UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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, 2020

OR

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

Commission File Number: 001-37783

Clearside Biomedical, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**45-2437375**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
900 North Point Parkway, Suite 200	
Alpharetta, GA	**30005**
(Address of principal executive offices)	**(Zip Code)**

(678) 270-3631

Registrant's telephone number, including area code

N/A

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	CLSD	The Nasdaq Stock Market LLC

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 4, 2020, the registrant had 44,868,558 shares of common stock, $0.001 par value per share, outstanding.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

CLEARSIDE BIOMEDICAL, INC.
Balance Sheets
(in thousands, except share and per share data)
(unaudited)

	March 31, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 20,930	$ 22,595
Prepaid expenses	892	1,139
Other current assets	1,683	1,485
Total current assets	23,505	25,219
Property and equipment, net	551	541
Operating lease right-of-use asset	627	656
Restricted cash	360	360
Total assets	$ 25,043	$ 26,776
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,633	$ 1,280
Accrued liabilities	1,492	2,930
Current portion of long-term debt	5,183	1,333
Current portion of operating lease liabilities	363	360
Deferred revenue	5,100	5,000
Total current liabilities	13,771	10,903
Long-term debt	—	3,819
Operating lease liabilities	832	897
Total liabilities	14,603	15,619
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized and no shares issued at March 31, 2020 and December 31, 2019	—	—
Common stock, $0.001 par value; 100,000,000 shares authorized at March 31, 2020 and December 31, 2019; 44,868,558 and 44,413,372 shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively	45	44
Additional paid-in capital	250,963	248,770
Accumulated deficit	(240,568)	(237,657)
Total stockholders' equity	10,440	11,157
Total liabilities and stockholders' equity	$ 25,043	$ 26,776

See accompanying notes to the financial statements

CLEARSIDE BIOMEDICAL, INC.
Statements of Operations
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended March 31,	
	2020	**2019**
License and other revenue	$ 4,097	$ 45
Operating expenses:		
Research and development	3,811	10,967
General and administrative	3,122	4,384
Total operating expenses	6,933	15,351
Loss from operations	(2,836)	(15,306)
Other expense	(75)	(98)
Net loss	$ (2,911)	$ (15,404)
Net loss per share of common stock — basic and diluted	$ (0.07)	$ (0.45)
Weighted average shares outstanding — basic and diluted	44,753,510	34,144,209

See accompanying notes to the financial statements.

CLEARSIDE BIOMEDICAL, INC.
Statements of Stockholders' Equity
(in thousands, except share data)
(unaudited)

	Three Months Ended March 31, 2020				
	Common Stock		Additional Paid-In-Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2019	44,413,372	$ 44	$ 248,770	$ (237,657)	$ 11,157
Issuance of common shares from at-the-market sales agreement	455,186	1	1,192	—	1,193
Share-based compensation expense	—	—	1,001	—	1,001
Net loss	—	—	—	(2,911)	(2,911)
Balance at March 31, 2020	44,868,558	$ 45	$ 250,963	$ (240,568)	$ 10,440

	Three Months Ended March 31, 2019				
	Common Stock		Additional Paid-In-Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2018	32,119,227	$ 32	$ 230,475	$ (206,887)	$ 23,620
Issuance of common shares from follow-on public offering	4,660,966	5	6,622	—	6,627
Exercise of stock options	2,727	—	1	—	1
Share-based compensation expense	—	—	1,247	—	1,247
Net loss	—	—	—	(15,404)	(15,404)
Balance at March 31, 2019	36,782,920	$ 37	$ 238,345	$ (222,291)	$ 16,091

See accompanying notes to the financial statements.

CLEARSIDE BIOMEDICAL, INC.
Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2020	2019
Operating activities		
Net loss	$ (2,911)	$ (15,404)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	45	53
Share-based compensation expense	1,001	1,247
Non-cash interest expense	10	46
Accretion of debt discount	21	15
Amortization and accretion on available-for-sale investments, net	—	(103)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	49	1,536
Other assets and liabilities	68	(29)
Accounts payable and accrued liabilities	(1,086)	(14)
Net cash used in operating activities	(2,803)	(12,653)
Investing activities		
Maturities of available-for-sale investments	—	30,950
Acquisition of property and equipment	(55)	(18)
Net cash (used in) provided by investing activities	(55)	30,932
Financing activities		
Proceeds from at-the-market sales agreement, net of issuance costs	1,193	6,627
Proceeds from exercise of stock options	—	1
Net cash provided by financing activities	1,193	6,628
Net (decrease) increase in cash, cash equivalents and restricted cash	(1,665)	24,907
Cash, cash equivalents and restricted cash, beginning of period	22,955	8,403
Cash, cash equivalents and restricted cash, end of period	$ 21,290	$ 33,310

Reconciliation of cash, cash equivalents and restricted cash:

	March 31,	
	2020	2019
Cash and cash equivalents	$ 20,930	$ 32,950
Restricted cash	360	360
Cash, cash equivalents and restricted cash at end of period	$ 21,290	$ 33,310

See accompanying notes to the financial statements.

CLEARSIDE BIOMEDICAL, INC.

Notes to the Financial Statements
(unaudited)

1. The Company

Clearside Biomedical, Inc. (the "Company") is a biopharmaceutical company dedicated to developing and delivering treatments that restore and preserve vision for people with serious back of the eye diseases. The Company's proprietary SCS Microinjector targeting the suprachoroidal space offers unique access to the macula, retina and choroid where sight-threatening disease often occurs. This suprachoroidal space injection is an inherently flexible, in-office, non-surgical procedure, intended to provide targeted delivery to the site of disease and to work with both established and new formulations of medications, as well as future therapeutic innovations, such as gene therapy. Incorporated in the State of Delaware on May 26, 2011, the Company has its corporate headquarters in Alpharetta, Georgia.

The Company's activities since inception have primarily consisted of developing product and technology rights and performing research and development activities. The Company has no current source of revenue to sustain present activities, and does not expect to generate meaningful revenue until and unless the Company receives regulatory approval of and successfully commercializes its product candidates, either on its own or with a third party. The Company is subject to a number of risks and uncertainties similar to those of other life science companies at a similar stage of development, including, among others, the need to obtain adequate additional financing, successful development efforts including regulatory approval of products, compliance with government regulations, successful commercialization of potential products, protection of proprietary technology and dependence on key individuals.

Liquidity

The Company had cash and cash equivalents of $20.9 million as of March 31, 2020. The Company has funded its operations primarily through the sale of convertible preferred stock and common stock and the issuance of long-term debt. The Company will continue to need to obtain additional financing to fund future operations, including completing the development, partnering and potential commercialization of its primary product candidates. The Company will need to obtain financing to conduct additional trials for the regulatory approval of its product candidates if requested by regulatory bodies, and completing the development of any product candidates that might be acquired. If such products were to receive regulatory approval, the Company would need to obtain financing to prepare for the potential commercialization of its product candidates, if the Company decides to commercialize the products on its own.

The Company has suffered recurring losses and negative cash flows from operations since inception and anticipates incurring additional losses until such time, if ever, that it can obtain regulatory approval to sell, and then generate significant revenue from commercializing its lead product candidate, XIPERE (triamcinolone acetonide suprachoroidal injectable suspension), either on its own or together with a third party. In the absence of product or other revenues, the amount, timing, nature or source of which cannot be predicted, the Company's losses will continue as it conducts its research and development activities.

These conditions raise substantial doubt about the Company's ability to continue as a going concern within one year after the date the financial statements are issued. Until the Company can generate sufficient revenue, the Company will need to finance future cash needs through public or private equity offerings, license agreements, debt financings or restructurings, collaborations, strategic alliances and marketing or distribution arrangements.

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

Basis of Presentation

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

Unaudited Interim Financial Information

The accompanying balance sheet as of March 31, 2020, statements of operations for the three months ended March 31, 2020 and 2019, statements of stockholders' equity for the three months ended March 31, 2020 and 2019 and statements of cash flows for the three months ended March 31, 2020 and 2019 are unaudited. The unaudited interim financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include normal recurring adjustments, necessary for the fair presentation of the Company's financial position as of March 31, 2020, its results of its operations for the three months ended March 31, 2020 and 2019, its changes in stockholders' equity for the three months ended March 31, 2020 and 2019 and its cash flows for the three months ended March 31, 2020 and 2019. The financial data and other information disclosed in these notes related to the three months ended March 31, 2020 and 2019 are unaudited. The results for the three months ended March 31, 2020 are not indicative of results to be expected for the year ending December 31, 2020, any other interim periods or any future year or period. These unaudited financial statements should be read in conjunction with the audited financial statements and related footnotes, which are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the accounting for useful lives to calculate depreciation and amortization, clinical expense accruals, share-based compensation expense and income tax valuation allowance. Actual results could differ from these estimates.

The COVID-19 pandemic is expected to result in a global slowdown of economic activity. Estimates and assumptions about future events and their effects cannot be determined with certainty and therefore require the exercise of judgment. As of the date of issuance of these financial statements, we are not aware of any specific event or circumstance that would require us to update our estimates, assumptions and judgments or revise the carrying value of our assets or liabilities. These estimates may change as new events occur and additional information is obtained and are recognized in the consolidated financial statements as soon as they become known. Actual results could differ from those estimates and any such differences may be material to our financial statements.

Revenue Recognition

The Company recognizes revenue from its contracts with customers under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC Topic 606"). The Company's primary revenue arrangements are license agreements which typically include upfront payments, regulatory and commercial milestone payments and royalties based on future product sales. The arrangements may also include payments for the Company's SCS Microinjector devices as well as payments for assistance and oversight of the customer's use of the Company's technology. In determining the amount of revenue to be recognized under these agreements, the Company performs the following steps: (i) identifies the promised goods and services to be transferred in the contract, (ii) identifies the performance obligations, (iii) determines the transaction price, (iv) allocates the transaction price to the performance obligations and (v) recognizes revenue as the performance obligations are satisfied.

The Company receives payments from its customers based on billing schedules established in each contract. Upfront and other payments may require deferral of revenue recognition to a future period until the Company performs its obligations under the arrangement. Amounts are recorded as accounts receivable when the Company's right to consideration is unconditional. The Company does not assess whether a contract has a significant financing component if the expectation at contract inception is such that the period between payment by the customer and the transfer of the promised goods or services to the customer will be one year or less.

Research and Development Costs

Research and development costs are charged to expense as incurred and include:

- employee-related expenses, including salaries, benefits, travel and share-based compensation expense for research and development personnel;
- expenses incurred under agreements with contract research organizations, contract manufacturing organizations and consultants that conduct clinical trials and preclinical studies;
- costs associated with preclinical and clinical development activities;
- costs associated with submitting regulatory approval applications for the Company's product candidates;
- costs associated with training physicians on the suprachoroidal injection procedure and educating and providing them with appropriate product candidate information;

- costs associated with technology and intellectual property licenses;
- costs for the Company's research and development facility; and
- depreciation expense for assets used in research and development activities.

Costs for certain development activities, such as clinical trials, are recognized based on an evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations, or information provided to the Company by its vendors on their actual costs incurred. Payments for these activities are based on the terms of the individual arrangements, which may differ from the patterns of costs incurred, and are reflected in the financial statements as prepaid or accrued expense.

Share-Based Compensation

Compensation cost related to share-based awards granted to employees is measured based on the estimated fair value of the award at the grant date. The Company estimates the fair value of stock options using a Black-Scholes option pricing model. Compensation expense for options granted to non-employees is determined as the fair value of consideration received or the fair value of the equity instruments issued, whichever is more reliably measured. The fair value of restricted stock units granted is measured based on the market value of the Company's common stock on the date of grant. Share-based compensation costs are expensed on a straight-line basis over the relevant vesting period.

Compensation cost related to shares purchased through the Company's employee stock purchase plan, which is considered compensatory, is based on the estimated fair value of the shares on the offering date, including consideration of the discount and the look back period. The Company estimates the fair value of the shares using a Black-Scholes option pricing model. Compensation expense is recognized over the six-month withholding period prior to the purchase date.

All share-based compensation costs are recorded in general and administrative or research and development costs in the statements of operations based upon the underlying employees' roles within the Company.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments with an original term of three months or less at the date of purchase.

Concentration of Credit Risk Arising From Cash Deposits in Excess of Insured Limits

The Company maintains its cash in bank deposits that at times may exceed federally insured limits. The Company has not experienced any loss in such accounts. The Company believes it is not exposed to any significant risks with respect to its cash balances.

Recent Accounting Pronouncements

Accounting Pronouncements Recently Adopted

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820-10): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"), which changes the fair value measurement disclosure requirements of ASC Topic 820, *Fair Value Measurements and Disclosures*. Under this ASU, certain disclosure requirements for fair value measurements are eliminated, amended or added. These changes aim to improve the overall usefulness of disclosures to financial statement users and reduce unnecessary costs to companies when preparing the disclosures. The Company adopted ASU 2018-13 on January 1, 2020, and the adoption did not have a material impact on its financial statements and disclosures.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost, including trade receivables. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model that requires the use of forward-looking information to calculate credit loss estimates. The Company adopted ASU 2016-13 on January 1, 2020, and the adoption did not have a material impact on its financial statements and related disclosures.

Recent Accounting Pronouncements Not Yet Adopted

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"), which simplifies the accounting for income taxes by removing certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new ASU also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates. These changes aim to improve the overall usefulness of disclosures to financial statement users and reduce unnecessary costs to companies when preparing the disclosures. The guidance is effective for the Company beginning on January 1,

2021 and prescribes different transition methods for the various provisions. Early adoption is permitted. The Company does not expect the adoption of ASU 2019-12 to have a material impact on its financial statements and related disclosures.

3. Property and Equipment, Net

Property and equipment, net consisted of the following (dollar amounts in thousands):

	Estimated Useful Lives (Years)	March 31, 2020	December 31, 2019
Furniture and fixtures	5	$ 337	$ 337
Machinery and equipment	5	176	121
Computer equipment	3	13	13
Leasehold improvements	Lesser of useful life or remaining lease term	667	667
		1,193	1,138
Less: Accumulated depreciation		(642)	(597)
		$ 551	$ 541

4. Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	March 31, 2020	December 31, 2019
Accrued research and development	$ 185	$ 359
Accrued employee costs	425	1,530
Accrued severance	531	751
Accrued professional fees	122	58
Accrued expense	229	232
	$ 1,492	$ 2,930

5. Long-Term Debt

Loan and Security Agreements

On May 14, 2018, the Company entered into a second amended and restated loan and security agreement (the "2nd A&R Loan Agreement") with SVB, MidCap Funding III Trust and MidCap Financial Trust (together, "MidCap" and collectively with SVB, the "Lenders"), which amended and restated in its entirety the first amended and restated loan agreement. The 2nd A&R Loan Agreement provided for new term loans of up to $20.0 million, with a floating interest rate equal to 6.50% plus the greater of (i) the 30-day U.S. LIBOR, as reported in the Wall Street Journal on the last business day of the month that immediately precedes the month in which the interest will accrue, or (ii) 1.89%. The 2nd A&R Loan Agreement includes, among other things, the ability of the Lenders to accelerate the payment of the term loan in the event of material adverse change and restrictions on the Company's ability to sell, assign, license, transfer or otherwise dispose of its assets, including intellectual property assets, without the prior written consent of the Lenders.

The Company borrowed an initial tranche of $10.0 million on May 14, 2018, of which $7.0 million was used to repay all amounts outstanding under the first amended and restated loan agreement, including fees associated with the final payment. The prepayment fees were waived. Of the remaining $10.0 million under the 2nd A&R Loan Agreement, the Company elected not to draw $5.0 million and the other $5.0 million is not available for draw.

On October 18, 2019, the Company entered into an amendment to the 2nd A&R Loan Agreement with the Lenders. Pursuant to the amendment, the Company repaid $5.0 million of the outstanding principal balance of the $10.0 million term loan. The Company did not pay any final payment or termination fees in connection with the $5.0 million prepayment. In addition, the Company and the Lenders agreed to modify the term loan repayment schedule. As amended, the term loan repayment schedule provides for interest only payments through October 31, 2020, followed by consecutive equal monthly payments of principal and interest in arrears continuing through the maturity date of October 1, 2022. The Company has the option to prepay the outstanding balance in full, subject to a

prepayment fee of 2% of the original principal amount for any prepayment prior to October 1, 2022. A final payment of 5.50% of the aggregate borrowed amount is due at maturity of the loan on October 1, 2022, or upon the prepayment of the facility or the acceleration of amounts due under the facility as a result of an event of default. In addition, the Company agreed that if the Company's cash and cash equivalents balance with SVB falls below $10.0 million, the Company will transfer to a pledged account an amount of cash and cash equivalents equal to the sum of the then-outstanding principal balance of the term loan plus a final payment fee of $0.3 million.

On May 7, 2020, the Company paid $5.0 million principal balance under the 2nd A&R Loan Agreement with the Lenders, plus $0.3 million reflecting the final payment and accrued interest. As a result of the payment, as of March 31, 2020, the Company has reflected in current liabilities the amount of principal it expects to pay within the next 12 months.

The borrowings under the 2nd A&R Loan Agreement are secured by substantially all of the Company's assets.

Interest expense on the borrowings under the loan agreements described above was $106,000 and $225,000 for the three months ended March 31, 2020 and 2019, respectively. Accretion of the scheduled final payment was $10,000 and $46,000 for the three months ended March 31, 2020 and 2019, respectively. Accretion of the deferred debt issuance costs was $21,000 and $15,000 for the three months ended March 31, 2020 and 2019, respectively.

As of March 31, 2020, the scheduled payments for the 2nd A&R Loan Agreement, as amended, and the scheduled final payment were as follows (in thousands):

Year Ending December 31,	Principal	Interest and Final Payment	Total
2020	$ 5,000	$ 382	$ 5,382

6. Common Stock

The Company's amended and restated certificate of incorporation authorizes the Company to issue 100,000,000 shares of $0.001 par value common stock. As of March 31, 2020 and December 31, 2019, there were 44,868,558 and 44,413,372 shares of common stock outstanding, respectively.

7. Stock Purchase Warrants

In September 2016, in connection with a loan agreement, the Company issued warrants to purchase up to 29,796 shares of common stock at a price per share of $10.74. The warrants expire in September 2026, or earlier upon the occurrence of specified mergers or acquisitions of the Company, and are immediately exercisable. The warrants were recorded in equity and had a weighted average remaining life of 6.50 years as of March 31, 2020.

8. Share-Based Compensation

Share-based compensation is accounted for in accordance with the provisions of ASC 718, *Compensation-Stock Compensation*.

Stock Options

The Company has granted stock option awards to employees, directors and consultants from its 2011 Stock Incentive Plan (the "2011 Plan") and its 2016 Equity Incentive Plan (the "2016 Plan"). The estimated fair value of options granted is determined as of the date of grant using the Black-Scholes option pricing model. The resulting fair value is recognized ratably over the requisite service period, which is generally the vesting period of the awards.

Share-based compensation expense for options granted under the 2011 Plan and the 2016 Plan is reflected in the statements of operations as follows (in thousands):

	Three Months Ended March 31,	
	2020	2019
Research and development	$ 306	$ 462
General and administrative	413	775
Total	$ 719	$ 1,237

The following table summarizes the activity related to stock options during the three months ended March 31, 2020:

	Number of Shares	Weighted Average Exercise Price
Options outstanding at December 31, 2019	4,104,450	$ 4.63
Granted	903,500	2.37
Forfeited	(9,845)	3.05
Options outstanding at March 31, 2020	4,998,105	4.23
Options exercisable at December 31, 2019	2,452,764	5.44
Options exercisable at March 31, 2020	2,782,163	5.14

As of March 31, 2020, the Company had $5.1 million of unrecognized compensation expense related to unvested stock options, which is expected to be recognized over a weighted average period of 2.6 years.

Restricted Stock Units

The Company has granted restricted stock units (“RSUs”) to employees from the 2016 Plan. The shares underlying the RSU awards have vesting terms of eight months to four years from the date of grant subject to the employees’ continuous service and subject to accelerated vesting in specified circumstances.

