

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **September 19, 2023**

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

Delaware
(State or other jurisdiction of
incorporation)

001-38410
(Commission File Number)

82-1386754
(IRS Employer
Identification No.)

555 Long Wharf Drive
New Haven, CT 06511
(Address of principal executive offices, including Zip Code)

(475) 238-6837
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001	BTAI	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 1.01 Entry into a Material Definitive Agreement.

On September 19, 2023 (the “Effective Date”), BioXcel Therapeutics, Inc. (the “Company”), Krishnan Nandabalan, Ph.D., InveniAI LLC (“InveniAI”) and Invea Therapeutics, Inc. (“Invea”) and the other parties thereto entered into a non-compete agreement (the “Non-Compete Agreement”). Pursuant to the Non-Compete Agreement, Dr. Nandabalan and InveniAI and Invea, each where Dr. Nandabalan serves as Chief Executive Officer and a member of the board, agreed not to compete with the Company and its controlled affiliates in the fields of neuroscience and immuno-oncology for a period of five years from the Effective Date and not to solicit employees of the Company or its controlled affiliates for a period of two years from the Effective Date.

The foregoing description of the Non-Compete Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Non-Compete Agreement, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On September 19, 2023, Dr. Nandabalan resigned as a member of the Company’s Board of Directors (the “Board”) effective as of such date. His resignation was not a result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

In order to achieve an equal balance of membership among the classes of directors following Dr. Nandabalan’s resignation, on September 20, 2023, Sandeep (“Steve”) Laumas, M.D., a Class II director, resigned from the Board and as a member of the Board’s Audit Committee and as chair thereof, and as a member of the Compensation Committee and of the Nominating and Corporate Governance Committee and was immediately elected by the Board as a Class I director and to the Board’s Audit Committee and as chair thereof, the Compensation Committee and the Nominating and Corporate Governance Committee. The resignation and reappointment of Dr. Laumas was effected solely to rebalance the Board’s classes and, for all other purposes, including committee service and compensation, Dr. Laumas’s service on the Board and its Audit Committee and as chair thereof, Compensation Committee and Nominating and Corporate Governance Committee is deemed to have continued uninterrupted. Following Dr. Nandabalan’s resignation and the reassignment described above, the Board consists of two Class I directors, two Class II directors and two Class III directors, and the size of the Board has been reduced to provide for a total of six directors authorized to serve on the Board.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description
10.1†	Non-Compete Agreement, by and among the Company, Dr. Krishnan Nandabalan, InveniAI LLC, Invea Therapeutics, Inc. and the other parties thereto, dated September 19, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

† Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

SIGNATURES

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

Date: September 25, 2023

BIOXCEL THERAPEUTICS, INC.

By: /s/ Javier Rodriguez
Javier Rodriguez
SVP, Chief Legal Officer

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item (601)(b)(10)(iv). Such excluded information is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

NON-COMPETE AGREEMENT

THIS NON-COMPETE AGREEMENT (the “**Agreement**”) is made and entered into as of September 19, 2023 (the “**Effective Date**”), by and among BioXcel Therapeutics, Inc. (“**BTAI**”), a Delaware corporation, BioXcel LLC (“**BioXcel LLC**”), a Delaware limited liability company, BioXcel Holdings, Inc., a Delaware corporation (“**Holdings**”), Dr. Krishnan Nandabalan, InveniAI LLC (“**InveniAI**”), a Delaware limited liability company, and Invea Therapeutics, Inc. (“**Invea**”), a Delaware corporation (collectively, the “**Parties**” and each referred to as a “**Party**”).

WHEREAS, Dr. Nandabalan is one of the co-founders of BioXcel LLC, a Delaware LLC that had been BTAI’s parent and remains a significant stockholder of BTAI;

WHEREAS, in 2017, BTAI was carved out of BioXcel Corporation (the predecessor of BioXcel LLC) to focus on developing neuroscience and immuno-oncology programs and InveniAI was carved out of BioXcel Corporation, to focus on artificial intelligence applications for drug discovery and development;

WHEREAS, Dr. Nandabalan is currently a director of BTAI and the President and Chief Executive Officer of InveniAI;

WHEREAS, Invea, a majority owned subsidiary of InveniAI, is focused on the development of various product candidates for the treatment of certain disorders.

