our growth prospects.

The complexity of announced or future tariffs may also increase the risk that we or our suppliers may be subject to civil or criminal enforcement actions in the United States or foreign jurisdictions related to compliance with trade regulations. Foreign governments may also adopt non-tariff measures, such as procurement preferences or informal disincentives to engage with, purchase from or invest in U.S. entities, which may limit our ability to compete internationally and attract non-U.S. investment, employees, customers and suppliers. Foreign governments may also take other retaliatory actions against U.S. entities, such as decreased intellectual property protection, increased enforcement actions, or delays in regulatory approvals, which may result in heightened international legal and operational risks. In addition, the United States and other governments have imposed and may continue to impose additional sanctions, such as trade restrictions or trade barriers, which could restrict us from doing business directly or indirectly in or with certain countries or parties and may impose additional costs and complexity to our business.

Trade disputes, tariffs, restrictions and other political tensions between the United States and other countries may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability, and economic recessions or downturns. The ultimate impact of current or future tariffs and trade restrictions remains uncertain and could materially and adversely affect our business, financial condition, and prospects. While we actively monitor these risks, any prolonged economic downturn, escalation in trade tensions, or deterioration in international perception of U.S.-based companies could materially and adversely affect our business, ability to access the capital markets or other financing sources, results of operations, financial condition and prospects. In addition, tariffs and other trade developments have and may continue to heighten the risks related to the other risk factors described in our 2024 Annual Report, as supplemented by the risk factors described in this Quarterly Report.

***We are subject to laws and regulations related to privacy, data protection, information security and consumer protection across different markets where we conduct our business. Our actual or perceived failure to comply with such obligations could harm our business.***

We are subject to laws and regulations related to, among other things, privacy, data protection, information security and consumer protection across different markets where we conduct our business. Such laws and regulations are constantly evolving and changing and are likely to remain uncertain for the foreseeable future. Our actual or perceived failure to comply with such obligations could have an adverse effect on our business, operating results and financial operations. Complying with these numerous, complex, and often changing regulations is expensive and difficult, and failure to comply with any privacy laws or data security laws or any security incident or breach involving the potential or actual misappropriation, loss or other unauthorized processing, use or disclosure of sensitive or confidential patient, consumer or other personal information, whether by us, one of our collaborators or another third party, could adversely affect our business, financial condition, and results of operations, including but not limited to investigation costs, material fines and penalties, compensatory, special, punitive, and statutory damages, litigation, consent orders regarding our privacy and security practices, requirements that we provide notices, credit monitoring services, and/or credit restoration services or relief.

European data collection is also governed by restrictive regulations governing the use, processing and cross-border transfer of personal information. The collection, use, storage, disclosure, transfer, or other processing of personal data regarding individuals in Europe, including personal health data, is subject to the E.U. General Data Protection Regulation ("GDPR") and similar requirements in the United Kingdom ("UK GDPR") (hereinafter the GDPR and UK GDPR are collectively referred to as "GDPR"), which impose strict requirements for processing the personal data of individuals within the EEA, such as Norway, Iceland, Liechtenstein and the United Kingdom. The GDPR is directly applicable in each E.U. member state and is extended to the EEA, while the UK GDPR applies to the United Kingdom of Great Britain and Northern Ireland. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal data, including requirements relating to processing health and other sensitive data, obtaining consent of the individuals to whom the personal data relates, providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, providing notification of data breaches, and taking certain measures when engaging third-party processors. The GDPR implements more stringent operational requirements than its predecessor legislation. Compliance with the GDPR is a rigorous and time-intensive process that may increase our cost of doing business or require us to change our business practices, and despite those efforts, there is a risk that we may be subject to fines and penalties, litigation, and reputational harm in connection with our European activities. For example, the GDPR applies extraterritorially, requires us to make more detailed disclosures to data subjects, requires disclosure of the legal basis on which we can process personal data, makes it harder for us to obtain valid consent for collecting and processing personal data (including data from clinical trials), requires the appointment of data protection officers, such as when sensitive personal data, such as health data, is processed on a large scale, provides more robust rights for data subjects, including far reaching information rights and the right to erasure, introduces mandatory data breach notification through the E.U., imposes additional obligations on us when contracting with service providers and requires us to adopt appropriate privacy governance, including policies, procedures, training, and audits. The GDPR provides that E.U. member states and EEA countries may establish their own laws and regulations that go beyond the GDPR in certain areas, such as regarding the mandatory appointment of data protection officers or further limiting the processing of personal data, including genetic, biometric, or health data, which could limit our ability to use and share personal data or could cause our costs to increase. Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States. In particular, the EEA and the UK have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it generally believes are inadequate. Other jurisdictions may adopt or have already adopted similarly stringent data localization and cross-border data transfer laws. In the ordinary course of business, we transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA standard contractual clauses, the UK's International Data Transfer Agreement / Addendum, and the EU-U.S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U.S.-based organizations who self-certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the UK or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions (such as Europe) at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups.