The fair value of the RSUs granted is measured based on the market value of the Company’s common stock on the date of grant and is recognized ratably over the requisite service period, which is generally the vesting period of the awards.

The following table summarizes the activity related to RSUs during the three months ended March 31, 2020:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested RSUs outstanding at December 31, 2019	1,269,300	$ 0.87
Granted	486,000	2.39
Vested	(100,000)	1.02
Forfeited	(6,700)	0.91
Non-vested RSUs outstanding at March 31, 2020	1,648,600	1.31

The Company recorded $0.3 million of share-based compensation expense for the three months ended March 31, 2020 for the RSUs. There were no RSUs issued during the same period in the prior year. As of March 31, 2020, the Company had $1.6 million of unrecognized compensation expense related to the RSUs, which is expected to be recognized over a weighted average period of 2.9 years.

Employee Stock Purchase Plan

In January 2016, the Company’s board of directors adopted and approved, and in January 2016 the Company’s stockholders approved, the Clearside Biomedical, Inc. 2016 Employee Stock Purchase Plan (the “2016 ESPP”) which became effective on June 1, 2016. The 2016 ESPP is considered a compensatory plan and the fair value of the discount and the look-back period are estimated using the Black-Scholes option pricing model and expense is recognized over the six month withholding period prior to the purchase date. The Company has recorded $3,000 and $10,000 of share-based compensation expense for the three months ended March 31, 2020 and 2019, respectively, in the statements of operations for the estimated number of shares to be purchased on the next purchase date following the conclusion of the applicable reporting period.

9. Commitments and Contingencies

Lease Commitment Summary

In November 2016, the Company signed an office lease agreement to lease approximately 20,000 square feet of office space in Alpharetta, Georgia for its corporate headquarters. The lease agreement is for a 6.5 year term with a renewal option for one additional five-year term. Rental payments are $35,145 per month subject to an increase of 3% per year. Rent expense under this lease is

recognized on a straight-line basis over the term of the lease. In addition, the lease agreement requires payment of the pro-rata share of the annual operating expenses associated with the premises.

The Company's operating leases included on the balance sheet are as follows (in thousands):

	March 31, 2020
Operating lease right-of-use asset	$ 627
Liabilities	
Current portion of operating lease liabilities	$ 363
Operating lease liabilities	832
Total operating lease liabilities	$ 1,195

The Company recognizes a right-of-use asset for the right to use the underlying asset for the lease term, and a lease liability, which represents the present value of the Company's obligation to make payments over the lease term. The renewal option is not included in the calculation of the right-of-use asset and the lease liabilities as the Company has not yet determined if the Alpharetta, Georgia lease will be renewed. The present value of the lease payments is calculated using an incremental borrowing rate as the Company's leases do not provide an implicit interest rate. At March 31, 2020, the Company's weighted average discount rate was 11.0% and the weighted average lease term was 3.5 years.

Minimum lease payments were as follows at March 31, 2020 (in thousands):

Year Ending December 31,	
2020	286
2021	392
2022	407
2023	316
Total minimum lease payments	1,401
Less imputed interest	(206)
Total operating lease liabilities	$ 1,195

Equipment leases with an initial term of 12 months or less are not recorded with operating lease liabilities. The Company recognizes expense for these on a straight-line basis over the lease term. The equipment leases were deemed to be immaterial.

Operating lease cost was $62,000 and $100,000 for the three months ended March 31, 2020 and 2019, respectively. Variable lease cost was $24,000 and $30,000 for the three months ended March 31, 2020 and 2019, respectively. Short-term lease cost for the three months ended March 31, 2020 and 2019 was $4,000 and $3,000, respectively. Cash payments included in operating activities on the statement of cash flows for operating lease liabilities were $92,000 and $129,000 for the three months ended March 31, 2020 and 2019, respectively.

Contract Service Providers

In the course of the Company's normal business operations, it has agreements with contract service providers to assist in the performance of its research and development, clinical research and manufacturing. Substantially all of these contracts are on an as needed basis.

10. License and Other Agreements

Arctic Vision (Hong Kong) Limited

On March 10, 2020, the Company entered into a License Agreement (the "Arctic License Agreement") with Arctic Vision (Hong Kong) Limited ("Arctic Vision"). Pursuant to the Arctic License Agreement, the Company has granted an exclusive license to Arctic Vision to develop, distribute, promote, market and commercialize XIPERE, the Company's proprietary suspension of the corticosteroid triamcinolone acetonide formulated for administration to the back of the eye using the Company's proprietary SCS Microinjector, subject to specified exceptions, in China, Hong Kong, Macau, Taiwan and South Korea (the "Arctic Territory"). Under the terms of the Arctic License Agreement, neither party may commercialize XIPERE in the other party's territory. Arctic Vision has agreed to use commercially reasonably efforts to pursue development and commercialization of XIPERE for indications associated with uveitis in the Arctic Territory. In addition, upon receipt of the Company's consent, Arctic Vision will have the right, but not the obligation, to develop and commercialize XIPERE for additional indications in the Arctic Territory.

Pursuant to the Arctic License Agreement, Arctic Vision has agreed to pay the Company up to a total of $35.5 million. This amount includes an upfront payment of $4.0 million as well as an aggregate of up to $31.5 million in development milestone payments for specified events prior to and including receipt of approval of XIPERE in the United States and sales milestone payments for achievement of specified levels of net sales. Further, during the applicable royalty term, the Company will also be entitled to receive tiered royalties of ten to twelve percent of net sales based on achieving certain annual net sales thresholds in the Arctic Territory, subject to customary reductions, payable on a product-by-product and country-by-country basis, commencing at launch in such country and lasting until the latest of (i) the date that all valid claims within the licensed patent rights covering XIPERE have expired, (ii) the date of the loss of marketing or regulatory exclusivity of XIPERE in a given country, or (iii) ten years from the first commercial sale of XIPERE in a given country. As of March 31, 2020, it was determined that the Company had completed its performance obligations related to the upfront payment and recognized license revenue of $4.0 million.

Other

The Company has periodically entered into other short-term agreements, generally with performance obligations of one to two months, to evaluate the potential use of its proprietary SCS Microinjector with third-party product candidates for the treatment of various diseases. Funds received from these agreements are recognized as revenue over the term of the agreement. The Company recorded $45,000 of revenue from these agreements during the three months ended March 31, 2019. In addition, the Company recorded $0.1 million of deferred revenue in other current liabilities from these agreements as of March 31, 2020.

11. Fair Value Measurements

The Company records certain financial assets and liabilities at fair value in accordance with the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures*, on fair value measurements. As defined in the guidance, fair value, defined as an exit price, represents the amount that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants. As a result, fair value is a market-based approach that should be determined based on assumptions that market participants would use in pricing an asset or a liability. As a basis for considering these assumptions, the guidance defines a three-tier value hierarchy that prioritizes the inputs used in the valuation methodologies in measuring fair value.

- Level 1—Unadjusted quoted prices in active, accessible markets for identical assets or liabilities.
- Level 2—Other inputs that are directly or indirectly observable in the marketplace.
- Level 3—Unobservable inputs that are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The Company's material financial instruments at March 31, 2020 and December 31, 2019 consisted primarily of cash and cash equivalents and long-term debt. The fair values of cash and cash equivalents, other current assets and accounts payable approximate their respective carrying values due to the short term nature of these instruments and are classified as Level 1 in the fair value hierarchy. The fair value of long-term debt approximates the carrying value due to variable interest rates that correspond to market rates and is classified as Level 1 in the fair value hierarchy.

There were no significant transfers between Levels 1, 2 and 3 during the three months ended March 31, 2020 and the year ended December 31, 2019.

The following tables summarize the fair value of financial assets that are measured at fair value and the classification by level of input within the fair value hierarchy (in thousands):

	March 31, 2020			
	Level 1	Level 2	Level 3	Recorded Value
Financial Assets:				
Cash and money markets	$ 20,930	$ —	$ —	$ 20,930
Restricted cash money market	360	—	—	360
Total financial assets	$ 21,290	$ —	$ —	$ 21,290

	December 31, 2019			
	Level 1	Level 2	Level 3	Recorded Value
Financial Assets:				
Cash and money markets	$ 22,595	$ —	$ —	$ 22,595
Restricted cash money market	360	—	—	360
Total financial assets	$ 22,955	$ —	$ —	$ 22,955

12. Net Loss Per Share

Basic net loss per share is calculated by dividing the net loss by the weighted average number of shares of common stock outstanding for the period, without consideration of the dilutive effect of potential common stock equivalents. Diluted net loss per share gives effect to all dilutive potential shares of common stock outstanding during this period. For all periods presented, the Company's potential common stock equivalents, which included stock options and stock purchase warrants, have been excluded from the computation of diluted net loss per share as their inclusion would have the effect of reducing the net loss per share. Therefore, the denominator used to calculate both basic and diluted net loss per share is the same in all periods presented. The Company's potential common stock equivalents that have been excluded from the computation of diluted net loss per share for all periods presented because of their antidilutive effect consisted of the following:

	Three Months Ended March 31,	
	2020	2019
Outstanding stock options	4,998,105	4,832,889
Non-vested restricted stock units	1,648,600	—
Stock purchase warrants	29,796	29,796
	6,676,501	4,862,685

13. Subsequent Events

License Agreement Amendment

On April 27, 2020, the Company and Bausch Health Ireland Limited ("Bausch") entered into an amendment (the "Amendment") to the Company's License Agreement with Bausch dated October 22, 2019 (as amended, the "Bausch License Agreement"). Pursuant to the Bausch License Agreement, the Company has granted an exclusive license to Bausch to develop, manufacture, distribute, promote, market and commercialize XIPERE, the Company's proprietary suspension of the corticosteroid triamcinolone acetonide formulated for administration to the back of the eye using the Company's proprietary microneedle (the "Device"), as well as specified other steroids, corticosteroids and NSAIDs in combination with the Device ("Other Products"; and together with XIPERE, "Products"), subject to specified exceptions, in the United States and Canada (the "Original Territory") for the treatment of ophthalmology indications, including non-infectious uveitis. Pursuant to the Amendment, the Company has granted Bausch an exclusive option to develop, manufacture, distribute, promote, market and commercialize XIPERE in one or more of the following regions (the "Option"): (i) the European Union, including the United Kingdom, (ii) Australia and New Zealand and (iii) South America and Mexico (such regions, the "Additional Regions" and together with the Original Territory, the "Territory"). The Option may be exercised any time before the earlier of regulatory approval of XIPERE in the United States and August 31, 2021.

Pursuant to the Bausch License Agreement, Bausch paid the Company an upfront payment of $5.0 million (the "Upfront Payment") in October 2019, which is subject to a refund if the Bausch License Agreement is terminated in specified circumstances. In addition, Bausch has agreed to make additional payments of up to $15.0 million upon the achievement of specified pre-launch development and regulatory milestones (the "Pre-Launch Milestone Payments") and up to an aggregate of $57.3 million in additional milestone payments upon the achievement of (i) specified regulatory approvals for specified additional indications of XIPERE (including certain regulatory and commercial milestones if Bausch exercises its Option in the European Union) and (ii) specified levels of annual net sales (as defined in the Bausch License Agreement). Further, during the applicable royalty term, the Company will also be entitled to receive tiered royalties at increasing percentages, from the high-teens to twenty percent, based on XIPERE achieving certain annual net sales thresholds in the Original Territory, as well as a lower royalty on annual net sales of Other Products in the Original Territory and on annual net sales of XIPERE in the Additional Regions if Bausch exercises its Option, in each case subject to reductions in specified circumstances; provided that the Company will not receive any royalties on the first $45.0 million of cumulative net sales of all products in the Original Territory.

The Company is responsible for all development expenses for XIPERE in the Original Territory until the Company's New Drug Application ("NDA") for XIPERE is approved by the U.S. Food and Drug Administration (the "FDA"), subject to specified exceptions, as well as manufacturing costs in connection with the NDA. The Company is also responsible for all clinical and development expenses conducted to satisfy the FDA's requests in the complete response letter issued on October 18, 2019 related to the NDA and any subsequent complete response letter related to the NDA (the "CRL-related expenses"). If XIPERE is approved by the FDA, Bausch will be responsible for all expenses following such approval; provided that the Company will be responsible for the CRL-related expenses and for half of the costs of any post-approval clinical trials required by the FDA, up to a specified maximum amount.

During the term of the Bausch License Agreement, and in the Territory, the Company has agreed not to (i) develop or commercialize XIPERE alone or in combination with an Other Device (as defined in the Bausch License Agreement) in the licensed field, (ii) develop or commercialize any corticosteroid with the Device or an Other Device in the licensed field, (iii) develop or commercialize the Device or an Other Device with any active pharmaceutical ingredient for non-infectious uveitis or macular edema associated with non-infectious uveitis, including with any Other Drug (as defined in the Bausch License Agreement, which are restricted to those steroids, corticosteroids and non-steroidal anti-inflammatory drugs specifically identified in the Bausch License Agreement), (iv) develop or commercialize any Other Drug in combination with the Device and (v) commercialize any Other Device for achieving non-surgical access to the suprachoroidal space where such device is sold as a stand-alone product, subject to specified exceptions. The Bausch License Agreement will expire upon expiration of the royalty terms for all Products and countries in the Territory, with each royalty term for a given Product and country ending on the latest of (i) the date of expiration of the last-to-expire valid claim of any licensed patent rights covering such Product in such country in the Territory, (ii) the date of the loss of regulatory exclusivity for such Product in such country in the Territory, or (iii) ten years from the later of the first sale of such Product in such country in the Territory. For a specified period of time, Bausch may terminate the Bausch License Agreement immediately and have the Upfront Payment refunded if the FDA has not approved the XIPERE NDA by August 31, 2021. Following the payment of the Pre-Launch Milestone Payments, Bausch may also terminate the Bausch License Agreement for convenience upon 180 days' written notice. In addition, the Company can terminate the Bausch License Agreement if Bausch commences a legal action challenging the validity, enforceability or scope of any of the licensed patents. If the FDA requires an additional clinical trial prior to approving the NDA for XIPERE and the Company notifies Bausch that the Company will not conduct the trial at the Company's expense, then Bausch may terminate the Bausch License Agreement and have the Upfront Payment refunded within 60 days of the receipt of such notice from the Company. Both parties may terminate the Bausch License Agreement (i) upon a material breach of the Bausch License Agreement, subject to a specified cure period and specified exceptions, or (ii) if the other party encounters bankruptcy or insolvency. Upon termination (other than for a material breach by or bankruptcy or insolvency event of the Company), all licenses and other rights granted by the Company to Bausch pursuant to the Bausch License Agreement would revert to the Company.

CARES Act Paycheck Protection Program (PPP) Loan

On April 20, 2020, the Company entered into a loan agreement with Silicon Valley Bank ("PPP Lender") under the terms of which the PPP Lender agreed to make a loan to the Company in an aggregate principal amount of $1.0 million ("PPP Loan") pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The PPP Loan is evidenced by a promissory note (the "Note") containing the terms and conditions for repayment of the PPP Loan.

Under the terms of the Note and the PPP Loan, interest accrues on the outstanding principal at the rate of 1.0% per annum. The term of the Note is two years, though it may be payable sooner in connection with an event of default under the Note. To the extent the loan amount is not forgiven under the PPP, the Company is obligated to make equal monthly payments of principal and interest, beginning seven months from the date of the Note, until the maturity date.

The CARES Act and the PPP provide a mechanism for forgiveness of up to the full amount borrowed. Under the PPP, the Company may apply for forgiveness for all or a part of the PPP Loan. The amount of loan proceeds eligible for forgiveness is based on a formula that takes into account a number of factors, including the amount of loan proceeds used by the Company during the eight-week period after the loan origination for certain purposes including payroll costs, interest on certain mortgage obligations, rent payments on certain leases, and certain qualified utility payments, provided that at least 75% of the loan amount is used for eligible payroll costs; the employer maintaining or rehiring employees and maintaining salaries at certain levels; and other factors. Subject to the other requirements and limitations on loan forgiveness, only loan proceeds spent on payroll and other eligible costs during the covered eight-week period will qualify for forgiveness. The Company intends to use the entire Loan amount for qualifying expenses, though no assurance is provided that the Company will obtain forgiveness of the PPP Loan in whole or in part.

The Note may be prepaid in part or in full, at any time, without penalty. The Note provides for certain customary events of default, including (i) failing to make a payment when due under the Note, (ii) failure to do anything required by the Note or any other loan document, (iii) defaults of any other loan with the PPP Lender, (iv) failure to disclose any material fact or make a materially false or misleading representation to the PPP Lender or SBA, (v) default on any loan or agreement with another creditor, if the PPP Lender believes the default may materially affect the Company's ability to pay the Note, (vi) failure to pay any taxes when due, (vii) becoming the subject of a proceeding under any bankruptcy or insolvency law, having a receiver or liquidator appointed for any part

of the Company's business or property, or making an assignment for the benefit of creditors, (viii) having any adverse change in financial condition or business operation that the PPP Lender believes may materially affect the Company's ability to pay the Note, (ix) if the Company reorganizes, merges, consolidates, or otherwise changes ownership or business structure without the PPP Lender's prior written consent, or (x) becoming the subject of a civil or criminal action that the PPP Lender believes may materially affect the Company's ability to pay the Note. Upon the occurrence of an event of default, the PPP Lender has customary remedies and may, among other things, require immediate payment of all amounts owed under the Note, collect all amounts owing from the Company, and file suit and obtain judgment against the Company.

Loan Payment

On May 7, 2020, due to various restrictions and other limiting covenants of the 2nd A&R Loan Agreement, the Company elected to make an early payoff of its outstanding $5.0 million principal balance, plus $0.3 million reflecting the final payment fee and accrued interest. The Company intends to pursue a new debt facility to replace some or all of the repaid loan in order to meet future financial needs.

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

Certain statements contained in this Quarterly Report on Form 10-Q may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions, or the negative of such words or phrases, are intended to identify "forward-looking statements." We have based these forward-looking statements on our current expectations and projections about future events. Because such statements include risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to these differences include those below and elsewhere in this Quarterly Report on Form 10-Q and our other filings with the Securities and Exchange Commission, or SEC, particularly in Part II – Item 1A, "Risk Factors". Such risks and uncertainties may be amplified by the COVID-19 pandemic and its potential impact on our business and the global economy. Statements made herein are as of the date of the filing of this Form 10-Q with the SEC and should not be relied upon as of any subsequent date. Unless otherwise required by applicable law, we do not undertake, and we specifically disclaim, any obligation to update any forward-looking statements to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited financial statements and related notes that appear in Item 1 of this Quarterly Report on Form 10-Q and with our audited financial statements and related notes for the year ended December 31, 2019 appearing in our Annual Report on Form 10-K filed with the SEC on March 13, 2020.

Overview

We are a biopharmaceutical company dedicated to developing and delivering treatments that restore and preserve vision for people with serious back of the eye diseases. Our proprietary SCS Microinjector targeting the suprachoroidal space, or SCS, offers unique access to the macula, retina and choroid where sight-threatening disease often occurs. When fluid is injected between the choroid and sclera, the elasticity of the SCS allows the fluid to migrate and spread spherically toward the posterior regions of the eye where it is absorbed into adjacent tissue. Our proprietary microinjector is able to precisely administer drugs into the SCS utilizing a needle that is approximately one millimeter in length. This method of administration facilitates more targeted delivery of therapeutic agents to chorioretinal structures.

Our SCS injection platform is an inherently flexible, in-office, non-surgical procedure intended to provide targeted delivery of established and new formulations of medications, as well as future therapeutic innovations such as gene therapy, to the site of disease.

We are leveraging our SCS injection platform by building an internal research and development pipeline, in areas such as novel small molecules and gene therapy, and by creating external collaborations with other companies. Using our suprachoroidal injection technology that can be used in conjunction with proprietary formulations of existing drugs as well as novel therapies, we believe we have created a broad therapeutic platform for developing product candidates to treat serious eye diseases.