WHEREAS, Dr. Nandabalan is a director of Invea and the President and Chief Executive Officer of Invea;

WHEREAS, Dr. Nandabalan is a member of the board of directors of BTAI;

WHEREAS, Dr. Nandabalan desires to focus his efforts on commercial opportunities related to InveniAI and Invea; and

WHEREAS, the parties desire to enter into an agreement governing the parameters of the relationship between InveniAI, Invea, and Dr. Nandabalan and BTAI, BioXcel LLC and Holdings, including related to a non-competition agreement and non-solicitation agreement.

NOW, THEREFORE, in consideration of the mutual covenants and for other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Restrictive Covenants.

a. No Competition; No Solicitation. Each of Dr. Nandabalan, InveniAI, Invea and BTAI, severally and not jointly, hereby agreed as follows:

i. Subject to the terms and conditions of this Agreement, Dr. Nandabalan undertakes to the BTAI Parties that:

1. during the Restricted Period, Dr. Nandabalan shall not, without the prior written consent of BTAI, which may be withheld at BTAI's sole discretion, directly or indirectly, whether for his own account, with, through, or for a Third Party, (A) operate, conduct or engage in, or prepare to operate, conduct or engage in the Development and/or Commercialization of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field, (B) own more than five percent (5%) of the voting power (on a fully diluted basis) of the equity securities of, finance or invest in, any person or entity that operates, conducts or engages in, or (to the knowledge of Dr. Nandabalan) is preparing to operate, conduct or engage in the Development and/or Commercialization of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field (other than ownership interests in Holdings, BioXcel LLC or BTAI or any passive investments held in Dr. Nandabalan's retirement account), or (C) render services to, or assist any person or entity (including without limitation, by entering into collaboration agreements or other arrangements with or performing services for the benefit of Third Parties, or providing Third Parties with access to technologies or otherwise) in furtherance of the Development and/or Commercialization by such party of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field; for the avoidance of doubt, membership in professional societies that perform research in the Restricted Field shall not be restricted hereby, nor shall writing of reviews of published research, opinions, and summarization of published research be restricted hereby; and

2. during the Non-Solicitation Period, Dr. Nandabalan shall not, without the prior written consent of BTAI, which may be withheld at BTAI's sole discretion, solicit or entice away or attempt to solicit or entice away from BTAI or BTAI's Controlled Affiliates (each, a "**BTAI Party**"), offer employment to or employ, offer to conclude any contract of services with, or hire any Company Personnel of such BTAI Party (whether or not such person would commit a breach of contract by reason of leaving such employment with a BTAI Party), except where any of the foregoing is as a result of an advertisement or advertisements not specifically targeted at such Company Personnel or as a result of an unsolicited approach to Dr. Nandabalan from any such Company Personnel. For the avoidance of doubt, Company Personnel of any BTAI Party (or BioXcel LLC, InveniAI, Invea or Holdings) who already provide services to Dr. Nandabalan or any of such entities as of the date of this Agreement shall not be considered Company Personnel of such BTAI Party and their continued service to Dr. Nandabalan or any of such entities shall not be a violation of this Agreement.

ii. Subject to the terms and conditions of this Agreement, InveniAI undertakes to the BTAI Parties that:

1. during the Restricted Period, InveniAI shall not, and shall procure that its Controlled Affiliates (for as long as the relevant entity remains a Controlled Affiliate, and in all respects except for Invea and its Controlled Affiliates) shall not, without the prior written consent of BTAI, which may be withheld at BTAI's sole discretion, directly or indirectly, whether for their own account, with, through, or for a Third Party, (A) operate, conduct or engage in, or prepare to operate, conduct or engage in the Development and Commercialization of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field, (B) own more than five percent (5%) of the voting power (on a fully diluted basis) of the equity securities of, finance or invest in, any person or entity that operates, conducts or engages in, or (to the knowledge of InveniAI's executive management) is preparing to operate, conduct or engage in the Development and/or Commercialization of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field, or (C) render services to, or assist any person or entity (including without limitation, by entering into collaboration agreements or other arrangements with or performing services for the benefit of Third Parties, or providing Third Parties with access to technologies or otherwise) in furtherance of the Development and/or Commercialization by such party of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field. For the avoidance of doubt, during the Restricted Period, any drug development research of InveniAI, either for internal purposes or for use by a Third Party, which is not targeted at the Development and/or Commercialization of a product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field, will not be deemed a violation of this provision, provided that (i) such research is not, in any way, designed or intended to result in the Development and/or Commercialization of a product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field and (ii) if such research does result in the Development and/or Commercialization of a product candidate for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field during the Restricted Period, such product will be subject to Section 3 hereof;