Additionally, the U.S. Department of Justice issued a rule entitled the Preventing Access to U.S. Sensitive Personal Data and Government-Related Data by Countries of Concern or Covered Persons, which places additional restriction on certain data transactions involving countries of concern (e.g., China, Russia, Iran) and covered individuals (i.e., individuals and entities located in or controlled by individuals or entities located in those jurisdictions) that may impact certain business activities such as vendor engagements, sale or sharing of data, employment of certain individuals, and investor agreements. Violations of the rule could lead to significant civil and criminal fines and penalties. The rule applies regardless of whether data is anonymized, key-coded, pseudonymized, de-identified or encrypted, which presents particular challenges for companies like ours and may impact our ability to transfer data in connection with certain transactions or agreements.

We cannot assure you that our third-party service providers with access to our or our customers', suppliers', trial patients' and employees' personally identifiable and other sensitive or confidential information will not breach contractual obligations imposed by us, or that they will not experience data security breaches or attempts thereof, which could have a corresponding effect on our business, including putting us in breach of our obligations under privacy laws and regulations and/or which could in turn adversely affect our business, results of operations, and financial condition. We cannot assure you that our contractual measures and our own privacy and security-related safeguards will protect us from the risks associated with the third-party processing, use, storage, and transmission of such information. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, and prospects.

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

None.

**Item 3. Defaults upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q:

| Exhibit Number | Description |
|---|---|
| 2.1 | Third Amendment dated as of January 13, 2023 to the Business Combination Agreement by and among JATT Acquisition Corp., JATT Merger Sub, JATT Merger Sub 2, Zura Holdings, Ltd. and Zura Bio Limited (incorporated by reference to Exhibit 2.1 of JATT's Current Report on Form 8-K (File No. 001-40598), filed with the SEC on January 19, 2023). |
| 3.1 | Second Amended and Restated Memorandum of Association of Zura Bio Limited (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K, filed with the SEC on March 24, 2023). |
| 4.1 | Specimen Warrant Certificate of Zura (incorporated by reference to Exhibit 4.6 of JATT's Form S-4 (File No. 333-267005) filed with the SEC on August 19, 2022). |
| 4.2 | Form of Pre-Funded Warrant to Purchase Ordinary Shares (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 3, 2023). |
| 4.3 | Form of Pre-Funded Warrant to purchase Ordinary Shares (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on April 23, 2024). |
| 4.4 | Form of Warrant to purchase Ordinary Shares (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8 - K filed with the Securities and Exchange Commission on August 21, 2024). |
| 4.5 | Form of Warrant to purchase Ordinary Shares (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8 - K filed with the Securities and Exchange Commission on April 17, 2025). |
| 10.1 | Share Surrender and Warrant Agreement, dated as of April 16, 2025, by and among the Company and Venrock Healthcare Capital Partners EG, L.P., Venrock Healthcare Capital Partners III, L.P., and VHCP Co-Investment Holdings III, LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on April 17, 2025). |
| 10.2 | Share Surrender and Warrant Agreement, dated as of April 17, 2025, by and between the Company and AI Biotechnology, LLC (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on April 17, 2025). |
| 31.1* | Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1** | Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2** | Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | XBRL Instance Document* |
| 101.SCH | XBRL Taxonomy Extension Schema Document* |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document* |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document* |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document* |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document* |
| 104 | Cover Page Interactive Data File – The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document |

* Filed herewith.
** Furnished herewith.

**SIGNATURES**

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

**ZURA BIO LIMITED**

Date: May 8, 2025

By: /s/ Robert Lisicki
Name: Robert Lisicki
Title: Chief Executive Officer
(Principal Executive Officer)

Date: May 8, 2025

By: /s/ Verender Badial
Name: Verender Badial
Title: Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

**Exhibit 31.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**
**PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,**
**AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert Lisicki, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Zura Bio Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant 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 my 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 my 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;

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ Robert Lisicki
Robert Lisicki
Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**
**PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,**
**AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Verender Badial, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Zura Bio Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant 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 my 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 my 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;

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ Verender Badial
Verender Badial
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting 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 Quarterly Report of Zura Bio Limited (the "Company") on Form 10-Q for the quarterly period ended March 31, 2025, as filed with the Securities and Exchange Commission (the "Report"), I, Robert Lisicki, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 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.

Dated: May 8, 2025

/s/ Robert Lisicki
Robert Lisicki
Chief Executive Officer
(Principal Executive Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Zura Bio Limited (the "Company") on Form 10-Q for the quarterly period ended March 31, 2025, as filed with the Securities and Exchange Commission (the "Report"), I, Verender Badial, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 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: May 8, 2025

/s/ Verender Badial
Verender Badial
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.