Our first candidate, XIPERE, formerly known as CLS-TA, is a proprietary, preservative-free suspension of the corticosteroid triamcinolone acetonide, or TA, formulated for administration via suprachoroidal injection. Corticosteroids are the standard of care in uveitis. They are effective at treating the inflammatory aspect of ocular disease, but when delivered locally, either topically as drops, intravitreally, or by periocular injection, they have been associated with significant side effects, such as cataract formation or exacerbation, and elevated intraocular pressure, or IOP, which can lead to glaucoma.

XIPERE is being developed for the treatment of macular edema associated with uveitis. Uveitis is a set of ocular inflammatory conditions affecting approximately 350,000 patients in the United States and more than one million worldwide. Approximately one-third of uveitis patients develop uveitic macular edema, a build-up of fluid in the macula, the area of the retina responsible for sharp, straight-ahead vision. Macular edema is the leading cause of vision loss and blindness in uveitis patients and can occur from uveitis affecting any anatomic location—anterior, intermediate, posterior or panuveitis.

In December 2018, we submitted a New Drug Application, or NDA, for XIPERE to the Food and Drug Administration, or FDA, for the treatment of macular edema associated with uveitis. In October 2019, we received a complete response letter, or CRL, from the FDA regarding our NDA for XIPERE. The FDA did not identify any efficacy issues, and there were no requests for further clinical efficacy studies. As anticipated, the CRL included the FDA's request for additional stability data, additional clarifying information on components of the manufacturing process, and reinspection of the drug product manufacturer.

The contract manufacturing organization, or CMO, for XIPERE has been completing certain requalification activities within its facility. While these manufacturing activities are not specifically related to XIPERE, the CMO has advised us that they continue to impact the timing of its production. Although extensive progress has been made, the CMO needs to resolve a final step affecting the proper functioning of its filling line equipment in order to produce the required stability batches to generate the data necessary for the XIPERE NDA resubmission. As a result, and due in part to COVID-19 related challenges that have impacted work schedules, the

CMO has informed us that there will be a delay in completing the necessary corrective action. Based on this current information, we expect to resubmit the XIPERE NDA in the fourth quarter of 2020.

Bausch Health, or Bausch, is our commercialization partner for XIPERE in the United States and Canada and, on April 27, 2020, we granted Bausch an exclusive option to develop, manufacture, distribute, promote, market and commercialize XIPERE in one or more of the following regions, or the Option, (i) the European Union, including the United Kingdom, (ii) Australia and New Zealand and (iii) South America and Mexico, or collectively the Additional Regions, in exchange for Bausch extending the deadline by which we must obtain regulatory approval for XIPERE in the United States. The Option may be exercised as to any or all of the Additional Regions any time before the earlier of regulatory approval of XIPERE in the United States and August 31, 2021.

On March 10, 2020, we entered into a license agreement with Arctic Vision (Hong Kong) Limited, or Arctic Vision, and such agreement, the Arctic Vision License Agreement. Pursuant to the Arctic Vision License Agreement, we granted an exclusive license to Artic Vision to develop, distribute, promote, market and commercialize XIPERE, subject to specified exceptions, in China, Hong Kong, Macau, Taiwan and South Korea.

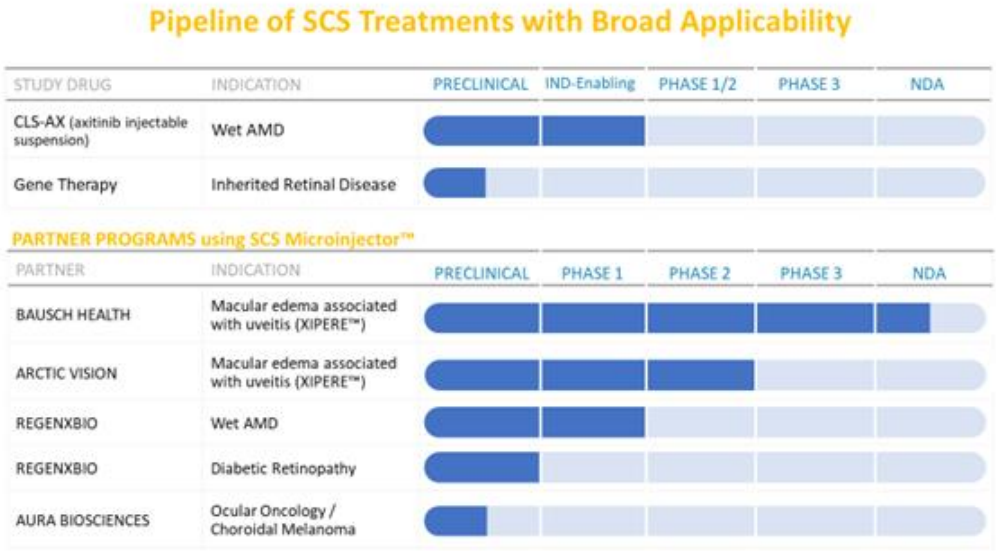
We have research capabilities focused on developing proprietary therapeutic formulations to utilize with our SCS Microinjector. Our internal research and development initiatives are focused on small molecules and gene therapy to address unmet needs in back of the eye diseases.

After evaluation of our prior work and based on recently presented data in the scientific community, we have decided to advance our proprietary suspension of axitinib, a tyrosine kinase inhibitor, or TKI, for suprachoroidal injection, which we refer to as CLS-AX, into further preclinical development. We expect to submit an Investigational New Drug application, or IND, to the FDA, for CLS-AX in mid-2020. This would potentially enable us to initiate a Phase 1/2a clinical trial by the end of 2020.

Our preclinical proof-of-concept studies utilizing suprachoroidal delivery of marker genes using DNA nanoparticles have demonstrated the potential for suprachoroidal administration to deliver genes, so we are now conducting further preclinical work with SCS delivery of therapeutic transgenes in certain inherited retinal disorders.

In addition to growing our internal pipeline, we are also focused on collaborating with other companies to provide access to the suprachoroidal space. Our clinical development partners, including REGENXBIO in gene therapy and Aura Biosciences in ocular cancer, continue to make progress in their programs utilizing our SCS Microinjector. We expect there will be a number of related IND submissions by our partners during 2020.

The current development status of our pipeline, including programs licensed to third parties, is summarized in the chart below:



We have incurred net losses since our inception in May 2011. Our operations to date have been limited to organizing and staffing our company, raising capital, conducting preclinical studies and clinical trials and other research and development initiatives. To date, we have not generated any revenue, other than license and other revenue, and we have primarily financed our operations through public offerings and private placements of our equity securities, issuances of convertible promissory notes and loan agreements. As of March 31, 2020, we had an accumulated deficit of $240.6 million. We recorded net losses of $2.9 million and $15.4

million for the three months ended March 31, 2020 and 2019, respectively. We anticipate that a substantial portion of our capital resources and efforts in the foreseeable future will be focused on completing the necessary development for and obtaining regulatory approval of our product candidates, as well as discovering compounds and developing proprietary solutions to utilize with our SCS Microinjector.

We expect to continue to incur significant and increasing operating losses at least for the next several years. We do not expect to generate significant product or license and other revenue unless and until we successfully complete necessary development of, obtain regulatory approval for and successfully commercialize one or more of our product candidates, either on our own or together with a third party. Our net losses may fluctuate significantly from quarter to quarter and year to year, depending on the timing of our clinical trials and our expenditures on other research and development activities. Our clinical trial expenses have decreased significantly following our decision to discontinue late-stage clinical trials of XIPERE for indications other than uveitis. However, we will continue our efforts to discover, research and develop additional product candidates and conduct various preclinical and clinical activities to further our pipeline programs. Based on our current research and development plans and expected near-term partnership milestone payments, we expect to have sufficient resources to fund planned operations into the second quarter of 2021.

Recent Developments

As noted above, on April 27, 2020, we and Bausch entered into an Amendment to the Bausch License Agreement. Pursuant to the Bausch License Agreement, we granted an exclusive license to Bausch to develop, manufacture, distribute, promote, market and commercialize XIPERE, our proprietary suspension of the corticosteroid triamcinolone acetonide formulated for administration to the back of the eye using our proprietary microneedle, or Device, as well as specified other steroids, corticosteroids and NSAIDs in combination with the Device, or the Other Products and together with XIPERE, the Products, subject to specified exceptions, in the United States and Canada, or the Original Territory, for the treatment of ophthalmology indications, including non-infectious uveitis. Pursuant to the Amendment, we granted Bausch the Option, which may be exercised any time before the earlier of regulatory approval of XIPERE in the United States and August 31, 2021.

Pursuant to the Bausch License Agreement, in October 2019, Bausch paid us an upfront payment of $5.0 million, or the Upfront Payment, which is subject to a refund if the Bausch License Agreement is terminated in specified circumstances. In addition, Bausch has agreed to make additional payments of up to $15.0 million upon the achievement of specified pre-launch development and regulatory milestones, or the Pre-Launch Milestone Payments, and up to an aggregate of $57.3 million in additional milestone payments upon the achievement of (i) specified regulatory approvals for specified additional indications of XIPERE (including certain regulatory and commercial milestones if Bausch exercises its Option in the European Union) and (ii) specified levels of annual net sales (as defined in the Bausch License Agreement). Further, during the applicable royalty term, we will also be entitled to receive tiered royalties at increasing percentages, from the high-teens to twenty percent, based on XIPERE achieving certain annual net sales thresholds in the Original Territory, as well as a lower royalty on annual net sales of Other Products in the Original Territory and on annual net sales of XIPERE in the Additional Regions if Bausch exercises its Option, in each case subject to reductions in specified circumstances; provided that we will not receive any royalties on the first $45.0 million of cumulative net sales of all products in the Original Territory.

We are responsible for all development expenses for XIPERE in the Original Territory until the NDA for XIPERE is approved by the FDA, subject to specified exceptions, as well as manufacturing costs in connection with the NDA. We are also responsible for all clinical and development expenses conducted to satisfy the FDA's requests in the CRL and any subsequent complete response letter related to the NDA, or the CRL-related expenses. If XIPERE is approved by the FDA, Bausch will be responsible for all expenses following such approval; provided that we will be responsible for the CRL-related expenses and for half of the costs of any post-approval clinical trials required by the FDA, up to a specified maximum amount.

During the term of the Bausch License Agreement, and in the Territory, the we have agreed not to (i) develop or commercialize XIPERE alone or in combination with an Other Device (as defined in the Bausch License Agreement) in the licensed field, (ii) develop or commercialize any corticosteroid with the Device or an Other Device in the licensed field, (iii) develop or commercialize the Device or an Other Device with any active pharmaceutical ingredient for non-infectious uveitis or macular edema associated with non-infectious uveitis, including with any Other Drug (as defined in the Bausch License Agreement, which are restricted to those steroids, corticosteroids and non-steroidal anti-inflammatory drugs which are specifically identified in the Bausch License Agreement), (iv) develop or commercialize any Other Drug in combination with the Device and (v) commercialize any Other Device for achieving non-surgical access to the suprachoroidal space where such device is sold as a stand-alone product, subject to specified exceptions. The Bausch License Agreement will expire upon expiration of the royalty terms for all Products and countries in the Territory, with each royalty term for a given Product and country ending on the latest of (a) the date of expiration of the last-to-expire valid claim of any licensed patent rights covering such Product in such country in the Territory, (b) the date of the loss of regulatory exclusivity for such Product in such country in the Territory, or (c) ten years from the later of the first sale of such Product in such country in the Territory. For a specified period of time, Bausch may terminate the Bausch License Agreement immediately and have the Upfront Payment refunded if the FDA has not approved the XIPERE NDA by August 31, 2021. Following the payment of the Pre-Launch Milestone Payments, Bausch may also terminate the License Agreement for convenience upon 180 days' written notice.

In addition, we can terminate the Bausch License Agreement if Bausch commences a legal action challenging the validity, enforceability or scope of any of the licensed patents. If the FDA requires an additional clinical trial prior to approving the NDA for XIPERE and we notify Bausch that we will not conduct the trial at our expense, then Bausch may terminate the Bausch License Agreement and have the Upfront Payment refunded within 60 days of the receipt of such notice us. Both parties may terminate the Bausch License Agreement (x) upon a material breach of the Bausch License Agreement, subject to a specified cure period and specified exceptions, or (y) if the other party encounters bankruptcy or insolvency. Upon termination (other than for a material breach by us or bankruptcy or insolvency event of ours), all licenses and other rights granted by us to Bausch pursuant to the Bausch License Agreement would revert to the us.

Impact of COVID-19 on Our Business

We have been actively monitoring the novel coronavirus, or COVID-19, situation and its impact globally. Our financial results for the three months ended March 31, 2020 were not impacted by COVID-19, and we currently do not expect any material impact on our financial results for the quarter ending June 30, 2020. We continue to operate normally with the exception of enabling our employees to work productively from home and abiding by travel restrictions issued by federal and local governments. As previously reported, the operations of our CMO for XIPERE, have been impacted and our CMO is limiting daily operation with more restricted work schedules and other limitations and precautions needed to protect its employees. This has impacted the timing of their ability to complete the necessary corrective actions to resolve the issue affecting their filling line equipment, and therefore, the expected timing of our planned NDA resubmission for XIPERE, which is now anticipated to occur in the fourth quarter of 2020.

If the COVID-19 pandemic continues, we may experience other disruptions that could severely impact our business, results of operations and prospects. The extent to which COVID-19 may impact our business, preclinical development and clinical trials will depend on future developments, which are highly uncertain and cannot be predicted, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing in the United States and other countries, business closures or business disruptions and the effectiveness of actions taken in the United States and other countries to contain and treat the disease.

Components of Operating Results

Revenue

We have not generated any revenue from the sale of any drugs, and we do not expect to generate any product revenue unless or until we obtain regulatory approval of and commercialize our product candidates, either on our own or with a third party. Our revenue in recent periods has been generated primarily from our license agreements. We are seeking to enter into additional license and other agreements with third parties to evaluate the potential use of our proprietary SCS Microinjector with the third party's product candidates for the treatment of various eye diseases. These agreements may include payments to us for technology access, upfront license payments, regulatory and commercial milestone payments and royalties.

Research and Development

Since our inception, we have focused on our development programs. Research and development expenses consist primarily of costs incurred for the research and development of our preclinical and clinical product candidates, which include:

- employee-related expenses, including salaries, benefits, travel and share-based compensation expense for research and development personnel;
- expenses incurred under agreements with contract research organizations, or CROs, as well as contract manufacturing organizations and consultants that conduct clinical trials and preclinical studies;
- costs associated with nonclinical activities and development activities;
- costs associated with submitting regulatory approval applications for our product candidates;
- costs associated with training physicians on the suprachoroidal injection procedure and educating and providing them with appropriate product candidate information;
- costs associated with technology and intellectual property licenses;
- costs for our research and development facility; and
- depreciation expense for assets used in research and development activities.

We expense research and development costs to operations as incurred. These costs include preclinical activities, such as manufacturing and stability and toxicology studies, that are supportive of a product candidate itself. In addition, there are expenses related to clinical trials and similar activities for each program, including costs associated with CROs. Clinical costs are recognized

based on the terms of underlying agreements, as well as an evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations and additional information provided to us by our vendors about their actual costs occurred. Expenses related to activities that support more than one development program or activity, such as salaries, share-based compensation and depreciation, are not classified as direct preclinical costs or clinical costs and are separately classified as unallocated.

The following table shows our research and development expenses by program, including those that have been discontinued, for the three months ended March 31, 2020 and 2019 (in thousands).

	Three Months Ended March 31,	
	2020	2019
XIPERE (uveitis program)	$ 613	$ 1,183
XIPERE (RVO program)	17	6,802
CLS-AX (wet AMD program)	385	—
Total	1,015	7,985
Unallocated	2,796	2,982
Total research and development expense	$ 3,811	$ 10,967

Our expenses related to clinical trials are based on estimates of patient enrollment and related expenses at clinical investigator sites as well as estimates for the services received and efforts expended under contracts with research institutions, consultants and CROs that conduct and manage clinical trials on our behalf. We generally accrue expenses related to clinical trials based on contracted amounts applied to the level of patient enrollment and activity according to the protocol. If future timelines or contracts are modified based upon changes in the clinical trial protocol or scope of work to be performed, we would modify our estimates of accrued expenses accordingly on a prospective basis.

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. It is difficult to determine with certainty the duration and completion costs of our current or future preclinical programs and clinical trials of our product candidates, or if, when or to what extent we will generate revenues from the commercialization and sale of any of our product candidates that obtain regulatory approval. We may never succeed in achieving regulatory approval for any of our product candidates.

The duration, costs and timing of clinical trials and development of our product candidates will depend on a variety of factors that may include, among others:

- the costs associated with process development, scale-up and manufacturing of XIPERE and the SCS Microinjector in support of filings for regulatory approval;
- the number of trials required for approval and any requirement for extension trials;
- per patient trial costs;
- the number of patients that participate in the trials;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the number of doses that patients receive;
- the impact on the timing of our clinical trials due to the COVID-19 pandemic;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring or other studies requested by regulatory agencies;
- the duration of patient follow-up; and
- the efficacy and safety profiles of the product candidates.

In addition, the probability of success for each product candidate will depend on numerous factors, including competition, manufacturing capability and commercial viability. We will determine which programs to pursue and how much to fund each program in response to the scientific and clinical success of each product candidate, as well as an assessment of each product candidate’s commercial potential.

General and Administrative

General and administrative expenses consist primarily of salaries and other related costs, including share-based compensation, for personnel in executive, finance and administrative functions. General and administrative costs historically included commercial pre-launch preparations for XIPERE, and also include facility related costs not otherwise included in research and development expenses, as well as professional fees for legal, patent, consulting, and accounting and audit services.

Other Income (Expense)

Other income consists of interest income earned on our cash and cash equivalents and short-term investments. Interest income is not considered significant to our financial statements.

Other expense consists of interest expense incurred under our loan agreements.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. The preparation of these financial statements requires us to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the dates of the balance sheets and the reported amounts of expenses during the reporting periods. In accordance with U.S. GAAP, we evaluate our estimates and judgments on an ongoing basis. Significant estimates include assumptions used in the determination of share-based compensation and some of our research and development expenses. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We define our critical accounting policies as those accounting principles generally accepted in the United States of America that require us to make subjective estimates and judgments about matters that are uncertain and are likely to have a material impact on our financial condition and results of operations, as well as the specific manner in which we apply those principles. During the three months ended March 31, 2020, there were no significant changes to our critical accounting policies disclosed in our audited financial statements for the year ended December 31, 2019, which are included in our Annual Report on Form 10-K, as filed with the SEC on March 13, 2020.

Results of Operations for the Three Months Ended March 31, 2020 and 2019

The following table sets forth our results of operations for the three months ended March 31, 2020 and 2019.

	Three Months Ended March 31,		Period-to-Period
	2020	2019	Change
	(in thousands)		
License and other revenue	$ 4,097	$ 45	$ 4,052
Operating expenses:			
Research and development	3,811	10,967	(7,156)
General and administrative	3,122	4,384	(1,262)
Total operating expenses	6,933	15,351	(8,418)
Loss from operations	(2,836)	(15,306)	12,470
Other expense	(75)	(98)	23
Net loss	$ (2,911)	$ (15,404)	$ 12,493

Revenue. In the three months ended March 31, 2020, we recognized $4.1 million of revenue associated with our license agreements, primarily the result of the $4.0 million upfront payment from Arctic Vision in March 2020. In the three months ended March 31, 2019, we recognized $45,000 of revenue associated with other agreements.

Research and development. Research and development expense decreased by $7.2 million, from $11.0 million for the three months ended March 31, 2019 to $3.8 million for the three months ended March 31, 2020. This was primarily attributable to a $6.8 million decrease due to the closing costs in the prior year of two late-stage clinical trials, SAPPHIRE and TOPAZ, that were part of our RVO program that has been discontinued. Additionally, there was a $0.2 million decrease in expenses related to completion of the PEACHTREE trial, a $0.4 million decrease in costs related to device and drug manufacturing and a $0.6 million decrease in employee-related costs. These decreases were partially offset by a $0.4 million increase in costs for preclinical work on potential product candidates.