2. during the Non-Solicitation Period, InveniAI shall not, and shall procure that its Controlled Affiliates (excluding Invea) shall not (for as long as the relevant entity remains a Controlled Affiliate), without the prior written consent of BTAI, which may be withheld at BTAI's sole discretion, solicit or entice away or attempt to solicit or entice away from any BTAI Party, offer employment to or employ, offer to conclude any contract of services with, or hire, any Company Personnel of such BTAI Party (whether or not such person would commit a breach of contract by reason of leaving such employment with a BTAI Party), except where any of the foregoing is as a result of an advertisement or advertisements not specifically targeted at such Company Personnel or as a result of an unsolicited approach to InveniAI or its applicable Controlled Affiliate from any such Company Personnel. For the avoidance of doubt, Company Personnel of any BTAI Party who already provide services to InveniAI or any of its Controlled Affiliates as of the date of this Agreement shall not be considered Company Personnel of such BTAI Party and their continued service to InveniAI or such Controlled Affiliate shall not be a violation of this Agreement; and

3. if InveniAI desires to offer access to the AlphaMeld Platform pursuant to a software as a service ("SAS") subscription model license during the Restricted Period, InveniAI may offer such an SAS license provided that InveniAI shall, during the Restricted Period, (i) incorporate restrictions prohibiting the use of the AlphaMeld Platform in the Restricted Field into the license governing the use of the AlphaMeld Platform, and (ii) require an annual certification by each SAS subscriber that such subscriber is in compliance with the terms of the SAS subscription license.

iii. Subject to the terms and conditions of this Agreement, for so long as (i) InveniAI retains, directly or indirectly, not less than a 20% interest in Invea, (ii) InveniAI is, directly or indirectly, the largest stockholder of Invea, or (iii) Dr. Nandabalan is an officer, director, employee, consultant, or (directly or indirect) holds 5% or more of the equity of Invea, Invea undertakes to the BTAI Parties that:

1. during the Restricted Period, Invea shall not, and shall procure that its Controlled Affiliates (for as long as the relevant entity remains a Controlled Affiliate and excluding InveniAI) shall not, without the prior written consent of BTAI, which may be withheld at BTAI's sole discretion, directly or indirectly, whether for their own account, with, through, or for a Third Party, (A) operate, conduct or engage in, or prepare to operate, conduct or engage in the Development and/or Commercialization of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field, (B) own more than five percent (5%) of the voting power (on a fully diluted basis) of the equity securities of, finance or invest in any person or entity that operates, conducts or engages in, or (to the knowledge of Invea's executive management) is preparing to operate, conduct or engage in the Development and/or Commercialization of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field, or (C) render services to, or assist any person or entity (including without limitation, by entering into collaboration agreements or other arrangements with or performing services for the benefit of Third Parties, or providing Third Parties with access to technologies or otherwise) in furtherance of the Development and/or Commercialization by such party of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field. For the avoidance of doubt, any drug development research of Invea during the Restricted Period, either for internal purposes or for use by a Third Party, which is not targeted at the Development and/or Commercialization of a product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field, will not be deemed a violation of this provision, provided that (i) such research does not result in the Development and/or Commercialization of a product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field during the Restricted Period or (ii) if such research does result in the Development and/or Commercialization of a product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field during the Restricted Period, if such research is for internal purposes, such product is assigned to BTAI as soon as practicable after it is identified. Invea shall include in every agreement that Invea enters into after the date hereof with a Third Party in relation to drug development research during the Restricted Period, (1) a provision whereby the applicable Third Party acknowledges that Invea is prohibited, during the Restricted Period, from providing services or other rights to such Third Party in connection with the Development and/or Commercialization of product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field and (2) a provision prohibiting, for the duration of the Restricted Period, the applicable Third Party from using the results from the research or other services provided by Invea in such Third Party's Development and/or Commercialization of product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field; and