General and administrative. General and administrative expenses decreased by $1.3 million, from $4.4 million for the three months ended March 31, 2019 to $3.1 million for the three months ended March 31, 2020. This was primarily attributable to a decrease of $1.4 million in marketing-related expenses related to the change of our business strategy to seek partners for XIPERE rather than commercialize XIPERE on our own, partially offset by an increase of $0.2 million in directors and officers insurance premiums.

Other expense. Other expense for each of the three months ended March 31, 2020 and 2019 primarily consisted of interest on long-term debt, the amortization of financing costs, the accretion of warrants and the final payment related to our loan agreements, offset in part by interest income from our short-term investments. The decrease from 2019 to 2020 was the result of lower interest expense due to a $5.0 million principal payment on our long-term debt in October 2019.

Liquidity and Capital Resources

Sources of Liquidity

We have funded our operations primarily through the proceeds of public offerings of our common stock, sales of convertible preferred stock and the issuance of long-term debt. As of March 31, 2020, we had cash and cash equivalents of $20.9 million. We invest any cash in excess of our immediate requirements primarily with a view to liquidity and capital preservation. As of March 31, 2020, our funds were held in cash and money market funds.

On April 20, 2020, we entered into a loan agreement with Silicon Valley Bank under the terms of which Silicon Valley bank loaned us $1.0 million, or the PPP Loan, pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act. In accordance with the requirements of the CARES Act, we intend to use the proceeds primarily for payroll costs. The PPP Loan is scheduled to mature on April 20, 2022, has a 1.00% interest rate, and is subject to the terms and conditions applicable to all loans made pursuant to the Paycheck Protection Program as administered by the Small Business Administration, or SBA, under the CARES Act.

On March 10, 2020, we entered into the Arctic License Agreement. Pursuant to the Arctic License Agreement, we granted an exclusive license to Artic Vision to develop, distribute, promote, market and commercialize XIPERE, subject to specified exceptions, in the Arctic Territory. Pursuant to the Arctic License Agreement, Arctic Vision has agreed to pay us up to a total of $35.5 million. This amount includes an upfront payment of $4.0 million as well as an aggregate of up to $31.5 million in development milestone payments for specified events prior to and including receipt of approval of XIPERE in the United States and sales milestone payments for achievement of specified levels of net sales. Further, during the applicable royalty term, we will also be entitled to receive tiered royalties of ten to twelve percent of net sales based on achieving certain annual net sales thresholds in the Arctic Territory, subject to customary reductions.

In October 2019, we received $5.0 million pursuant to the Bausch License Agreement.

On May 14, 2018, we entered into a loan and security agreement with Silicon Valley Bank and MidCap Financial Services, or collectively the Lenders, which amended and restated in its entirety a prior loan and security agreement with the Lenders. The loan and security agreement, as amended to date, or the Loan Agreement, provided for term loans of up to $20.0 million in the aggregate, with a floating interest rate equal to 6.5% plus the greater of (i) the 30-day U.S. LIBOR, as reported in the Wall Street Journal on the last business day of the month that immediately precedes the month in which the interest will accrue or (ii) 1.89%.We borrowed an initial tranche of $10.0 million on May 14, 2018, of which $7.0 million was used to repay all amounts outstanding under the amended and restated loan and security agreement, including the fees payable in connection with the final payment. The prepayment fees were waived. Of the remaining $10.0 million capacity originally contemplated, $5.0 million became available but we elected not to draw it, and the other $5.0 million did not become available for draw. On October 18, 2019, we entered into an amendment to the Loan Agreement and repaid $5.0 million of the outstanding principal balance. We did not pay any final payment or termination fees in connection with the $5.0 million prepayment. On May 7, 2020, due to various restrictions and other limiting covenants of the current Loan Agreement with the Lenders, we elected to make an early payoff of our outstanding $5.0 million principal balance, plus $0.3 million reflecting the final payment fee and accrued interest. We intend to pursue a new debt facility to replace some or all of the repaid loan in order to meet future financial needs.

Under the Loan Agreement, we were required to pay accrued interest only on the $5.0 million remaining outstanding balance through October 31, 2020, followed by consecutive equal monthly payments of principal and interest in arrears continuing through the maturity date of October 1, 2022. We had the option to prepay the outstanding balance in full, subject to a prepayment fee of 2% of the original principal amount for any prepayment prior to October 1, 2022. A final payment of 5.50% of the aggregate borrowed amount would have been due at maturity of the loan on October 1, 2022, or upon the prepayment of the facility or the acceleration of amounts due under the facility as a result of an event of default. In addition, we agreed that if our cash and cash equivalents balance with Silicon Valley Bank falls below $10.0 million, we would transfer to a pledged account an amount of cash and cash equivalents equal to the sum of the then-outstanding principal balance of the term loan plus a final payment fee of $0.3 million.

The amounts due under the Loan Agreement were secured by substantially all of our assets.

On June 30, 2017, we entered into an at-the-market sales agreement, or the ATM agreement, with Cowen and Company LLC, or Cowen, under which we may offer and sell, from time to time at our sole discretion, shares of our common stock having an aggregate offering price of up to $50.0 million through Cowen acting as our sales agent. During the three months ended March 31, 2020, we sold 0.5 million shares of our common stock for net proceeds of $1.2 million under the ATM agreement.

Funding Requirements

Our primary uses of capital are, and we expect will continue to be, compensation and related expenses, ongoing costs related to our NDA submission for XIPERE, research and development costs to build our product candidate pipeline, legal and other regulatory expenses and general overhead costs.

The successful development of our product candidates is highly uncertain. As such, at this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the remainder of the development of XIPERE or any future product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from product sales. This is due to the numerous risks and uncertainties associated with developing drugs, including the uncertainty of:

- successful enrollment in, and completion of, clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates; and
- launching commercial sales of the products, if and when approved, whether alone or in collaboration with others.

A change in the outcome of any of these variables with respect to the development of any of our product candidates would significantly change the costs and timing associated with the development of that candidate.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings and potential collaboration, license and development agreements. Other than potential payments we may receive under our license and other agreements, we do not currently have any committed external source of funds, though, as described above, we may also be able to sell our common stock under the ATM agreement with Cowen subject to the terms of that agreement and depending on market conditions. We expect that we will require additional capital to fund our ongoing operations. Additional funds may not be available to us on a timely basis, on commercially reasonable terms, or at all. Our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions and the recent disruptions to, and volatility in, the credit and financial markets in the United States and worldwide resulting from the ongoing COVID-19 pandemic. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise funds through additional collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, including any future collaboration or licensing arrangement for XIPERE outside of the territories in which we've licensed or granted options to license XIPERE to our existing partners, we may be required to relinquish additional 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 additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our drug development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

We also incur costs as a public company, including costs and expenses for fees to members of our board of directors, accounting and finance personnel costs, directors and officers insurance premiums, audit and legal fees, investor relations fees and expenses for compliance with reporting requirements under the Exchange Act and rules implemented by the SEC and Nasdaq.

Outlook

We have suffered recurring losses and negative cash flows from operations since inception and anticipate incurring additional losses until such time, if ever, that we can obtain FDA approval to market and then generate significant revenue from XIPERE. We will need additional financing to fund our operations. These conditions raise substantial doubt about our ability to continue as a going concern within one year after the date of this report. We have plans to mitigate this going concern risk, which primarily consist of raising additional capital, potentially in a combination of equity or debt financings, and by the receipt of future milestone payments from our license agreements.

Based on our current plans and forecasted expenses, we expect that our cash and cash equivalents as of March 31, 2020 will enable us to fund our operating expenses and capital expenditure requirements into the second quarter of 2021. This estimate gives effect to additional development milestone payments we might receive under our license agreements. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our capital resources sooner than we expect.

Our financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result should we be unable to continue as a going concern.

Cash Flows

The following is a summary of the net cash flows provided by (used in) our operating, investing and financing activities (in thousands):

	Three Months Ended March 31,	
	2020	**2019**
Net cash (used in) provided by:		
Operating activities	$ (2,803)	$ (12,653)
Investing activities	(55)	30,932
Financing activities	1,193	6,628
Net change in cash and cash equivalents	$ (1,665)	$ 24,907

During the three months ended March 31, 2020 and 2019, our operating activities used net cash of $2.8 million and $12.7 million, respectively. The use of cash in each period primarily resulted from our net losses. The decrease in net loss for the three months ended March 31, 2020 as compared to the three months ended March 31, 2019 was primarily attributable to lower research and development expenses as a result of the discontinuation of the SAPPHIRE and TOPAZ trials and commercialization activities. The three months ended March 31, 2020 also included a net cash outflow of $1.1 million from the decrease in our accrued liabilities balance, which was the result of payments we made in connection with accrued employee costs.

During the three months ended March 31, 2020, our net cash used in investing activities was for the purchase of equipment. During the three months ended March 31, 2019, our net cash provided by investing activities was $30.9 million due to maturities of short-term, available-for-sale investments.

During the three months ended March 31, 2020 and 2019, our net cash provided by financing activities was $1.2 million and $6.6 million, respectively. The net cash provided by financing activities for each period was comprised of net proceeds from the sales of shares of common stock under the ATM agreement.

Contractual Obligations

As of March 31, 2020, there were no significant changes to our contractual obligations from those presented as of December 31, 2019 in our Annual Report on Form 10-K. Subsequent to March 31, 2020, the Loan Agreement was paid in full as described above.

Off-Balance Sheet Arrangements

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

Recent Accounting Pronouncements

See Item 1, “Financial Statements – Note 2, Significant Accounting Policies” for a discussion of recent accounting pronouncements and their effect on us.

JOBS Act

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Section 107(b) of the JOBS Act provides that an emerging growth company can take advantage of an extended transition period 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. We have irrevocably elected not to avail ourselves of this extended transition period, and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The market risk inherent in our financial instruments and in our financial position represents the potential loss arising from adverse changes in interest rates. As of March 31, 2020 and December 31, 2019, we had cash and cash equivalents of $20.9 million and $22.6 million, respectively. We generally hold our cash in interest-bearing money market accounts. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. Due to the short-term maturities of our cash equivalents and the low risk profile of our investments, an immediate 100 basis point change in interest rates would not have a material effect on the fair market value of our cash equivalents and short-term investments.

We do not engage in any hedging activities against changes in interest rates. Our outstanding debt instruments carried a floating interest rate that is 6.5% plus the greater of (i) the 30-day U.S. LIBOR, reported in the Wall Street Journal on the last business day of the month that immediately precedes the month in which the interest will accrue or (ii) 1.89%. Based on the current outstanding balance under the Loan Agreement, a 100 basis point increase in the LIBOR rate would result in a $50,000 increase in annual interest expense.

We do not have any foreign currency or other material derivative financial instruments.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), refers to controls and procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to a company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

In designing and evaluating our disclosure controls and procedures, management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any system of controls also 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 control system, misstatements due to error or fraud may occur and not be detected.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report at the reasonable assurance level.

Changes in Internal Controls over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended March 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal controls over financial reporting despite the fact that many of our employees are working remotely due to the COVID-19 pandemic. We are continually monitoring and assessing the COVID-19 situation on our internal controls to minimize the impact on their design and operating effectiveness.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be subject to litigation and claims arising in the ordinary course of business. We are not currently a party to any material legal proceedings and we are not aware of any pending or threatened legal proceeding against us that we believe could have a material adverse effect on our business, operating results, cash flows or financial condition.

Item 1A. Risk Factors

Our business is subject to risks and events that, if they occur, could adversely affect our financial condition and results of operations and the trading price of our securities. Such risks may be amplified by the COVID-19 pandemic and its potential impact on our business and the global economy. In addition to the other information set forth in this quarterly report on Form 10-Q, you should carefully consider the factors described below and in "Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed with the Securities and Exchange Commission on March 13, 2020. Except as described below, there have been no material changes to the risk factors described in that report.

Our CMO for XIPERE is delayed in completing certain manufacturing activities requested by the FDA which impact its ability to produce data necessary for the resubmission of the NDA for XIPERE. As a result, the timing of regulatory approval for XIPERE is uncertain, and we may never obtain regulatory approval for XIPERE in the United States.

On October 18, 2019, the FDA issued a CRL regarding the NDA for XIPERE, indicating that their review was complete and the NDA was not ready for approval in its present form. In its CRL, the FDA requested additional stability data for the triamcinolone acetonide suspension and re-inspection of the drug manufacturer, among other things.

In November 2019, we were informed by our CMO for XIPERE that the FDA requested that the manufacturer complete certain manufacturing activities not specifically related to XIPERE within its facility. The CMO has informed us that these manufacturing activities continue to impact the timing of its production. Although extensive progress has been made, there remain unresolved issues affecting the proper functioning of the CMO's filling line equipment which must be resolved in order to produce the stability batches to generate the data necessary for the resubmission of the NDA for XIPERE. As a result, and due in part to COVID-19 related challenges that have impacted work schedules, the CMO has informed us that there will be a delay in completing the necessary corrective action. Based on this current information, we expect to resubmit the NDA for XIPERE in the fourth quarter of 2020.

The timeline for resolution of the issues affecting the CMO's ability to complete the activities necessary to produce the stability batches which are required for the resubmission of the NDA for XIPERE is uncertain, and the CMO may be unable to resolve these issues. As a result, the timing of regulatory approval for XIPERE is uncertain, and we may never obtain regulatory approval for XIPERE in the United States. If we do not obtain regulatory approval for XIPERE or are further delayed in obtaining such approval, it would have a material adverse effect on our operations and financial condition.

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

In December 2019, a novel strain of coronavirus, SARS-CoV-2, causing COVID-19, was initially reported and has since been declared a pandemic by the World Health Organization. The COVID-19 pandemic has resulted in travel and other restrictions in order to reduce the spread of the disease, including state and local orders across the country, which, among other things, direct individuals to shelter at their places of residence, direct businesses and governmental agencies to cease non-essential operations at physical locations, prohibit certain non-essential gatherings, and order cessation of non-essential travel. In response to these public health directives and orders, we have implemented work-from-home policies for our employees. The effects of the executive orders, the shelter-in-place orders and our work-from-home policies may negatively impact productivity, disrupt our business and delay our clinical programs and timelines, the magnitude of which will depend, in part, on the length and severity of the restrictions and other limitations on our ability to conduct our business in the ordinary course. These and similar, and perhaps more severe, disruptions in our operations could negatively impact our business, operating results and financial condition.

Quarantines, shelter-in-place and similar government orders and employer restrictions related to COVID-19 may adversely impact our business operations and the business operations. For example, our CMO for XIPERE is limiting daily operations with more restricted work schedules and other limitations and precautions needed to protect its employees which has contributed to delays in completing the requalification activities within its facility that are necessary to produce the required stability batches to generate the data necessary for the resubmission of the NDA for XIPERE. As a result of these delays, we now expect to resubmit the XIPERE NDA in the fourth quarter of 2020.

In addition, our clinical trials and those of our licensing partners may be affected by the COVID-19 pandemic. For example, clinical site initiation and patient enrollment may be delayed due to prioritization of hospital resources toward the COVID-19 pandemic. Some patients may not be able to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services. Similarly, our ability, or that of our licensing partners, to recruit and retain patients and principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19 may be impaired, which could adversely impact our clinical trial operations or those of our licensing partners and, as a result, negatively affect our ability to receive regulatory and development milestones under our license agreements.

The spread of COVID-19, which has caused a broad impact globally, may materially affect us economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect our business and the value of our common stock.

The global pandemic of COVID-19 continues to rapidly evolve. The extent to which the COVID-19 pandemic impacts our business, our clinical development and regulatory efforts and those of our licensing partners will depend on future developments that are highly uncertain and cannot be predicted with confidence, such as the duration of the outbreak, travel restrictions, quarantines, social distancing requirements and business closures in the United States and other countries, and business disruptions, and the effectiveness of actions taken in the United States and other countries to contain and treat the disease. Accordingly, we do not yet know the full extent of potential delays or impacts on our business, our clinical and regulatory activities, healthcare systems or the global economy as a whole.

We may not be entitled to forgiveness of our recently received PPP Loan, and our application for the PPP Loan could in the future be determined to have been impermissible or could result in damage to our reputation.

On April 20, 2020, we received proceeds of $1.0 million from a loan under the Paycheck Protection Program of the CARES Act, a portion of which may be forgiven, which we intend to use to retain employees, maintain payroll and make lease and utility payments. The PPP Loan matures on April 20, 2022 and bears annual interest at a rate of 1.0%. Commencing November 20, 2020, we are required to pay the lender equal monthly payments of principal and interest as required to fully amortize by April 20, 2022 any principal amount outstanding on the PPP Loan as of October 20, 2020. A portion of the PPP Loan may be forgiven by the SBA upon our application beginning 60 days but not later than 120 days after loan approval and upon documentation of expenditures in accordance with the SBA requirements. Under the CARES Act, loan forgiveness is available for the sum of documented payroll costs, covered rent payments, covered mortgage interest and covered utilities during the eight week period beginning on the date of loan approval. Not more than 25% of the forgiven amount may be for non-payroll costs. The amount of the PPP Loan eligible to be forgiven is reduced if our full-time headcount declines or if salaries and wages for employees with salaries of $100,000 or less annually are reduced by more than 25%. We will be required to repay any portion of the outstanding principal that is not forgiven, along with accrued interest, in accordance with the amortization schedule described above, and we cannot provide any assurance that we will be eligible for loan forgiveness or that any amount of the PPP Loan will ultimately be forgiven by the SBA.

In order to apply for the PPP Loan, we were required to certify, among other things, that the current economic uncertainty made the PPP Loan request necessary to support our ongoing operations. We made this certification in good faith after analyzing, among other things, our financial situation and access to alternative forms of capital, and believe that we satisfied all eligibility criteria for the PPP Loan, and that our receipt of the PPP Loan is consistent with the broad objectives of the Paycheck Protection Program of the CARES Act. The certification described above does not contain any objective criteria and is subject to interpretation. However, on April 23, 2020, the SBA issued guidance stating that it is unlikely that a public company with substantial market value and access to capital markets will be able to make the required certification in good faith. The lack of clarity regarding loan eligibility under the Paycheck Protection Program has resulted in significant media coverage and controversy with respect to public companies applying for and receiving loans. If, despite our good-faith belief that we satisfied all eligible requirements for the PPP Loan, we are later determined to have violated any of the laws or governmental regulations that apply to us in connection with the PPP Loan, such as the False Claims Act, or it is otherwise determined that we were ineligible to receive the PPP Loan, we may be subject to penalties, including significant civil, criminal and administrative penalties, and could be required to repay the PPP Loan in its entirety. In addition, our receipt of the PPP Loan may result in adverse publicity and damage to our reputation, and a review or audit by the SBA or other government entity or claims under the False Claims Act could consume significant financial and management resources.

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

(a) Sales of Unregistered Securities

None.

Item 6. Exhibits

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-37783) filed with the SEC on June 7, 2016).
3.2	Amended and Restated Bylaws (incorporated herein by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K (File No. 001-37783) filed with the SEC on June 7, 2016).
10.1*#	Consent and Fifth Amendment to Second Amended and Restated Loan and Security Agreement, by and between the Registrant and Silicon Valley Bank, dated as of March 11, 2020.
10.2*#	License Agreement, by and between the Registrant and Arctic Vision (Hong Kong) Limited, dated as of March 10, 2020.
10.3	Separation Agreement, by and between the Registrant and Brion Raymond, dated as of January 3, 2020 (incorporated herein by reference to Exhibit 10.31 to the Registrant's Annual Report on Form 10-K (File No. 001-37783) filed with the SEC on March 13, 2020).
10.4	Consulting and Independent Contractor Agreement, by and between the Registrant and Brion Raymond, dated as of January 3, 2020 (incorporated herein by reference to Exhibit 10.32 to the Registrant's Annual Report on Form 10-K (File No. 001-37783) filed with the SEC on March 13, 2020).
31.1*	Certification of Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act.
31.2*	Certification of Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act.
32.1**	Certifications of Principal Executive Officer and Principal Financial Officer under Section 906 of the Sarbanes-Oxley Act.
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

* Filed herewith.

** These certifications are being furnished solely to accompany this quarterly report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

The schedules and exhibits to this agreement have been omitted, but will be furnished to the Securities and Exchange Commission upon request.

Pursuant to Item 601(b)(10)(iv) of Regulation S-K promulgated by the Securities and Exchange Commission, certain portions of this exhibit have been redacted. The Registrant hereby agrees to furnish supplementally to the Securities and Exchange Commission, upon its request, an unredacted copy of this exhibit.

SIGNATURES

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

Clearside Biomedical, Inc.

Date: May 8, 2020

By: */s/ Charles A. Deignan*
Charles A. Deignan
Chief Financial Officer
(On behalf of the Registrant and as
Principal Financial Officer)

CONSENT AND FIFTH AMENDMENT TO SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

This **CONSENT AND FIFTH AMENDMENT** to Second Amended and Restated Loan and Security Agreement (this "Amendment") is entered into as of March 11, 2020, by and among **SILICON VALLEY BANK**, a California corporation ("Bank"), as collateral agent (in such capacity, "Collateral Agent"), Bank in its capacity as a Lender, and the other Lenders party to that certain Second Amended and Restated Loan and Security Agreement dated as of May 14, 2018 (as the same may from time to time be amended, modified, supplemented or restated, including without limitation by that certain Consent and First Amendment to Second Amended and Restated Loan and Security Agreement dated as of July 3, 2019, that certain Consent and Second Amendment to Second Amended and Restated Loan and Security Agreement dated as of August 29, 2019, that certain Third Amendment to Second Amended and Restated Loan and Security Agreement dated as of October 18, 2019, and that certain Consent and Fourth Amendment to Second Amended and Restated Loan and Security Agreement dated as of October 22, 2019, collectively, the "Loan Agreement") (together with Bank, each a "Lender" and collectively, the "Lenders"), and **CLEARSIDE BIOMEDICAL, INC.**, a Delaware corporation ("Borrower").

RECITALS

A. Lenders have extended credit to Borrower for the purposes permitted in the Loan Agreement.

B. Borrower has informed Lenders that it desires to grant an exclusive license to Arctic Vision (Hong Kong) Limited, with a principal place of business at 23/F Nan Fung Tower 88 Connaught Road C & 173 Des Voeux Road C Central HK ("Arctic Vision"), to develop, manufacture, have manufactured, distribute, promote, market, and otherwise commercialize the Licensed Products (as such term is defined in the License Agreement) in (i) Mainland China, (ii) Taiwan, (iii) Hong Kong, (iv) South Korea, and (v) Macau, pursuant to the terms of that certain License Agreement by and among Borrower, Arctic Vision, and solely with respect to Section 17.11 of the License Agreement (Guaranty), Arctic Vision (Cayman) Limited with a principal place of business at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands, dated as of March 10, 2020 and attached hereto as Annex I (the "License Agreement"). In connection therewith, Arctic Vision has agreed, among other things, to pay to Borrower an upfront payment in the amount of Four Million Dollars ($4,000,000) plus various conditional payments and royalties.

C. Section 7.1 of the Loan Agreement provides that Borrower shall not convey, sell, lease, transfer, assign, or otherwise dispose of all or any part of its business or property without Lenders' prior written consent. Section 7.5 of the Loan Agreement provides that Borrower shall not create, incur allow or suffer any Lien on its property or agree with any Person not to encumber its Intellectual Property except to the extent permitted under Section 7.1 of the Loan Agreement or in the definition of "Permitted Liens" contained therein.

D. Borrower has requested that Lenders consent to Borrower's entry into and performance of the License Agreement and agree that entry into and performance under the License Agreement will not violate sections 7.1 or 7.5 of the Loan Agreement.

E. Lenders have agreed to so consent to Borrower's entry into the License Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Consent. Subject to the terms of Section 8 below, Lenders hereby consent to Borrower's entry into and performance of the License Agreement attached as Annex I to this Amendment (without giving effect to any subsequent amendments or changes thereto).

3. Amendments to Loan Agreement.

3.1 Section 14.1 (Definitions). The following defined terms and their respective definitions hereby are added or amended and restated in their entirety, as appropriate, in Section 14.1 of the Loan Agreement to read in their entirety to read as follows:

"**Arctic Vision License**" means that certain License Agreement by and among Borrower, Arctic Vision (Hong Kong) Limited, with a principal place of business at 23/F Nan Fung Tower 88 Connaught Road C & 173 Des Voeux Road C Central HK ("**Arctic Vision**"), and solely with respect to Section 17.11 of the License Agreement (Guaranty), Arctic Vision (Cayman) Limited with a principal place of business at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands, dated as of March 10, 2020 as attached as Annex I to the Fifth Amendment (without giving effect to any subsequent amendments or changes thereto), pursuant to which Borrower has granted Arctic Vision an exclusive license to develop, manufacture, have manufactured, distribute, promote, market, and otherwise commercialize Licensed Products (as such term is defined therein) in (i) Mainland China, (ii) Taiwan, (iii) Hong Kong, (iv) South Korea, and (v) Macau.

"**Fifth Amendment**" means that certain Consent and Fifth Amendment to Second Amended and Restated Loan and Security Agreement by and among Collateral Agent, Lenders, and Borrower dated as of the Fifth Amendment Effective Date.

"**Fifth Amendment Effective Date**" is March 11, 2020.

"**Permitted License**" is (a) any non-exclusive license of patent rights of Borrower or its Subsidiaries so long as all such Permitted Licenses are granted to third parties in the ordinary course of business, do not result in a legal transfer of title to the licensed property, and have been granted in exchange for fair consideration, (b) any exclusive license of patent rights of Borrower or its Subsidiaries so long as such Permitted Licenses do not result in a legal transfer of title to the licensed property, are exclusive solely as to discrete geographical areas outside of the United States, and have been granted in exchange for fair consideration, (c) the Aura License, (d) the Regenxbio License, (e) the Bausch Health License, and (f) the Arctic Vision License.

4. Representations and Warranties. To induce Lenders to enter into this Amendment, Borrower hereby represents and warrants to Lenders as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Lenders on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect.

5. Integration. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

6. Ratification of Intellectual Property Security Agreement. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of a certain Intellectual Property Security Agreement dated as of August 29, 2019 between Borrower and Bank, and acknowledges, confirms and agrees that said Intellectual Property Security Agreement (a) contains an accurate and complete listing of all Intellectual Property Collateral (as defined therein) and (b) shall remain in full force and effect.

7. Ratification of Perfection Certificate. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and disclosures contained in a certain Perfection Certificate dated on or prior to the Effective Date and acknowledges, confirms and agrees that the disclosures and information Borrower provided to Lenders in such Perfection Certificate have not changed, as of the date hereof.

8. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

9. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Lenders of (i) this Amendment by each party hereto, and (ii) a fully-executed copy the License Agreement together with all other documents entered into in connection therewith, and (b) Borrower's payment to Lenders of all Lenders' Expenses due and owing as of the date hereof, which may be debited from any of Borrower's accounts at Bank.

10. Governing Law. This Amendment and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of California.

[*Balance of Page Intentionally Left Blank*]

In Witness Whereof, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BORROWER:

CLEARSIDE BIOMEDICAL, INC.

By /s/Charles A. Deignan
Name: Charles A. Deignan
Title: CFO

COLLATERAL AGENT AND LENDER:

SILICON VALLEY BANK

By /s/ M. Scott McCarty
Name: M. Scott McCarty
Title: Director

LENDERS:

ELM 2016-1 TRUST

By: MidCap Financial Services Capital Management, LLC, as Servicer

By /s/ John O'Dea
Name: John O'Dea
Title: Authorized Signatory

ELM 2018-2 TRUST, as Assignee

By: MidCap Financial Services Capital Management, LLC, as Servicer

By /s/ John O'Dea
Name: John O'Dea
Title: Authorized Signatory

ANNEX 1

LICENSE AGREEMENT

[*See attached*]

LICENSE AGREEMENT

BY AND BETWEEN

CLEARSIDE BIOMEDICAL, INC.

AND

ARCTIC VISION (HONG KONG) LIMITED

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

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LICENSE AGREEMENT

THIS **LICENSE AGREEMENT** (this "**Agreement**") is made and entered into as of March 10, 2020 ("**Effective Date**") between Clearside Biomedical, Inc., with a principal place of business at 900 North Point Parkway, Suite 200, Alpharetta, Georgia 30005 United States of America ("**Clearside**"), and Arctic Vision (Hong Kong) Limited, with a principal place of business at 23/F Nan Fung Tower 88 Connaught Road C & 173 Des Voeux Road C Central HK ("**Arctic Vision**"), and solely with respect to **Section 17.11 (Guaranty)**, Arctic Vision (Cayman) Limited with a principal place of business at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands ("**Arctic Vision Parent**").

Clearside and Arctic Vision may be referred to herein individually as a "**Party**" and collectively as the "**Parties**".

RECITALS

WHEREAS, Clearside is the owner of, or otherwise controls, the Clearside Technology in the Territory (each as defined below);

WHEREAS, Arctic Vision is interested in obtaining an exclusive license to Develop and Commercialize the Licensed Products in the Territory (each as defined below); and

WHEREAS, the Parties desire for Clearside to grant such license to Arctic Vision to Develop, Manufacture and Commercialize the Licensed Products in the Territory, all under the terms and conditions as set forth in this Agreement.

NOW THEREFORE, the Parties agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.01 "**Accounting Standards**" means the then-current U.S. Generally Accepted Accounting Principles, as consistently applied.

Section 1.02 "**Affiliate**" means, with respect to an entity, any corporation or other business entity controlled by, controlling, or under common control with such entity, with "control" meaning (a) direct or indirect beneficial ownership of at least fifty percent (50%) of the voting stock of, or at least a fifty percent (50%) interest in the income of, the applicable entity (or such lesser percentage that is the maximum allowed to be owned by a foreign entity in a particular jurisdiction and is sufficient to grant the holder of such voting stock or interest the power to direct the management and policies of such entity) or (b) possession, directly or indirectly, of the power to direct the management and policies of an entity, whether through ownership of voting securities, by contract relating to voting rights or corporate governance or otherwise.

Section 1.03 "**Arctic Vision Entity**" means, as applicable, (a) Arctic Vision, (b) any of Arctic Vision's Affiliates or (c) any direct sublicensee of Arctic Vision or any of Arctic Vision's Affiliates with respect to any Licensed Product. Arctic Vision shall be responsible for the breach of this Agreement by any Arctic Vision Entity.

Section 1.04 "**Arctic Vision Know-How**" means all Know-How that is both (a) Controlled as of the Effective Date or during the Term by Arctic Vision and (b) [***] for the Development, Manufacture or Commercialization of any Licensed Product.

Section 1.05 "**Arctic Vision Patent Rights**" means all Patent Rights that both (a) are Controlled as of the Effective Date or during the Term by Arctic Vision and (b) Cover any Licensed Product or their respective Development, Manufacture or Commercialization.

Section 1.06 "**Arctic Vision Regulatory Documents**" means Regulatory Documents Controlled by Arctic Vision at any time during the Term that relate to a Licensed Product in the Territory.

Section 1.07 "**Arctic Vision Technology**" means Arctic Vision Know-How and Arctic Vision Patent Rights.

Section 1.08 "**Aura Agreement**" means that certain License Agreement between Clearside and Aura Biosciences, Inc., dated July 3, 2019.

Section 1.09 "**Business Day**" means a day other than (a) a Saturday or a Sunday or (b) a day on which banking institutions in New York City, USA, or in Beijing, China, are authorized or required by Law to remain closed.

Section 1.10 "**Clearside Drug Product**" means Clearside's proprietary formulation of triamcinolone acetonide suprachoroidal injectable suspension.

Section 1.11 "**Clearside Device**" means Clearside's proprietary micro-injection device as used with XIPERE as set forth in Schedule 1.11 [***], Clearside Device shall [***].

Section 1.12 "**Clearside Entity**" means, as applicable, (a) Clearside or (b) any of Clearside's Affiliates. Clearside shall be responsible for the breach of this Agreement by any Clearside Entity.

Section 1.13 "**Clearside Know-How**" means all Know-How that is both (a) Controlled as of the Effective Date or during the Term by Clearside and (b) [***] for the Development, Manufacture or Commercialization of any Licensed Product in the Field in the Territory.

Section 1.14 "**Clearside Patent Rights**" means all Patent Rights that both (a) are Controlled as of the Effective Date or during the Term by Clearside in the Territory and (b) Cover any Licensed Product, or its Development, Manufacture or Commercialization, in the Field in the Territory.

Section 1.15 "**Clearside Regulatory Documents**" means Regulatory Documents Controlled by Clearside as of the Effective Date or at any time during the Term that relate to a Licensed Product.

Section 1.16 "**Clearside Technology**" means Clearside Know-How and Clearside Patent Rights.

Section 1.17 "**CMO**" means a contract manufacturing organization.

Section 1.18 "**Commercialization**" **or** "**Commercialize**" means, with respect to a pharmaceutical product, any and all activities directed to the marketing, promotion, importation, distribution, pricing, Reimbursement Approval, offering for sale, or sale of such pharmaceutical product, and interacting with Regulatory Authorities regarding the foregoing. Commercialization shall exclude Development and Manufacturing.

Section 1.19 "**Commercially Reasonable Efforts**" means [***].

Section 1.20 "**Confidential Information**" means, subject to **Section 12.02(a)-(d)**, Know-How and any technical, scientific, trade, research, manufacturing, business, financial, compliance, marketing, product, supplier, intellectual property or other information that may be disclosed by one Party or any of its Affiliates to the other Party or any of its Affiliates, regardless of whether such information is specifically designated as confidential and regardless of whether such information is in written, oral, electronic, or other form. Notwithstanding the foregoing, subject to **Section 12.02(a)-(d)**, all information that (a) was disclosed prior to the Effective Date by or on behalf of either Party or any of its Affiliates under, and subject to, the Mutual Confidentiality Agreement dated [***] between Arctic Vision and Clearside ("**Confidentiality Agreement**") and (b) is "Confidential Information" as defined in the Confidentiality Agreement, shall be deemed "Confidential Information" hereunder.

Section 1.21 "**Controlled**" means, with respect to a Party, and any Know-How, Patent Right, Regulatory Documents or other intellectual property right, that such Party or any of its Affiliates has the ability (other than pursuant to a license granted to such Party under this Agreement) to grant to the other Party a license or sublicense to, or other right with respect to, such Know-How, Patent Right, Regulatory Documents or other intellectual property right without violating the terms of any pre-existing agreement or other pre-existing arrangement with any Third Party.

Section 1.22 "**Cost of Goods Sold**" or "**COGS**" means, with respect to particular Licensed Product, the reasonable internal and Out-of-Pocket Costs of Clearside or any of its Affiliates incurred in Manufacturing such Licensed Product, including:

(a) to the extent that the Licensed Product is Manufactured by Clearside or any of its Affiliates, [***] to the Licensed Product (including [***], all costs of [***], costs to [***] and a reasonable allocation of [***] and a reasonable allocation of [***] for the Licensed Product, but

[***], all determined in accordance with the books and records of Clearside or its applicable Affiliate(s) maintained in accordance with the Accounting Standards, consistently applied; and

(b) to the extent that the Licensed Product is Manufactured for Clearside by a Third Party manufacturer for provision by Clearside to an Arctic Vision Entity, the Out-of-Pocket Costs paid by Clearside or any of its Affiliates to the Third Party for the Manufacture of the Licensed Product, plus all reasonably allocated costs of Clearside and its Affiliates as described in the foregoing clause (a) incurred in [***] of such Licensed Product from such Third Party, determined in accordance with the books and records of Clearside or its applicable Affiliate(s) maintained in accordance with the Accounting Standards, consistently applied.

Section 1.23 "**Cover**", "**Covering**" or "**Covered**" means, with respect to a product, composition, technology, process or method and a Patent Right, that, in the absence of ownership of, or a license granted under, a claim in such Patent Right, the manufacture, use, offer for sale, sale or importation of such product or composition or the practice of such technology, process or method would infringe such claim (or, in the case of a claim of a pending patent application, would infringe such claim if it were to issue as a claim of an issued patent).

Section 1.24 "**Develop**" or "**Development**" means pre-clinical research and clinical development activities, including (i) clinical trials of a pharmaceutical compound or product, investigator sponsored trials and registry studies and (ii) preparation, submission, review, and development of data or information for the purpose of submission to a Regulatory Authority to obtain authorization to conduct clinical trials or obtain Regulatory Approval of a pharmaceutical product. Development shall include clinical trials initiated prior to or following receipt of Regulatory Approval, but shall exclude Manufacturing and Commercialization.

Section 1.25 "**Development Plan**" means the plan setting out activities to be undertaken in Developing the Licensed Products in the Field in the Territory, attached hereto as Schedule 1.25 and as may be amended from time to time in accordance with **Section 4.01 (Development in the Field in the Territory; Diligence)**.

Section 1.26 "[***]" means [***].

Section 1.27 "**Dollars**" **or** "**$**" means the legal tender of the U.S.

Section 1.28 "**Drug Approval Application**" means a New Drug Application as defined in the FD&C Act, or an equivalent application filed with any Regulatory Authority in any country other than the United States.

Section 1.29 "[***]" means [***].

Section 1.30 "[***]" means those Patent Rights licensed to Clearside under the [***] Agreement.

Section 1.31 "**[***] Agreement**" means the [***].

Section 1.32 "**FDA**" means the U.S. Food and Drug Administration or any successor agency thereto.

Section 1.33 "**FD&C Act**" means the U.S. Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 et seq., as amended from time to time.

Section 1.34 "**Field**" means any and all ophthalmic uses in humans [***].

Section 1.35 "**First Commercial Sale**" means, for each Licensed Product in the Field in a Jurisdiction, the first sale for end use or consumption of such Licensed Product in the Field in such Jurisdiction by any Arctic Vision Entity in an arms' length transaction to a Third Party following receipt of applicable Regulatory Approval of such Licensed Product in such Jurisdiction. Sales for test marketing, compassionate use prior to Regulatory Approval, or clinical trial purposes shall not constitute a First Commercial Sale.

Section 1.36 "**Generic Product**" means, with respect to a Licensed Product in a particular Jurisdiction, any pharmaceutical product that (a) has the same active ingredient and route of administration (i.e., suprachoroidal delivery) as Licensed Product, (b) is approved by the Regulatory Authority in such Jurisdiction for at least one indication, (c) is sold in such Jurisdiction by a Third Party that is not a sublicensee of Arctic Vision and did not purchase such product, or a component thereof, in a chain of distribution that included any of Arctic Vision or its Affiliates or sublicensees and (d) [***].

Section 1.37 **"Governmental Authority**" means any federal, national, multinational, state, provincial, county, city or local government or any court, arbitrational tribunal, administrative agency or commission or government authority acting under the authority of any federal, national, multinational, state, provincial, county, city or local government.

Section 1.38 "**IND**" means an Investigational New Drug application for submission to the FDA or any equivalent counterpart application in any country other than the United States (including a clinical trial application in Mainland China), including all supplements and amendments thereto.

Section 1.39 "**Jurisdiction**" means each of the following: (i) Mainland China, (ii) Taiwan, (iii) Hong Kong, (iv) South Korea, and (v) Macau.

Section 1.40 "**Know-How**" means inventions (whether patentable or not), discoveries, trade secrets, technology, information, formulae, practices, methods, knowledge, know-how, processes, procedures, results and test data (including physical, chemical, biological, toxicological, pharmacological, clinical, veterinary, analytical and quality control data), dosage regimens, control assays, product specifications, and marketing, pricing, distribution cost and sales data and descriptions; but excluding Patent Rights.