2. during the Non-Solicitation Period, Invea shall not, and shall procure that its Controlled Affiliates shall not (for as long as the relevant entity remains a Controlled Affiliate), without the prior written consent of BTAI, which may be withheld at BTAI's sole discretion, solicit or entice away or attempt to solicit or entice away from any BTAI Party, offer employment to or employ, offer to conclude any contract of services with, or hire, any Company Personnel of such BTAI Party (whether or not such person would commit a breach of contract by reason of leaving such employment with a BTAI Party), except where any of the foregoing is as a result of an advertisement or advertisements not specifically targeted at such Company Personnel or as a result of an unsolicited approach to Invea or its applicable Controlled Affiliate from any such Company Personnel. For the avoidance of doubt, Company Personnel of any BTAI Party who already provides services to Invea or of any of its Controlled Affiliates as of the date of this Agreement shall not be considered Company Personnel of such BTAI Party and their continued service to Invea or such Controlled Affiliates shall not be a violation of this Agreement.

iv. Each BTAI Party undertakes to each of InveniAI, Invea, and their respective Controlled Affiliates that during the Non-Solicitation Period, each BTAI Party shall not, and shall procure that each of its Controlled Affiliates shall not (for as long as the relevant entity remains a Controlled Affiliate), without the prior written consent of InveniAI or Invea, as applicable, which may be withheld at, as applicable, InveniAI's or Invea's sole discretion, solicit or entice away or attempt to solicit or entice away from any InveniAI Party, offer employment to or employ, offer to conclude any contract of services with, any Company Personnel of such InveniAI Party (whether or not such person would commit a breach of contract by reason of leaving such employment), save where such solicitation or enticement is as a result of an advertisement or advertisements not specifically targeted at such Company Personnel or as a result of an unsolicited approach to BTAI or its applicable Controlled Affiliate from any such Company Personnel. For the avoidance of doubt, Company Personnel of InveniAI, Invea or their respective Controlled Affiliates who already provide services to any BTAI Party as of the date of this Agreement shall not be considered Company Personnel of such entity and their continued service to any BTAI Party shall not be a violation of this Agreement.

b. **Injunctive Relief and Liquidated Damages.** Notwithstanding anything in this Agreement to the contrary, each Party shall be entitled to seek a temporary restraining order or a preliminary injunction from any court of competent jurisdiction in order to address a breach or non-compliance with any provision of Section 1.a. above. Other than any willful or intentional breach of the provisions of Section 1.a.i, 1.a.ii and 1.a.iii, Dr. Nandabalan, InveniAI, or Invea, shall have 10 days following the receipt of a notice of breach of any provision of Section 1.a. above to regain compliance (the "**Cure Period**"). In the event of each breach or violation of any provision of Sections 1.a.ii.1 or 1.a.iii.1, above by InveniAI or Invea, following the Cure Period (or, in the event of a willful or intentional breach of the provisions of Section 1.a.ii.1 and 1.a.iii.1, immediately), the breaching party shall pay or cause to be paid promptly (and in no event more than 15 days following such breach or violation (if not cured during such Cure Period)) to BTAI an amount of \$2,000,000.00 ("**Liquidated Damages**") as liquidated damages hereunder, by wire transfer of same-day funds. In the event that BTAI collects Liquidated Damages hereunder, such Liquidated Damages will constitute the sole and exclusive remedy for the breach of this Agreement giving rise to such Liquidated Damages. The Parties hereby acknowledge and agree that (i) the agreements contained in this Section 1.b. are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, the Parties would not enter into this Agreement and (ii) the Liquidated Damages payable solely by InveniAI or Invea, as applicable, pursuant to this Section 1.b. are not a penalty, but are liquidated damages in a reasonable amount that will compensate the BTAI Parties for the efforts and resources expended and the opportunities foregone in reliance upon this Agreement and on the expectation of the non-violation of the covenants and agreements herein contained, and for the loss suffered by reason of the failure of such non-violation, which amount would otherwise be uncertain and incapable of accurate determination. For the avoidance of any doubt, in the event that any court of competent jurisdiction holds that any liquidated damages assessed pursuant to this Agreement are unenforceable or the BTAI parties choose not to pursue their right to collect the Liquidated Damages, then the BTAI Parties will be entitled to recover their respective actual damages for each breach or violation of any provision of Section 1.a.ii and 1.a.iii above by any InveniAI Party or Invea, and pursue any and all other rights or remedies available, provided that IN NO EVENT SHALL ANY PARTY IN ANY SUCH CIRCUMSTANCES BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, OR INCIDENTAL DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT, INCLUDING LOSS OF PROFITS OR ANTICIPATED SALES, HOWEVER CAUSED, ON ANY THEORY OF LIABILITY AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

2. Representations of the InveniAI Parties.

a. Dr. Nandabalan hereby represents and warrants to BTAI that, as of the Effective Date, he is not directly or indirectly, on his own or for, through, or with any other person or entity, (i) engaging in or preparing to engage in the Development and/or Commercialization of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field or (ii) participating in, rendering services to, or assisting any person or entity (including without limitation, by entering into collaboration agreements or other arrangements with or performing services for the benefit of Third Parties, or providing Third Parties with access to technologies or otherwise) in connection with such person or entity engaging in, or preparing to engage in the Development and/or Commercialization of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field.

b. InveniAI hereby represents and warrants to BTAI that, as of the Effective Date, neither InveniAI, nor any of its Controlled Affiliates, is directly or indirectly, whether on their own, or for, through, or with any other person or entity, (i) engaging in or preparing to engage in the Development and/or Commercialization of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field or (ii) participating in, rendering services to, or assisting any person or entity (including without limitation, by entering into collaboration agreements or other arrangements with or performing services for the benefit of Third Parties, or providing Third Parties with access to technologies or otherwise) in connection with such person or entity engaging in, or is preparing to engage in the Development and/or Commercialization of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field.

c. Invea hereby represents and warrants to BTAI that, as of the Effective Date, neither Invea nor any of its Controlled Affiliates is, directly or indirectly, whether on their own, or for, through, or with any other person or entity, (i) engaging in or preparing to engage in the Development and/or Commercialization of any pharmaceutical product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field or (ii) participating in, rendering services to, or assisting any person or entity (including without limitation, by entering into collaboration agreements or other arrangements with or performing services for the benefit of Third Parties, or providing Third Parties with access to technologies or otherwise) in connection with such person or entity engaging in, or is preparing to engage in the Development and/or Commercialization of any product for the treatment, prevention, or diagnosis of human illness or disease in the Restricted Field.

3. Right of First Negotiation.

a. InveniAI hereby grants to BTAI an exclusive first right to negotiate an exclusive right and license to the following that InveniAI or any of its Controlled Affiliates may, directly or indirectly, by itself or with one or more Third Parties, develop, identify, design, discover, optimize and/or evolve, in whole or in part, in each case, that are owned or controlled by InveniAI or any of its Controlled Affiliates and only in the Restricted Field (each, a “**ROFN Product**”):

- (i) any protein sequence and any and all derivatives, fragments, progeny or modifications thereof (“**Protein Sequence**”);
- (ii) any nucleic acid sequences, including a deoxyribonucleic acid or ribonucleic acid sequence, encoding a Protein Sequence;

(iii) one or more genes, the Modulation of which would lead to the treatment, prevention or diagnosis of one or more illnesses, diseases or sufferings, whereby, “Modulate” or “Modulation” means to edit, engineer, modify, or modulate a gene or locus, including by means of gene knock-out, gene tagging, gene disruption, gene mutation, gene addition, gene insertion, gene introduction, gene deletion, gene activation, gene silencing, or gene knock-in, which includes knock-in of a human gene, a heterologous gene, a mutated gene, or an evolved gene into a genomic locus, or as extrachromosomal element such as an episome;

(iv) any chemical or compound and any metabolite, salt, ester, hydrate, solvate, isomer, enantiomer, free acid form, free base form, crystalline form, co-crystalline form, amorphous form, pro-drug (including ester pro-drug) form, racemate, polymorph, chelate, stereoisomer, tautomer, resonate or optically active form thereof;

(v) any polyclonal or monoclonal antibody, including any and all derivatives therefrom and variants thereof (e.g., chimeric, humanized, human, non-human, single chain, monovalent, divalent, polyvalent, unmodified, modified, conjugates), whether multiple or single chain, recombinant or naturally occurring, whole or fragment, and any constructs thereof; or

(vi) any proprietary drug delivery vehicle, including (A) any vectors, whether viral or non-viral, that encapsulate or contain therapeutic genes or (B) any other gene delivery technologies, including nanoparticles, liposomes, exosomes, mRNA, in each case of (A) and (B), vectors or other technologies that act as the vehicle or carrier for delivering therapeutic genes into cells.