Section 1.41 "**Law**" means any law, statute, rule, regulation, order, judgment, standard or ordinance of any Governmental Authority.

Section 1.42 "**Licensed Product**" means Clearside's proprietary product known as XIPERE™ (formerly known as CLS-TA) in the United States, which (a) constitutes a kit consisting of the Clearside Drug Product and the Clearside Device and (b) is the subject of [***] in the United States.

Section 1.43 "**Mainland China**" means China excluding Taiwan, Hong Kong and Macau.

Section 1.44 "**Manufacture**" or "**Manufacturing**" means, as applicable, all activities associated with the production, manufacture, process of formulating, processing, filling, finishing, packaging, labeling, shipping, importing or storage of pharmaceutical compounds or materials, including process development, process validation, stability testing, manufacturing scale-up, pre-clinical, clinical and commercial manufacture and analytical development, product characterization, quality assurance and quality control development, testing and release.

Section 1.45 "**Net Sales**" means the gross invoice price of a particular Licensed Product sold or otherwise transferred to a Third Party (other than an Arctic Vision Entity or any of its sublicensees) by any Arctic Vision Entity or any of its sublicensees for consideration, reduced by the following amounts actually taken and specifically allocated to the Licensed Product, all as calculated in accordance with Accounting Standards, consistently applied:

(a) [***];

(b) [***];

(c) [***];

(d) [***]; and

(e)[***].

If non-monetary consideration is received by an Arctic Vision Entity or any of its sublicensees for any Licensed Product in the relevant Jurisdiction, Net Sales will be calculated based on the average price charged for such Licensed Product, as applicable, during the preceding royalty period, or in the absence of such sales, the fair market value of the Licensed Product, as applicable, as determined by the Parties in good faith. Notwithstanding the foregoing, Net Sales shall not be imputed to transfers of Licensed Products, as applicable, for use in clinical trials, non-clinical Development activities or other Development activities with respect to Licensed Products by or on behalf of the Parties, for *bona fide* charitable purposes or for compassionate use or for Licensed Product samples, if no monetary consideration is received for such transfers.

Section 1.46 "**NMPA**" means China's National Medical Products Administration, including its divisions and the Center for Drug Evaluation, and local counterparts thereto, and any successor agency or authority thereto having substantially the same function.

Section 1.47 "**Out-of-Pocket Costs**" means amounts paid by a Party or any of its Affiliates to a Third Party for goods or services but shall not include such Party's, or any of its Affiliates', internal or general overhead costs or expenses.

Section 1.48 "**Patent Right(s)**" means (a) all patents and patent applications (including provisional applications) in any country or jurisdiction, and (b) any substitutions, divisions, continuations, continuations-in-part, reissues, renewals, registrations, confirmations, re-examinations, extensions, supplementary protection certificates and the like.

Section 1.49 "**REGENXBIO Agreement**" means that certain Option and License Agreement between REGENXBIO Inc. and Clearside, dated August 29, 2019.

Section 1.50 "**Registrational Study**" means a clinical trial of a product that (a) includes a sufficient number of subjects and is designed to establish that a product has an acceptable safety and efficacy profile for its intended use, and to determine warnings, precautions and adverse reactions that are associated with such product in the dosage range to be prescribed, which trial is intended to support Regulatory Approval of such product; and (b) is designed to be sufficient to support the filing for a Regulatory Approval for such product in an applicable Jurisdiction, as evidenced by (i) an agreement with or statement from an applicable Regulatory Authority, or (ii) other guidance or minutes issued by an applicable Regulatory Authority.

Section 1.51 "**Regulatory Approval**" means, with respect to a particular regulatory jurisdiction, an approval, license, registration or authorization of any Governmental Authority (including Reimbursement Approval) that provides marketing approval for the commercial sale of a pharmaceutical product in one or more specified indications in such regulatory jurisdiction.

Section 1.52 "**Regulatory Authority**" means, in a particular country or jurisdiction, any applicable Governmental Authority involved in granting Regulatory Approval in such country or jurisdiction, including (a) in the United States, the FDA and any other applicable Governmental Authority in the United States having jurisdiction over pharmaceutical products, (b) in Europe Union, the European Medicines Agency ("**EMA**"), (c) in Mainland China, the NMPA and (d) any other applicable Governmental Authority in the Territory having jurisdiction over pharmaceutical products.

Section 1.53 "**Regulatory Documents**" means, all (a) applications (including all INDs and Drug Approval Applications), registrations, licenses, authorizations, approvals (including Regulatory Approvals) and marketing or regulatory exclusivities; (b) correspondence and reports submitted to or received from Regulatory Authorities (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents with respect thereto, including all regulatory drug lists, advertising and promotion documents, adverse event files and complaint files; and (c) [***] in any of the foregoing. For the avoidance of doubt, Regulatory Documents include (i) Regulatory Approvals and Regulatory Filings, and (ii) [***], provided that Regulatory Documents to be provided to a Party shall include [***] as necessary for the Regulatory Approval of the Licensed Product in such Party's territory. [***].

Section 1.54 "**Regulatory Filings**" means all applications, filings, dossiers and the like submitted to a Regulatory Authority for the purpose of Developing, Manufacturing or Commercializing a product, including obtaining Regulatory Approval from that Regulatory Authority. Regulatory Filings include all INDs, Drug Approval Applications and other Regulatory Approval and Reimbursement Approval applications.

Section 1.55 "**Reimbursement Approval**" means an approval, agreement, determination, or other decision by any applicable Regulatory Authority or other Governmental Authority that establishes prices at which a pharmaceutical product may be priced, or will be reimbursed by the Regulatory Authorities or other applicable Governmental Authorities, in a particular country or jurisdiction.

Section 1.56 "**Safety Data Exchange Agreement**" means that agreement between the Parties regarding receipt, investigation and reporting of product complaints, adverse events, product recalls, and any other information related to the safety of the Licensed Products as set forth in **Section 10.02** (**Adverse Drug Events**).

Section 1.57 "**Supply Price**" means [***] of COGS, as adjusted pursuant to **Section 7.01(f)**; provided that, in no event shall the Supply Price of any Clearside Device, Clearside Drug Product or Licensed Product be less than Clearside's actual COGS for such Clearside Device, Clearside Drug Product or Licensed Product (as applicable).

Section 1.58 "**SVB Security Interest**" means the security interest and lien granted to Silicon Valley Bank, as collateral agent under the Second Amended and Restated Loan and Security Agreement dated as of May 14, 2018, and as amended, and the Intellectual Property Security Agreement dated August 29, 2019.

Section 1.59 "**Territory**" means any Jurisdiction, or, collectively, all Jurisdictions, as the context requires.

Section 1.60 "**Third Party**" means any person or entity other than the Parties and their Affiliates.

Section 1.61 "**Trademark**" means any trademark, trade name, service mark, service name, brand, domain name, trade dress, logo, slogan or other indicia of origin or ownership, including the goodwill and activities associated with each of the foregoing.

Section 1.62 "**U.S.**" or "**United States**" means the United States of America, including its districts, territories and possessions.

Section 1.63 "**Valid Claim**" means (a) any claim of any Patent Right that has issued, is unexpired and has not been rejected, revoked or held unenforceable or invalid by a final, non-appealable (or unappealed within the time allowable for appeal) decision of a court or other Governmental Authority of competent jurisdiction or (b) any claim of any patent application that has (i) been pending for [***] or less from the date of issuance of the first substantive patent office

action considering the patentability of such claim by the applicable patent office in the applicable country or jurisdiction and (ii) not been cancelled, withdrawn, abandoned or finally rejected by an administrative agency action from which no appeal can be taken.

Additional Defined Terms	**Section**
Alliance Manager	3.10
Arbitration Request	15.01(a)
Arctic Vision Indemnitee	13.01
Arctic Vision Product Data	2.02(e)
Bankrupt Party	14.04(a)
Breaching Notice	14.03
Breaching Party	14.03
Clearside Indemnitee	13.02
Clearside Product Data	2.02(d)
Confidentiality Agreement	1.20
EMA	1.52
Event of Bankruptcy	14.04(a)
Executive Officer	3.06
FCPA	11.04(b)(i)
Future Sublicensee	2.01(c)
Government Official	11.04(a)
ICC	15.01(c)
ICH	10.01
Indemnified Party	13.03
Indemnifying Party	13.03

Infringement Activity	9.03(a)
Inventions	9.01(c)
Joint Inventions	9.01(c)
Joint Patents	9.01(c)
JSC	3.01(a)
Losses	13.01
Non-breaching Party	14.03
Other Covered Party	11.04(a)
Other Party	14.04(a)
Payment	8.11(a)
Public Statement	12.04
Recipient	12.02
Representatives	12.01
Royalty Term	8.06(b)
Rules	15.01
Severed Clause	17.03
Sole Inventions	9.01(c)
Supply Agreement	7.01(c)
Supply Date	7.01(f)(ii)
Supply Request	7.01(c)
Term	14.01
Withholding Tax Action	8.11(b)

Section 1.64 **Interpretation**. (a) Whenever any provision of this Agreement uses the word "including," "include," "includes," or "*e.g.*," such word shall be deemed to mean "including without limitation" and "including but not limited to"; (b) "herein," "hereby," "hereunder," "hereof" and other equivalent words shall refer to this Agreement in its entirety and not solely to the particular portion of this Agreement in which any such word is used; (c) a capitalized term not defined herein but reflecting a different part of speech from that of a capitalized term which is defined herein shall be interpreted in a correlative manner; (d) wherever used herein, any pronoun or pronouns shall be deemed to include both the singular and plural and to cover all genders; (e) the recitals set forth at the start of this Agreement, along with the Schedules and the Exhibits to this Agreement, and the terms and conditions incorporated in such recitals and Schedules and Exhibits, shall be deemed integral parts of this Agreement and all references in this Agreement to this Agreement shall encompass such recitals and Schedules and Exhibits and the terms and conditions incorporated in such recitals and Schedules and Exhibits; *provided* that, in the event of any conflict between the terms and conditions of the body of this Agreement and any terms and conditions set forth in the recitals, Schedules or Exhibits, the terms of the body of this Agreement shall control; (f) in the event of any conflict between the terms and conditions of this Agreement and any terms and conditions that may be set forth on any order, invoice, verbal agreement or otherwise, the terms and conditions of this Agreement shall govern; (g) this Agreement shall be construed as if both Parties drafted it jointly, and shall not be construed against either Party as principal drafter; (h) unless otherwise provided, all references to Sections, Articles and Schedules in this Agreement are to Sections, Articles, Exhibits and Schedules of and to this Agreement; (i) any reference to any Law shall mean such Law as in effect as of the relevant time, including all rules and regulations thereunder and any successor Law in effect as of the relevant time, and including the then-current amendments thereto; (j) wherever used, the word "shall" and the word "will" are each understood to be imperative or mandatory in nature and are interchangeable with one another; (k) references to a Party's knowledge shall be taken to refer to [***]; (l) the captions and table of contents used herein are inserted for convenience of reference only and shall not be construed to create obligations, benefits or limitations; and (m) the word "year" means any consecutive twelve (12) month period, unless otherwise specified.

ARTICLE II.

LICENSES

Section 2.01 **Grants of Licenses**.

(a) Subject to the terms and conditions of this Agreement, Clearside hereby grants to Arctic Vision (i) an exclusive (including as to Clearside and its Affiliates), royalty-bearing, sublicensable (in accordance with **Section 2.04**), non-transferable (except in accordance with **Section 16.01 (Assignment)**) license under the Clearside Technology to Develop and Commercialize Licensed Products in the Field in the Territory; and (ii) a non-exclusive, sublicensable (in accordance with **Section 2.04**), non-transferable (except in accordance with **Section 16.01 (Assignment)**) license under the Clearside Technology to Manufacture or have Manufactured the Licensed Products anywhere in the world solely for use in the Development or

Commercialization of Licensed Products in the Field and in the Territory, subject to the terms and conditions set forth in **Section 7.01(c)** with respect to Manufacture of the Clearside Device.

(b)Subject to the terms and conditions of this Agreement, Arctic Vision hereby grants to Clearside a non-exclusive, sublicensable, royalty-free, non-transferable (except in accordance with **Section 16.01 (Assignment)**) license under the Arctic Vision Technology to Develop, and Commercialize Licensed Products in the Field outside the Territory and to Manufacture and have Manufactured Licensed Product anywhere in the world.

(c)In entering into any future license or other agreements with a Third Party licensee after the Effective Date related to rights to Licensed Product outside of the Territory or outside of the Field in the Territory (such licensee, a "**Future Sublicensee**"), Clearside shall not reduce, change, limit or otherwise impact in any manner the rights granted to Arctic Vision as set forth in **Section 2.01(a)** and shall exercise Commercially Reasonable Efforts to include the following provisions: (i) obligate such Future Sublicensee to [***]; (ii) obligate such Future Sublicensee to [***]; and (iii) obligate such Future Sublicensee to maintain a record of all non-medical and medical product-related complaints and adverse events, and notify Arctic Vision (either directly or through Clearside) of any such complaint or adverse event to allow Arctic Vision to comply with any and all regulatory requirement imposed upon it. In entering into any future license or other agreements related to rights to Licensed Product, Arctic Vision shall not do so in a manner that would prevent or materially limit Clearside's right to exercise the license as set forth in **Section 2.01(b)** above.

(d) As between the Parties, all rights not expressly licensed to Arctic Vision under the Clearside Technology in **Section 2.01(a)** shall be expressly retained by Clearside, including the right to Develop and Commercialize the Licensed Product outside the Territory and the right to Manufacture and have Manufactured the Licensed Product anywhere in the world for use in the Development or Commercialization of Licensed Products outside the Territory. As between the Parties, all rights not expressly licensed to Clearside under the Arctic Vision Technology in **Section 2.01(b)** shall be expressly retained by Arctic Vision.

Section 2.02 Technology Sharing.

(a)Clearside shall provide to Arctic Vision electronic copies of the documents relating to Licensed Products set forth on Exhibit B(i) hereto within [***] of Clearside's procurement or generation of such documents.

(b)Clearside shall provide to Arctic Vision electronic copies of each of the documents set forth on Exhibit B(ii) hereto within [***] of Clearside's procurement or generation of such documents.

(c)To the extent not included in Exhibit B(ii), Clearside shall also provide to Arctic Vision all additional data and documents Controlled by the Clearside Entities and relating to Licensed Products that are [***] for Arctic Vision to file IND(s) in the Territory, including Know-How, regulatory data, clinical data, [***] which Arctic Vision did not and could not reasonably

know of. Notwithstanding the foregoing, to the extent any data and documents are required by a Regulatory Authority in connection with Arctic Vision's filing of IND(s) or Drug Approval Application(s) in the Territory, Clearside shall (i) provide to Arctic Vision all such data and documents Controlled by the Clearside Entities [***] existing as of the Effective Date for the Licensed Products, and (ii) use Commercially Reasonable Efforts to provide to Arctic Vision all such data and documents Controlled by (A) [***] and (B) [***].

(d)Throughout the Term, Clearside shall provide Arctic Vision with an update of any material regulatory developments (e.g., NDA filed, meetings with Regulatory Authority, or Regulatory Approval) relating to a Licensed Product made by Clearside, Clearside's Affiliates or licensees, and upon Arctic Vision's request, Clearside shall make available to Arctic Vision copies of Regulatory Documents, clinical and preclinical data, and efficacy, safety and pharmacovigilance data, in each case that are related to Licensed Product in the Field and Controlled by the Clearside Entities or any of their sublicensees (collectively, the "**Clearside Product Data**"), to the extent (i) such Clearside Product Data are [***] for any Arctic Vision Entity or their sublicensees to Develop, Manufacture or have Manufactured, or Commercialize Licensed Product in the Field in the Territory in accordance with this Agreement and are Controlled by the Clearside Entities, (ii) such Clearside Product Data are required by Regulatory Authority in the Territory in connection with the Development, Manufacturing, or Commercialization of Licensed Product in the Field in the Territory and are Controlled by the Clearside Entities or any of their Third Party sublicensees existing as of the Effective Date for the Licensed Products, and (iii) [***], such Clearside Product Data are required by Regulatory Authority in the Territory in connection with the Development, Manufacturing, or Commercialization of Licensed Product in the Field in the Territory and are Controlled by (A) [***] and (B) [***]; provided that (A) [***] and, [***], (B) [***], and (C) Clearside's grant of access or rights to Arctic Vision to any Clearside Product Data that are also Controlled by any Clearside sublicensee of a product other than the Licensed Products shall be conditioned upon Arctic Vision's payment of any amounts payable to such sublicensee in connection therewith. Clearside hereby grants to Arctic Vision and Arctic Vision's Affiliates or sublicensees a right to access, use and reference the Clearside Product Data and Clearside Regulatory Documents in any Regulatory Filing made by Arctic Vision (or its Affiliates or sublicensees as the case may be) related to Licensed Product during the Term in the Territory. Other than the activities set forth in this **Section 2.02 (Technology Sharing)**, Clearside will not perform any obligations set forth in this Agreement until [***] without Clearside's written consent, not to be unreasonably withheld, conditioned or delayed.

(e)Throughout the Term, upon Clearside's request, Arctic Vision shall make available to Clearside copies of Arctic Vision Regulatory Documents, clinical and preclinical data, and efficacy, safety and pharmacovigilance data, in each case that pertain to Licensed Product and are Controlled by an Arctic Vision Entity or its sublicensee or sub-contractor (collectively, the "**Arctic Vision Product Data**"), to the extent such Arctic Vision Product Data are [***] for Clearside, its Affiliates or (sub)licensees to exercise its retained rights. Arctic Vision hereby grants to Clearside and Clearside's Affiliates or sublicensees a right to access, use and reference the Arctic Vision Product Data and Arctic Vision Regulatory Documents in any Regulatory Filing made by

Clearside ([***]) pertaining to Licensed Product in connection with the exercise of its retained rights; provided that such grant of right to any of Clearside's sublicensees shall [***].

Section 2.03 In-License Agreements.

(a) In the event that Clearside or any of its Affiliates is a Party to, or enters into, an agreement with a Third Party after the Effective Date that is necessary or reasonably useful for the Development or Commercialization of any Licensed Product in the Field in the Territory, or the Manufacture of the Licensed Products, and is used by Clearside, Clearside's Affiliates or sublicensee(s) outside the Territory for the Development or Commercialization of a Licensed Product then (a) Clearside will use Commercially Reasonable Efforts to promptly provide Arctic Vision with notice and a copy of the applicable Third Party agreement, and (b) use Commercially Reasonable Efforts to [***] to Arctic Vision in the Territory pursuant to the terms of this Agreement, at [***] Arctic Vision. Clearside shall use Commercially Reasonable Efforts to ensure that each of such existing or new in-license agreements contains terms consistent with this **Section 2.03 (In-License Agreements)**.

Section 2.04 Sublicenses.

(a) Arctic Vision shall have the right to sublicense its rights under **Section 2.01(a)** to Develop and Commercialize any Licensed Product in all or part of the Territory in the Field, provided that (i) [***], (ii) [***]; (iii) [***]; and (iv) Arctic Vision shall provide Clearside with a true and complete copy of such sublicense after execution, subject to customary and reasonable redaction.

Section 2.05 Non-Compete.

(a) During the Term of this Agreement, Clearside shall not and shall not grant a Third Party a license to Develop, seek Regulatory Approval or Commercialize in the Territory a product which includes a corticosteroid administered for any ophthalmic use via the Clearside Device [***].

(b) During the Term of this Agreement, Clearside will not Develop or Commercialize in the Territory the Clearside Drug Product alone or in combination with [***];

(c) During the Term of this Agreement, other than Arctic Vision's Development and Commercialization of Licensed Product, neither Party will Develop or Commercialize in the Territory any device with any [***]. This obligation shall not apply to any entity that mergers with or acquires all or substantially all of the stock or assets of the applicable Party;

(d) During the Term of this Agreement, neither Party will Develop or Commercialize in the Territory any device [***]. This obligation shall not apply to any entity that mergers with or acquires all or substantially all of the stock or assets of the applicable Party.