This exclusive option for first negotiation shall apply to InveniAI’s (or its Controlled Affiliates) and such Third Party collaborator’s interest in an ROFN Product and be valid for a period of five (5) years from the Effective Date.

b. Within sixty (60) days of identifying a potential ROFN Product, InveniAI (in such capacity, the “Identifying Party”) shall present such identified ROFN Product to BTAI (in the case of neuroscience) and OnkosXcel Therapeutics, LLC (in the case of immuno-oncology)(in such capacity, the “Option Party”). The Option Party shall then have up to sixty (60) days in which to evaluate such ROFN Product (the “Evaluation Period”). If the Option Party wishes to negotiate for the exclusive rights to such ROFN Product, the Option Party shall so notify the Identifying Party in writing prior to the end of the Evaluation Period, and the Option Party and the Identifying Party shall negotiate in good faith commercially reasonable terms by which the Option Party can receive exclusive rights to such ROFN Product. Such terms shall include development milestone payments, not to exceed \$10,000,000 in the aggregate per such ROFN Product, and a running royalty of three percent (3.0%) of all net sales of any product that includes such ROFN Product, not to exceed \$30,000,000 in the aggregate. If the Option Party and the Identifying Party are unable to mutually agree on the terms pursuant to which the Option Party would receive the Identifying Party’s and its Affiliates’ rights to such ROFN Product, in writing, within one hundred twenty (120) days after the end of the Evaluation Period, the Identifying Party shall be free to develop and/or commercialize such ROFN Product either by itself or with one or more Third Parties.

c. In support of the foregoing, InveniAI shall inform Third Parties with which it or any of its Controlled Affiliates enter into collaborations or other arrangements that BTAI holds a first right to negotiate for BTAI’s rights in ROFN Products and the duration of such rights.

d. The provisions of this Section 3 shall only be operative, at the option of BTAI, in the event that any of the provisions contained in Subsection 1.a.i.1 is inapplicable for any reason at all or if none of the activity giving rise to the identification of such ROFN Product constituted or was deemed to constitute a violation of Subsection 1.a.i.1.

4. Release of Intellectual Property Claims.

a. InveniAI Release. Each of InveniAI, Invea and Dr. Nandabalan agree to the release of, and hereby releases, any and all claims over any and all rights, title, and interests in the BTAI Platform and EvolverAI. In consideration of the release provided in this Section 4.a, each BTAI Party shall assign and hereby assigns to InveniAI any and all of each of its right, title, and interest in, to and under Alphameld and any and all intellectual property rights therein, owned by each BTAI Party.

b. BTAI Release. [***], BioXcel LLC and each BTAI Party agree to the release of, and hereby release, any and all claims over any and all rights, title, and interests in AlphaMeld. In consideration of the release provided in this Section 4.b, each InveniAI Party shall assign and hereby (i) assigns to BTAI any and all of its right, title, and interests in, to and under the BTAI Platform and any and all intellectual property rights therein owned by such InveniAI Party and (ii) assigns to BioXcel LLC any and all of its right, title, and interests in, to and under EvolverAI and any and all intellectual property rights therein owned by such InveniAI Party.

5. **Definitions. As used in this Agreement:**

- a. **“Affiliate”** means, with respect to any person or business entity, any person or business entity that directly or indirectly controls or is controlled by or is under common control with such person, where “control” means ownership, directly or indirectly, of fifty percent (50%) or more of the shares of stock entitled to vote for the election of directors, in the case of a corporation, or fifty percent (50%) or more of the equity interests in the case of any other type of legal entity, status as a general partner in any partnership, or any other arrangement whereby a party controls or has the right to control the Board of Directors or equivalent governing body of a corporation or entity.
- b. **“AlphaMeld”** means the proprietary drug discovery platform owned or controlled by one or more the InveniAI Parties, including any associated software, equipment, services, technologies, computational systems, idea, trade secret, information, knowledge, regulatory documents, proprietary invention, discovery, development, data (including preclinical and clinical data), process, method, technique, material (including any chemical or biological material), technology (including without limitation any proprietary computer software), research result, clinical and non-clinical study reports, marketing reports, writing, modification, instructions, formula, improvement, or other know-how, whether or not patentable, and any physical embodiments of any of the foregoing.
- c. **“BTAI Platform”** means the proprietary drug discovery platform owned or controlled by BTAI or any of its Controlled Affiliates, including any software, equipment, services, technologies, computational systems, idea, trade secret, information, knowledge, regulatory documents, proprietary invention, discovery, development, data (including preclinical and clinical data), process, method, technique, material (including any chemical or biological material), technology (including without limitation any proprietary computer software), research result, clinical and non-clinical study reports, marketing reports, writing, modification, instructions, formula, improvement, derivative or other know-how, whether or not patentable, and any physical embodiments of any of the foregoing.
- d. **“Company Personnel”** means, with respect to any applicable person or business entity, any individual who is on the Effective Date or is or was at any time during the six (6) months period prior to the receipt by such individual or entity of an applicable solicitation or other activity prohibited by Sections 1.a.i.2, 1.a.ii.2, 1.a.iii or 1.a.iv, employed or engaged (whether as an employee, consultant, independent contractor or in any other capacity) by such applicable person.
- e. **“Controlled Affiliate”** means, with respect to any person or business entity, any Affiliate of that person or business entity that is directly or indirectly controlled (within the meaning of Section 5(a)), by such person or business entity.
- f. **“Development and/or Commercialization”** means preclinical and clinical research and development, including drug discovery, identification, testing, validation, commercialization, regulatory preparation or submission for approval, manufacture, labeling, distribution, packaging, storage, transportation, marketing, use, licensing, sale and/or offering for sale of any product.

- g. **“EvolverAI”** means the proprietary drug discovery platform owned or controlled by BioXcel LLC, including any software, equipment, services, technologies, computational systems, idea, trade secret, information, knowledge, regulatory documents, proprietary invention, discovery, development, data (including preclinical and clinical data), process, method, technique, material (including any chemical or biological material), technology (including without limitation any proprietary computer software), research result, clinical and non-clinical study reports, marketing reports, writing, modification, instructions, formula, improvement, derivative or other know-how, whether or not patentable, and any physical embodiments of any of the foregoing.
- h. **“InveniAI Party”** means Dr. Nandabalan, InveniAI, Invea, and each of their respective Controlled Affiliates (other than any BTAI Party).
- i. **“Non-Solicitation Period”** means the period of two (2) years from the Effective Date.
- j. **“Restricted Field”** means, collectively, the fields of neuroscience (including, for the avoidance of doubt, any neurons, all neuro-influencing cells, such as astrocytes, microglia and analogous immune cells, only when such cells have as either their primary effect influencing, or any material impact on, outcomes in neurological diseases) and immuno-oncology; provided, however, that without expanding the foregoing fields, the Restricted Field shall not include the inflammation-related disease indications listed in Exhibit A hereto.
- k. **“Restricted Period”** means the period of five (5) years from the Effective Date or such shorter period as may be the maximum permitted under applicable laws.
- l. **“Third Party”** means any person or business entity other than BTAI, BioXcel LLC, Holdings, Dr. Krishnan Nandabalan, Dr. Vimal Mehta, InveniAI, Invea, and any Affiliate of BTAI, BioXcel LLC, Holdings, Dr. Krishnan Nandabalan, Dr. Vimal Mehta, InveniAI, or Invea.

6. Authority. The Parties to this Agreement represent and warrant that they are fully authorized and have the capacity to enter into this Agreement. The Parties further represent and warrant that they were not coerced in any way to sign this Agreement and that they have each had the opportunity to confer with counsel with respect to this Agreement.

7. Consideration and Non-Reliance. In entering into this Agreement, the Parties each represent and acknowledge that they have received consideration in exchange for entering into this Agreement, the sufficiency of which is hereby acknowledged. The Parties further acknowledge and agree that each and every one of the terms and conditions of this Agreement has been fully explained to them by their respective attorneys and that they fully understand and agree to the terms and conditions contained herein.