ARTICLE III.

GOVERNANCE

Section 3.01 **General**.

(a)The Parties shall establish a Joint Steering Committee ("**JSC**") to oversee and coordinate the overall conduct of the Development, Manufacture and Commercialization of Licensed Products in the Field in the Territory. The JSC shall have decision-making authority with respect to the matters within its purview to the extent expressly provided herein.

Section 3.02 **Joint Steering Committee**.

(a)Within [***] following the Effective Date, the Parties shall establish the JSC. The JSC shall:

(i) discuss the strategic direction of the Development (including the Development Plan), Manufacture and Commercialization of the Licensed Products in the Field in the Territory;

(ii) monitor and discuss the progress of the Development (including the Development Plan), Manufacture and Commercialization of the Licensed Products in the Field in the Territory and serve as a forum for exchanging information regarding the conduct of the Development, Manufacture and Commercialization of the Licensed Products in the Field in the Territory;

(iii) determine whether to create any additional subcommittee(s) or working group(s);

(iv) serve as a forum for dispute resolution in accordance with **Section 3.05 (JSC Decision Making)**; and

(v) perform such other duties as are specifically assigned to the JSC under this Agreement.

Section 3.03 **Membership**. The JSC shall be composed of two (2) representatives from each of Clearside and Arctic Vision, each of which representatives shall be of the seniority and experience appropriate for service on the JSC in light of the functions, responsibilities and authority of such committee and the status of activities within the scope of the authority and responsibility of such committee. Each Party may replace any of its representatives on the JSC at any time with written notice to the other Party; *provided* that such replacement meets the standard described in the preceding sentence. Each Party's representatives and any replacement of a representative shall be bound by obligations of confidentiality and non-use applicable to the other Party's Confidential Information that are at least as stringent as those set forth in **Article XII (Confidentiality)**. Each Party may invite a reasonable number of its or its Affiliates' employees

as required or useful to discuss the applicable agenda items. The JSC shall appoint a chairperson from among its members, with the first chairperson of the JSC being a representative of Arctic Vision. Each chairperson (whether initially appointed or any successor therefor) shall serve a term of [***], at which time, the JSC shall select a successor chairperson who is a representative of the Party other than the Party represented by the outgoing chairperson (*e.g.*, the second chairperson of the JSC shall be a representative of Clearside, the third chairperson of the JSC shall be a representative of Arctic Vision, etc.). Within [***] following each JSC meeting, the chairperson shall circulate to all committee members a draft of the minutes of such meeting. The JSC shall then approve, by mutual agreement, such minutes within [***] following circulation. No chairperson of the JSC shall have any greater authority than any other representative of such committee.

Section 3.04 **Meetings**.

(a)The JSC shall hold an initial meeting within [***] after its formation or as otherwise agreed by the Parties. Thereafter, unless the Parties otherwise agree, the JSC shall meet in person at least [***], and also by video or teleconference at least [***]. Unless otherwise agreed in writing by the Parties, all in-person meetings of the JSC shall be held on an alternating basis between [***] and [***]. Each Party shall be responsible for all of its own personnel and travel costs and expenses relating to participation in JSC meetings.

Section 3.05 **JSC Decision Making**. All decisions of the JSC shall be made by unanimous vote, with each Party's representatives collectively having one (1) vote, and shall be set forth in minutes approved by both Parties. If the JSC is unable to reach agreement on any matter within [***] after a matter is referred to it or first considered by it, such matter shall be referred to the Executive Officers for resolution in accordance with **Section 3.06 (Executive Officers; Disputes)**.

Section 3.06 **Executive Officers; Disputes**. Each Party shall ensure that an executive officer is designated for such Party at all times during the Term for dispute resolution purposes (each such individual, such Party's "**Executive Officer**"), and shall promptly notify the other Party of its initial, or any change in its, Executive Officer. Unless otherwise set forth in this Agreement, in the event of a dispute arising under this Agreement between the Parties, the Parties shall refer such dispute to the Executive Officers, who shall attempt in good faith to resolve such dispute.

Section 3.07 **Final Decision-Making Authority**. If the Parties are unable to resolve a given dispute within the purview of the JSC within [***] after referring such dispute to the Executive Officers pursuant to **Section 3.06 (Executive Officers; Disputes)**, then, subject to **Section 3.08 (Limitations on Decision-Making)**:

(a)Clearside shall have the deciding vote on all matters directly related to (a) [***], and (b) [***].

(b)Arctic Vision shall have the deciding vote on [***], excluding matters which may [***].

(c)Any decision made by an Executive Officer in accordance with this **Section 3.07 (Final Decision-Making Authority)** shall be deemed to be a decision of the JSC.

Section 3.08 Limitations on Decision-Making.

(a)Neither Party shall have the deciding vote on, and the JSC shall have no decision-making authority regarding, any of the following matters:

(i) the imposition of any requirements on the other Party to undertake obligations beyond those for which it is responsible, or to forgo any of its rights, under this Agreement;

(ii) the imposition of any requirements that the other Party takes or declines to take any action that would result in a violation of any Law or any agreement with any Third Party or the infringement of intellectual property rights of any Third Party;

(iii) the resolution of any dispute involving the breach or alleged breach of this Agreement;

(iv) the determination of whether either Party exerts Commercially Reasonable Efforts under this Agreement;

(v) any decision that is expressly stated to require the mutual agreement (or similar language) of the JSC or the Parties or the approval of the other Party;

(vi) any matters that would excuse a Party from any of its obligations under this Agreement; or

(vii) modifying the terms of this Agreement or taking any action to expand or narrow the responsibilities of the JSC.

(b)The decision-making Party shall make its decision in good faith, subject to the terms and conditions of this Agreement.

(c)In no event may the decision-making Party unilaterally determine that it has fulfilled any obligations hereunder or that the non-deciding Party has breached any obligations hereunder.

(d)In no event may Arctic Vision unilaterally determine that the events required for the payment of milestone payments have not occurred.

(e)In no event may Clearside unilaterally determine that the events required for the payment of milestone payments have occurred.

(f) For clarity, approval by the JSC shall not be understood to mean approval by a Party.

Section 3.09 **Scope of Governance**. Notwithstanding the creation of the JSC or anything to the contrary in this **Article III (Governance)**, each Party shall retain the rights, powers and discretion granted to it under this Agreement, and the JSC shall not be delegated or vested with rights, powers or discretion unless such delegation or vesting is expressly provided herein, or the Parties expressly so agree in writing. It is understood and agreed that issues to be formally decided by the JSC are only those specific issues that are expressly provided in this Agreement to be decided by such committee.

Section 3.10 **Alliance Managers**. Each of the Parties shall appoint a single individual to manage Development, Manufacturing and Commercialization obligations between the Parties under this Agreement (each, an "**Alliance Manager**"). The role of the Alliance Manager is to act as a single point of contact between the Parties to ensure a successful relationship under this Agreement. The Alliance Managers may attend any JSC meetings. Each Alliance Manager shall be a non-voting participant in such Committee and Subcommittee meetings, unless s/he is also appointed a member of the JSC; *provided*, *however*, that an Alliance Manager may bring any matter to the attention of the JSC if such Alliance Manager reasonably believes that such matter warrants such attention. Each Party may change its designated Alliance Manager at any time upon written notice to the other Party. Any Alliance Manager may designate a substitute to temporarily perform the functions of that Alliance Manager by written notice to the other Party. Each Party's Alliance Manager and any substitute for an Alliance Manager shall be bound by obligations of confidentiality and non-use applicable to the other Party's Confidential Information that are at least as stringent as those set forth in **Article XII** (**Confidentiality**). Each Alliance Manager will also: (a) plan and coordinate cooperative efforts and internal and external communications; and (b) facilitate the governance activities hereunder and the fulfillment of action items resulting from JSC meetings.

ARTICLE IV.

DEVELOPMENT

Section 4.01 **Development in the Field in the Territory; Diligence**.

(a)Arctic Vision shall use Commercially Reasonable Efforts (directly or through a sublicensee) to Develop Licensed Product in the Territory for use in an indication associated with uveitis. Within [***] after the completion of the Technology Sharing pursuant to **Section 2.02(b)**, Arctic Vision shall present a Development Plan to the JSC. The Development Plan may be amended by Arctic Vision from time to time in its sole discretion and as it deems appropriate or necessary, provided, however, that such amendments remain consistent with the foregoing diligence obligation [***]. Arctic Vision shall have the right, but not an obligation, to also Develop Licensed Product for use in additional indications within the Territory, subject to Clearside's prior written approval, not to be unreasonably withheld, but for clarity Clearside shall always have the right to withhold such approval if such Development would have an adverse effect on the Development or the Commercialization of the Licensed Product outside the Territory. Arctic Vision shall comply with all applicable Laws in connection with its activities to Develop

and seek Regulatory Approval for the Licensed Product under this Agreement and shall ensure such compliance by its Affiliates and sublicensees.

Section 4.02 **Development Plan Updates**. At least [***] in advance of the first meeting of the JSC in each calendar year, Arctic Vision shall provide Clearside with a written update of the Development Plan, including any amendments thereof.

ARTICLE V.

REGULATORY

Section 5.01 **Regulatory Filings**.

(a)Arctic Vision shall have the responsibility to prepare, obtain, and maintain all Regulatory Filings and Regulatory Approvals, and to conduct communications with the Regulatory Authorities in the Territory, for the Development, Manufacture or Commercialization of Licensed Products in the Field in the Territory undertaken by any Arctic Vision Entity.

(b) All Arctic Vision Regulatory Documents (including all Regulatory Approvals therein) shall be owned by, and shall be the sole property of, Arctic Vision or its designated Arctic Vision Entity. All Regulatory Filings and Regulatory Approvals in the Field in the Territory shall be [***].

(c) Clearside shall, in support of Arctic Vision's preparation and filing of any IND or Drug Approval Application with respect to any Licensed Product in the Field in the Territory, to the extent required and upon Arctic Vision's written request, provide Arctic Vision access to a complete electronic copy of and a right of reference to all (i) Clearside Regulatory Documents, (ii) Regulatory Documents Controlled by any Clearside Entity (including those generated by any of Clearside's sublicensees that are Controlled by Clearside) that are related to any Licensed Product in the Field, and (iii) any other information requested by Regulatory Authorities in the Territory in connection with Arctic Vision's Regulatory Filings solely to the extent Controlled by (A) the Clearside Entities [***] for the Licensed Products, and (B) subject to Clearside's Commercially Reasonable Efforts to obtain, and Clearside's actual obtaining of, the prior written consent of any Clearside Entities' Third Party sublicensee, (1) [***] and (2) [***], in each case ((i) through (iii)) to the extent permitted by applicable Law.

(d) Arctic Vision shall provide Clearside with copies of all relevant Regulatory Documents to the extent making claims relating to the Clearside Device or containing statements relating to the Clearside Device that are not previously publicly available or previously approved by Clearside at least [***] prior to submission for review and comment by Clearside, and Arctic Vision shall consider in good faith any comments received from Clearside. In addition, Arctic Vision shall notify Clearside of material correspondences received from any Regulatory Authority to the extent including information that might reasonably affect any Regulatory Approval for the Clearside Device as soon as reasonably practical after receipt.

ARTICLE VI.

COMMERCIALIZATION

Section 6.01 **General; Diligence**. Arctic Vision (itself or through any of the Arctic Vision Entities) shall have the sole right to Commercialize (including booking sales, establishing pricing and related interactions with Governmental Authorities to be listed on the central or provincial reimbursement list, warehousing, commercial distribution, order processing, invoicing and collection) the Licensed Products in the Field in the Territory [***]. Arctic Vision shall use Commercially Reasonable Efforts (directly or through a sublicensee) to Commercialize Licensed Product in the Territory for use in an indication associated with uveitis. At Arctic Vision's sole discretion, it shall have the right, but not an obligation, to also Commercialize Licensed Product for use in additional indications (that are Developed in accordance with **Section 4.01 (Development in the Field in the Territory; Diligence)**) within the Territory. For clarity, Arctic Vision shall not have the right to Commercialize the Clearside Device outside the Territory or in a presentation other than in combination with the Clearside Drug Product as part of a Licensed Product.

Section 6.02 **Promotional Materials**. Each Party shall, if permitted, share with the JSC on a regular basis the Licensed Product promotional materials it (or, in the case of Clearside, any Clearside Entity or any of their respective sublicensees; or, in the case of Arctic Vision, any Arctic Vision Entity) used with respect to Licensed Product, and the JSC shall have the right to review and comment on such materials, which comments shall be considered in good faith by the Party promulgating such materials. Notwithstanding the foregoing, Arctic Vision shall have final decision rights related to promotional materials it shall use in the Territory.

Section 6.03 **Commercialization Reports**. At least [***] in advance of each meeting of the JSC, for any meeting of the JSC following the First Commercial Sale of any Licensed Product in the Field in the Territory, Arctic Vision shall provide the JSC with (a) a high level written report that summarizes Commercialization activities performed during the prior [***] period and anticipated to be performed within the subsequent [***] period with respect to each Licensed Product in each Jurisdiction in the Territory.

Section 6.04 **Trademarks**. Arctic Vision shall consult in good faith with Clearside regarding a Trademark in Chinese for use in the Territory, which may vary by Jurisdiction, and any such Trademark shall be owned by Arctic Vision. Notwithstanding the foregoing, Arctic Vision shall have final decision rights related to Trademark(s) it shall use in the Territory. Except as expressly provided herein, or except as otherwise required by applicable Law or agreed by the Parties in advance in writing, neither Party shall have any right to use the other Party's or the other Party's Affiliates' Trademarks, corporate names or logos in connection with any Development or Commercialization of any Licensed Product and any such use shall be in compliance with all applicable Laws and shall be subject to terms and conditions to be agreed by the Parties in writing governing such use. Arctic Vision shall not use a Trademark in the Territory in connection with a

Licensed Product if such Trademark is or has previously been utilized in the United States or Canada by a Clearside's sub-licensee in connection with a Licensed Product.

Section 6.05 **Clearside Training**. Clearside will exercise Commercially Reasonable Efforts to provide Arctic Vision with such assistance as is reasonably required for Arctic Vision to Develop or Commercialize Licensed Product, except that Clearside will not be required to transfer any Know-How related to Manufacture of the Clearside Device to Arctic Vision, except in the event of a supply failure, which will be addressed in the Supply Agreement. The foregoing assistance will include Clearside, on reasonable notice (not to be less than [***]), making available to Arctic Vision, its partners or investigators, Clearside's employees or contractors as Arctic Vision may reasonably request for purposes of training Arctic Vision's employees, partners or investigators to ensure that Arctic Vision acquires the necessary expertise on the practical application of the Clearside Device. Arctic Vision shall not commence any Development, clinical or Commercial activities involving the Clearside Device without receipt of documentation of such training by Clearside's employees or contractors. Such assistance and training will be provided at such times as mutually agreed between the Parties. [***].

Section 6.06 **No Diversion**. Each Party hereby covenants and agrees that, during the Term of the Agreement, it shall not, and shall ensure that its Affiliates and sublicensees will not, directly or indirectly, promote, market, distribute, import [(except to the extent necessary for a Party to fulfill its obligations under **Section 7.01 (Manufacturing Technology Transfer and Right to Manufacture)**), sell or have sold the Licensed Products, including via internet or mail order, in the other Party's territory. With respect to any country in the other Party's territory, a Party shall not, and shall ensure that its Affiliates and their respective sublicensees will not: (a) establish or maintain any branch, warehouse or distribution facility for Licensed Products in such countries, (b) knowingly engage in any advertising or promotional activities relating to Licensed Products that are directed primarily to customers or other purchaser or users of Licensed Products located in such countries, (c) actively solicit orders for Licensed Products from any prospective purchaser located in such countries, or (d) knowingly sell or distribute Licensed Products to any person in such Party's territory who intends to sell or has in the past sold Licensed Products in such countries. If either Party receives any order for any Licensed Product from a prospective purchaser reasonably believed to be located in a country in the other Party's territory, such Party shall immediately refer that order to the other Party and such Party shall not accept any such orders. Each Party shall not deliver or tender (or cause to be delivered or tendered) Licensed Products into a country in the other Party's territory. Each Party shall not, and shall ensure that its Affiliates and their respective sublicensees will not, knowingly restrict or impede in any manner the other Party's exercise of its retained exclusive rights in the other Party's territory.

ARTICLE VII.

MANUFACTURE AND SUPPLY

Section 7.01 **Manufacturing Technology Transfer and Right to Manufacture**.

(a)Throughout the Term, at its sole discretion, each Arctic Vision Entity shall be free to contract directly with any CMO approved by Clearside pursuant to **Section 7.01(b)** or that is also being utilized by Clearside with respect to Clearside's own requirements for Licensed Product for the Manufacture (whether occurring inside or outside the Territory) of the Clearside Drug Product for the purpose of the Development or Commercialization of Licensed Product within the Territory.

(b)At any point during the Term, Arctic Vision may request in writing that Clearside approve Arctic Vision's use of any particular CMO (to the extent not already being utilized by Clearside) to Manufacture the Clearside Drug Product for Arctic Vision's use within the Territory. Within [***] of any such written request, Clearside shall inform Arctic Vision in writing whether Clearside provides such approval, which shall not be unreasonably withheld, conditioned or delayed. During Clearside's consideration of any request by Arctic Vision for the approval of a CMO, Arctic Vision will reasonably cooperate with Clearside's reasonable written requests for relevant information related to such CMO. [***].

(c) Throughout the Term, at its sole discretion, each Arctic Vision Entity shall have the option to have Clearside supply to such Arctic Vision Entity with some or all quantities of Licensed Product that such Arctic Vision Entity needs for the Development or Commercialization of Licensed Product within the Territory. In connection therewith, at an Arctic Vision Entity's written request ("**Supply Request**"), such entity and Clearside will negotiate in good faith and enter into a supply agreement for clinical and/or commercial supply of Licensed Product and a related quality agreement (collectively with the aforementioned supply agreement between Arctic Vision and Clearside, the "**Supply Agreement**") within [***] after such Supply Request, or at such later date as may be mutually agreed in writing. The Supply Agreement will be consistent with the terms set forth in this **Section 7.01(c)**. From and after the execution of the Supply Agreement, and subject to the terms of such Supply Agreement, Clearside will use Commercially Reasonable Efforts, either itself or through Third Parties, to supply to the applicable Arctic Vision Entity Licensed Product in quantities that are requested by Arctic Vision for the conduct of Development and Commercialization of Licensed Product in the Field and in the Territory. The purchasing Arctic Vision Entity shall pay Clearside the Supply Price for any Licensed Product supplied by Clearside pursuant to this **Section 7.01 (Manufacturing Technology Transfer and Right to Manufacture)**. In the event of (i) a supply failure (to be defined in the Supply Agreement) by Clearside or Clearside's CMOs, (ii) [***] for the Licensed Products, or (iii) [***] for the Licensed Products, each Arctic Vision Entity may request in writing that Clearside approve Arctic Vision's use of any particular CMO to Manufacture the Licensed Product (in the case of (i) in this sentence) or Clearside Drug Product (in the case of (ii) and (iii) in this sentence) for Arctic Vision's use within the Territory, which will be provided in further detail in the Supply Agreement.

In the event of (A) [***] for the Licensed Products over [***], and (B) [***] for the Licensed Products in clause (A) results from [***], Arctic Vision shall have the right, [***], to engage a CMO, which is properly certified and qualified to Manufacture the [***] to Clearside's reasonable satisfaction, to Manufacture the [***] for Arctic Vision's use solely within the Territory. Arctic Vision will not, and will not permit its Affiliates, sublicensees and Third-Party suppliers to modify or alter the Clearside Device or use any Clearside Device for any purpose other than as part of a Licensed Product, in each case without Clearside's prior written consent, such consent not to be unreasonably withheld, and not to be withheld if such modification or alteration is required by the Regulatory Authority in the Territory. Notwithstanding anything to the contrary in this Agreement, unless and until the occurrence of the aforementioned supply failure (to be defined in the Supply Agreement), no Arctic Vision Entity shall have the right to, and shall not, Manufacture the Clearside Device, and shall only have the right to have the Clearside Device Manufactured through a Third Party manufacturer that is approved in advance in writing by Clearside (such approval not to be unreasonably withheld, delayed or conditioned). Any modification or alteration of the Clearside Device by Clearside requested by Arctic Vision will be subject to the Parties' mutual agreement. If made, all rights to such Clearside Device modifications and alterations will be owned by Clearside, provided that such rights shall be included in the Clearside Technology and such modified or altered Clearside Device shall continue to be a Clearside Device; provided further that [***]. [***].