8. Entire Agreement. Except as and to the extent detailed in [***] the Stockholders Agreement to be entered into among Holdings and the stockholders party thereto, an Amended and Restated Limited Liability Company Agreement of InveniAI LLC and Amendment No. 2 to Amended and Restated Limited Liability Company Agreement of BioXcel LLC (collectively, the “**Other Agreements**”); this Agreement constitutes and contains the complete agreement and understanding between the Parties with respect to the subject matter hereof and thereof, and supersedes and replaces any and all agreements, offers, promises, understandings, statements, representations, and discussions, whether written or oral, express or implied, signed or unsigned between the Parties with respect to the subject matter hereof and thereof.

9. Modification; Waiver. This Agreement may be modified or amended only by a written instrument duly signed by each of the Parties or their respective successors or permitted assigns. No waiver of any breach of any term or provision of this Agreement shall be construed to be, nor shall be, a waiver of any other breach of this Agreement. No waiver shall be binding unless in writing and signed by the Party waiving the breach or provision. This Agreement is non-assignable by any Party hereto in the absence of written consent of the non-assigning Party(ies).

10. Severability. Should any provision (or portion thereof) of this Agreement be determined by a court of competent jurisdiction to be illegal, invalid, unenforceable, or in conflict with applicable law, it is the intention and desire of the Parties that such provision or portion shall be severed from the remainder of this Agreement and shall be enforced to the maximum extent permitted by applicable law; and the remainder of this Agreement shall be enforced to the fullest extent possible as if such illegal, invalid, or unenforceable provision or portion was not included. In the event that any portion or provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable by reason of excessive scope as to geographic, temporal or functional coverage, such provision will be deemed to extend only over the maximum geographic, temporal, and functional scope as to which it may be enforceable.

11. Controlling Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New York, without regard to conflict of laws principles and enforceable solely in a Federal or state court located in New York County, New York and no Party hereto will object to such exclusive venue on the basis of a forum non conveniens defense.

12. Costs. Each Party shall bear its own attorneys’ fees, expenses and, costs in connection with the negotiation of this Agreement. In the event any Party hereto commences a legal proceeding to enforce the provisions of this Agreement, the non-prevailing Party(ies) therein will be responsible for reimbursing the prevailing Party for its costs, including attorneys’ fees. For the avoidance of doubt, this Section 12 does not relate to any other obligations related to the Other Agreements.

13. Successors. This Agreement is binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

14. No Third-Party Beneficiaries. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of each of the Parties only. Except as expressly provided herein, this Agreement is not for the benefit of any person not a Party hereto or specifically identified as a beneficiary herein, and is not intended to constitute a third-party beneficiary contract.

15. Headings. Section headings are for convenience only and shall not be considered in construing and interpreting this Agreement.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall be considered one and the same instrument. A facsimile or .pdf copy transmitted via e-mail of a signature shall be deemed an original.

17. Bankruptcy. In the event that BioXcel LLC and/or BTAI cease all operations in connection with a bankruptcy proceeding, the restrictions in Section 1 of this Agreement will cease to apply.

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SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the Parties to this Agreement, intending to be legally bound, have executed this Agreement on September 19, 2023.

Acknowledged, Accepted, and Agreed to:

By: /s/ Krishnan Nandabalan
KRISHNAN NANDABALAN

INVENIAI LLC

By: /s/ Krishnan Nandabalan
Name: Krishnan Nandabalan
Title: President and Chief Executive Officer

INVEA THERAPEUTICS, INC.

By: /s/ Krishnan Nandabalan
Name: Krishnan Nandabalan
Title: President and Chief Executive Officer

BIOXCEL THERAPEUTICS, INC.

By. /s/ Vimal Mehta

Name: Vimal Mehta

Title: Chief Executive Officer

BIOXCEL LLC

By. /s/ Krishnan Nandabalan

Name: Krishnan Nandabalan

Title: President and Chief Executive Officer

BIOXCEL HOLDINGS, INC.

By. /s/ Krishnan Nandabalan

Name: Krishnan Nandabalan

Title: President and Chief Executive Officer

Exhibit A

List of Immune Mediated Inflammatory Diseases