(d)Arctic Vision shall exercise Commercially Reasonable Efforts to assist Clearside's suppliers, [***], to ensure compliance with all applicable regulations in the Territory.

(e)Clearside shall use Commercially Reasonable Efforts to qualify a backup CMO for the manufacture of the Clearside Device within [***]. The Parties shall mutually agree on timing if Arctic Vision is able to [***] as set forth on Schedule 1.25. Clearside shall maintain a safe stock of the Licensed Products of the following amounts available solely for Arctic Vision's use in case of supply failure or supply shortage: (x) during clinical studies and prior to Regulatory Approval in the Territory: at least [***] of the total amount needed to complete the clinical studies based on the forecast provided by Arctic Vision; and (y) after Regulatory Approval in the Territory: an amount equal to the average forecasted amount for [***] based on the most recent forecast provided by AV under the Supply Agreement. For clarity, the aforementioned safe stock shall include both the Clearside Device and the Clearside Drug Product.

(f)**Supply Price**.

(i) Clearside shall: (A) use its [***] to negotiate with its CMOs to lower the COGS for the Licensed Products; (B) only engage in arm's length transactions with any CMO that is not an Affiliate of Clearside for the supply of the Licensed Products to Arctic Vision; and (C) shall grant Arctic Vision the right to [***] for the Licensed Products, which right shall be consistent with [***].

(ii) The Parties agree that, during the Term of this Agreement and in any event subject to **Section 7.01(f)(iii)**, if the COGS for the Licensed Products changes compared to the COGS for the Licensed Products as of the effective date of the Supply Agreement ("**Supply**

Date"), only [***] of such change shall be applied towards the calculation of the Supply Price. For clarity, subject to **Section 7.01(f)(iii)**: (A) as of the Supply Date, the Supply Price shall be the COGS for the Licensed Products as of the Supply Date multiplied by [***]; (B) if the COGS for the Licensed Products increases compared to the COGS for the Licensed Products as of the Supply Date, the Supply Price shall be (1) the COGS for the Licensed Products as of the Supply Date plus (2) [***] of such increase, multiplied by [***]; and (C) if the COGS for the Licensed Products decreases compared to the COGS for the Licensed Products as of the Supply Date, the Supply Price shall be (1) the COGS for the Licensed Products as of the Supply Date minus (2) [***] of such decrease, multiplied by [***].

(iii) Notwithstanding the foregoing, in no event shall Clearside be required to sell any Clearside Device, Clearside Drug Product or Licensed Product to Arctic Vision at a Supply Price [***].

ARTICLE VIII.

PAYMENTS

Section 8.01 **Upfront Payment**. Within [***] following the Effective Date, and receipt of an invoice therefor, Arctic Vision shall pay Clearside a one-time, non-refundable, non-creditable upfront payment of Four Million Dollars ($4,000,000), by wire transfer.

Section 8.02 **Payment Upon Completion of Technology Sharing**. Within [***] following filing of the drug master file for the active pharmaceutical ingredient of the Licensed Products with the NMPA, Arctic Vision shall pay Clearside a further one-time, non-refundable, non-creditable payment of [***], by wire transfer. Within [***] following Clearside's provision to Arctic Vision of documents which are to be provided within [***] following NDA resubmission and set forth on Exhibits B(i) and B(ii), Arctic Vision shall pay Clearside a further one-time, non-refundable, non-creditable payment of [***], by wire transfer; provided that, Clearside shall be deemed to have provided to Arctic Vision the documents set forth on Exhibits B(i) and B(ii) upon the earlier of: [***].

Section 8.03 **Payment Upon LICENSED PRODUCT FDA Approval**. Within [***] following the FDA's approval of the marketing of XIPERE in the United States, and receipt of an invoice therefor, Arctic Vision shall pay Clearside a further one-time, non-refundable, non-creditable payment of [***], by wire transfer. For clarity, Arctic Vision shall pay Clearside non-refundable and non-creditable payments totaling no more than [***].

Section 8.04 **Development Milestone Payments**.

(a)Arctic Vision shall make the one-time milestone payments to Clearside set forth in the table below no later than [***]after the earliest date on which the corresponding milestone event has been achieved by any Arctic Vision Entity with respect to the first Licensed Product to achieve such milestone event.

Milestone Event	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

(b) The milestone payments set forth in rows (i) through (v) above shall be payable only once, upon the first achievement of such milestone event by the first Licensed Product to achieve such event. In the event [***] is achieved without the achievement of [***], then the milestone payment associated with [***] shall become due and payable at the same time that the [***] payment is due.

(c) Upon achievement by any Arctic Vision Entity of any of the milestone events listed above, Arctic Vision shall promptly (but in no event more than [***] after such achievement) notify Clearside of such achievement.

Section 8.05 **Sales Milestone Payments**. Arctic Vision shall pay to Clearside the following amounts after the first achievement of aggregate Net Sales of all Licensed Products in the Territory in a calendar year that meet or exceed the minimum annual Net Sales thresholds set forth below, which payment shall be made no later than [***] after the end of the calendar quarter in which the applicable threshold(s) is(are) met or exceeded:

Annual Net Sales Threshold	Payment Amount
[***]	[***]
[***]	[***]

Each milestone payment in this **Section 8.05 (Sales Milestone Payments)** shall be payable only once upon the first achievement of such milestone in a given calendar year and no amounts shall be due for subsequent or repeated achievements of such milestone in subsequent calendar years. For clarity, the Net Sales of all Licensed Products in a calendar year shall be aggregated for purposes of determining whether any milestone in the table above has been met. If more than one of the milestones set forth in the table above are first achieved in a single calendar year, then Arctic Vision shall pay to Clearside in such calendar year all of the payments corresponding to all of the milestones achieved in such calendar year under this **Section 8.05 (Sales Milestone Payments)**.

Section 8.06 **Royalties**.

(a)Subject to the remainder of this **Section 8.06 (Royalties)**, Arctic Vision shall pay Clearside the following royalties on aggregate Net Sales of all Licensed Products, at an incremental royalty rate determined by aggregate annual Net Sales of all Licensed Products in each calendar year during the Term in the Territory:

Portion of Annual Net Sales of all Licensed Products	**Royalty Rate**
[***]	10%
[***]	12%

(b) Running royalties paid by Arctic Vision under this **Section 8.06** (**Royalties**) shall be paid on a Licensed Product-by-Licensed Product and Jurisdiction-by-Jurisdiction basis until the latest of (i) the expiration of the last-to-expire Valid Claim in the Clearside Patent Rights that Covers such Licensed Product, (ii) expiration of marketing or regulatory exclusivity with respect to such Licensed Product in such Jurisdiction, or (iii) ten (10) years from the First Commercial Sale of such Licensed Product in the Field in such Jurisdiction (each, a "**Royalty Term**"); provided that, [***]. Following the expiration of the Royalty Term with respect to a particular Licensed Product in the Field in a Jurisdiction (but not following an earlier termination of this Agreement), the licenses granted by Clearside to Arctic Vision pursuant to **Section 2.01(a)** with respect to such Licensed Product in the Field in such Jurisdiction shall be perpetual, irrevocable, fully-paid and royalty-free, but Net Sales of such Licensed Product shall continue to be included in the aggregate Net Sales calculation in **Section 8.06(a)** or for the purposes of **Section 8.05 (Sales Milestones Payments)**.

(c) Notwithstanding the provisions of **Section 8.06(a)**, on a Jurisdiction-by-Jurisdiction and [***] basis, during any period in such Jurisdiction in which there is [***] in such Jurisdiction, Arctic Vision shall pay royalty rates for sales of such Licensed Product in such Jurisdiction that shall be set at [***] of the applicable royalty rate determined in accordance with **Section 8.06(a)**.

(d) In the event that Arctic Vision obtains, after the Effective Date, a license under, or other rights to, Patent Rights or Know-How from any Third Party(ies) (other than pursuant to **Section 2.03 (In-License Agreements)**) that are necessary in order to Commercialize a given Licensed Product in the Field in a given Jurisdiction and on a [***] basis, [***] actually paid under such Third Party licenses by Arctic Vision or its Affiliates specifically for sales of such Licensed Product in the Field in such Jurisdiction shall be creditable against the royalty payments due to Clearside by Arctic Vision for sales of such Licensed Product in such Jurisdiction.

(e) Notwithstanding the foregoing, in no event shall the royalty payments otherwise owed to Clearside under **Section 8.06(a)** be reduced below [***] in [***] during the Royalty Term.

Section 8.07 **Royalty Payments and Reports**.

(a)On a Licensed Product-by-Licensed Product and Jurisdiction-by-Jurisdiction basis, until the expiration of the Royalty Term with respect to such Licensed Product in such Jurisdiction, Arctic Vision agrees to provide [***] written reports to Clearside within [***] after the end of each [***], covering all Net Sales of such Licensed Product in such Jurisdiction by any Arctic Vision Entity, each such written report stating for the period in question the amount of gross sales and Net Sales of each Licensed Product in each Jurisdiction in the Territory during the applicable [***] (including such amounts expressed in local currency and as converted to Dollars) and a calculation of the amount of royalty payment due on such Net Sales for such [***].

(b)Arctic Vision shall make the royalty payments due hereunder within [***] after the end of each [***].

Section 8.08 **Recordkeeping**.

(a)Each Arctic Vision Entity shall keep accurate records of Licensed Products that are made, used or sold under this Agreement, in accordance with the Accounting Standards consistently applied, for a period of at least [***] after the end of the calendar year to which the records relate, setting forth the sales of Licensed Products in sufficient detail to enable royalties and other amounts payable to Clearside hereunder to be determined. Each Arctic Vision Entity further agrees to permit its books and records to be examined (i) by an independent accounting firm selected by Clearside and reasonably acceptable to Arctic Vision no more than [***] per calendar year, and (ii) by an independent certified public accountant selected by [***] no more than [***] per calendar year, to verify any reports and payments delivered under this Agreement during the [***], upon reasonable notice (which shall be no less than [***] prior notice) and during regular business hours and subject to a reasonable confidentiality agreement. The Parties shall reconcile any underpayment or overpayment within [***] after the accounting firm delivers the results of any audit. Such examination is to be made at the expense of Clearside, except in the event that the results of the audit reveal an underpayment by Arctic Vision of [***] or more during the period being audited, in which case reasonable audit fees for such examination shall be paid by Arctic Vision.

Section 8.09 **Currency Conversion**. Wherever it is necessary to convert currencies for Net Sales invoiced in a currency other than the Dollar, such conversion shall be made into Dollars at the conversion rate existing in the United States (as reported in the *Wall Street Journal*) on the last Business Day of the applicable calendar quarter or, if such rate is unavailable, a substitute therefor reasonably selected by Clearside. All payments due to Clearside under this Agreement shall be made without deduction of exchange, collection or other charges. Once the amount of Net Sales paid to Clearside in respect of a particular calendar quarter has been converted into Dollars, such amount of Dollars shall be used for the purpose of calculating the total amount of Net Sales during the calendar year that includes such calendar quarter.

Section 8.10 **Methods of Payment**. All payments due to Clearside under this Agreement shall be made by Arctic Vision in U.S. Dollars by wire transfer to a bank account of Clearside.

Section 8.11 **Taxes**.

(a)**General**. The milestones, royalties and other amounts payable by Arctic Vision to Clearside pursuant to this Agreement (each, a "**Payment**") will be paid free and clear of any and all taxes, except for any withholding taxes required by applicable Law. Except as provided in this **Section 8.11 (Taxes)**, Clearside will be solely responsible for paying any and all taxes (other than withholding taxes required by applicable Law to be deducted from Payments and remitted by Arctic Vision) levied on account of, or measured in whole or in part by reference to, any Payments it receives. Arctic Vision will deduct or withhold from the Payments any taxes that it is required by applicable Law to deduct or withhold. Notwithstanding the foregoing, if Clearside is entitled under any applicable tax treaty to a reduction of rate of, or the elimination of, applicable withholding tax, it may deliver to Arctic Vision or the appropriate governmental authority (with the assistance of Arctic Vision to the extent that this is reasonably required and is expressly requested in writing) the prescribed forms necessary to reduce the applicable rate of withholding or to relieve Arctic Vision of its obligation to withhold such tax and Arctic Vision will apply the reduced rate of withholding or dispense with withholding, as the case may be; provided that Arctic Vision has received evidence, in a form reasonably satisfactory to Arctic Vision, of Clearside's delivery of all applicable forms (and, if necessary, its receipt of appropriate governmental authorization) at least [***] prior to the time that the Payments are due. If, in accordance with the foregoing, Arctic Vision withholds any amount, it will pay to Clearside the balance when due, make timely payment to the proper taxing authority of the withheld amount and send to Clearside proof of such payment within [***] following such payment.

(b)**Withholding Tax Action**. If any Payment is subject to a deduction or withholding of tax that arises as a result of any action taken by Arctic Vision or its Affiliates or successors, including an assignment of this Agreement as permitted under **Article XVI (Assignment and Acquisitions)**, as a result of which (i) the payment arises in a territory other than the Territory, (ii) there is a change in the tax residency of Arctic Vision, or (iii) the payments arise or are deemed to arise through a branch of Arctic Vision in a territory other than the Territory, and such action has the effect of increasing the amount of tax deducted or withheld (each, an "**Withholding Tax Action**"), then notwithstanding **Section 8.11(a)**, the payment by Arctic Vision (in respect of which such deduction or withholding of tax is required to be made) shall be increased by the amount necessary to ensure that Clearside receives an amount equal to the same amount that it would have received had no Withholding Tax Action occur.

Section 8.12 Invoices. Clearside acknowledges that, other than royalty payments, Arctic Vision requires invoices for all payments due under this Agreement, which invoices may be delivered by email to [***] (which email address may be changed by Arctic Vision from time to time upon written notice to Clearside), with a hard copy confirmed by mailing to:

Arctic Vision (Hong Kong) Limited
23/F Nan Fung Tower 88
Connaught Road C & 173 Des Voeux Road C
Central HK

(which addresses may be changed by Arctic Vision from time to time upon written notice to Clearside).

Section 8.13 **Late Payments**. If Clearside does not receive payment of any sum due to it on or before the due date therefor, simple interest shall thereafter accrue on the sum due to Clearside from the due date until the date of payment at [***] or the maximum applicable legal rate, if less. The interest payment shall be due from the day the original payment was due until the day that the payment was received by Clearside; provided, that, with respect to any disputed payments, no interest payment shall be due until such dispute is resolved and the interest which shall be payable thereon shall be based on the finally-resolved amount of such payment, calculated from the original date on which the disputed payment was due through the date on which payment is actually made.

ARTICLE IX.

INTELLECTUAL PROPERTY

Section 9.01 **Ownership**.

(a)Ownership of the Clearside Technology shall remain vested at all times in Clearside.

(b)Ownership of the Arctic Vision Technology shall remain vested at all times in Arctic Vision.

(c) Each Party shall own all Inventions that are made solely by it and its Affiliates or sublicensees during the performance of activities under this Agreement ("**Sole Inventions**"). The Parties shall jointly own all Inventions that are made jointly by or on behalf of both Parties or their Affiliates or (sub)licensees ("**Joint Inventions**"). Patents claiming the Joint Inventions are "**Joint Patents**." Each Party owns an undivided half interest in the Joint Inventions, and neither Party shall be entitled to practice, license, assign (its respective interest only) or otherwise exploit the Joint Inventions and Joint Patents in any Jurisdiction or in the Territory without the prior written consent from the other Party. Notwithstanding the foregoing, any and all Inventions directed to the Clearside Device, including any improvements thereto, shall be owned solely and exclusively by Clearside, without regard to the inventorship thereof, and Arctic Vision shall, and hereby does, assign to Clearside any and all of its interest in and to such Inventions, together with all intellectual property rights therein. "**Inventions**" shall mean any inventions made by a Party (either solely or jointly), its Affiliates or (sub)licensees, or on behalf of any of the foregoing entities by their respective employees, agents, and independent contractors during the performance of activities under this Agreement.

(d) For purposes of determination of ownership hereunder, inventorship shall be determined according to United States patent Laws.

Section 9.02 **Prosecution of Patent Rights**.

(a) [***]. The [***] will be responsible for filing for, prosecution and maintenance of the [***] in accordance with the terms of the [***]. Clearside will provide Arctic Vision with all information that is provided to Clearside by the [***] with respect to the [***] in the Territory with sufficient time for Arctic Vision to review and comment thereon. If Clearside and [***] elect not to continue to seek or maintain any [***] in the Territory, then: (a) to the extent Arctic Vision is the sole exclusive sublicensee of such [***], Clearside will provide Arctic Vision with timely notice and will provide Arctic Vision with a reasonable opportunity to assume responsibility for the continued prosecution and maintenance of such [***], or (b) to the extent Arctic Vision is not the sole exclusive sublicensee of such [***], Clearside will provide Arctic Vision with timely notice and Arctic Vision and the other exclusive licensees will negotiate in good faith regarding the assumption of responsibility for the continued prosecution and maintenance of such [***].

(b) For any Clearside Patent Rights not covered by **Section 9.02(a)**, this **Section 9.02(b)** will apply. Clearside has the first right, at its discretion and using counsel it selects, to prepare, file, prosecute and maintain all Clearside Patent Rights covering a Licensed Product in Clearside's name in the Territory. Clearside will: (i) instruct such patent counsel to provide Arctic Vision with copies of all filings and formal correspondences relating to such Clearside Patent Rights in the Territory and (ii) keep Arctic Vision advised of the status of actual and prospective patent filings related to a License Product in the Territory. Clearside will give Arctic Vision the opportunity to provide and will reasonably consider comments on the preparation, filing, prosecution and maintenance of the Clearside Patent Rights covering a Licensed Product in the Territory. Each Party will treat any consultation regarding the preparation, filing, prosecution and maintenance of such Clearside Patent Rights, along with any information disclosed by each Party in connection therewith (including any information concerning patent expenses), as Confidential Information. If Clearside elects not to continue to seek or maintain any Clearside Patent Rights covering a Licensed Product in the Territory, then: (A) to the extent Arctic Vision is the sole exclusive licensee of such Clearside Patent Rights, Clearside will provide Arctic Vision with timely notice and will provide Arctic Vision with a reasonable opportunity to assume responsibility for the continued prosecution and maintenance of such Clearside Patent Rights, or (B) to the extent Arctic Vision is not the sole exclusive licensee of such Clearside Patent Rights, Clearside will provide Arctic Vision with timely notice and Arctic Vision and the other exclusive licensees will negotiate in good faith regarding the assumption of responsibility for the continued prosecution and maintenance of such Clearside Patent Rights.

(c) In preparing, filing, prosecuting and maintaining any Patent Right, in no event shall either Party take any position that is contrary to or detrimental to the scope or enforceability of any Patent Rights belonging to the other Party within the scope of this Agreement.

Section 9.03 Enforcement and Defense.

(a)If either Party becomes aware of any Third Party activity, including any Development activity (whether or not an exemption from infringement liability for such Development activity is available under applicable Law), that infringes (or that is directed to the Development of a product that would infringe) a Clearside Patent Right or Arctic Vision Patent

Right, then the Party becoming aware of such activity shall give prompt written notice to the other Party regarding such alleged infringement or misappropriation (collectively, "**Infringement Activity**").

(b)[***] shall have the first right, but not the obligation, to control and attempt to resolve any Infringement Activity related to the product-specific Clearside Patent Rights in the Territory by commercially appropriate steps [***], including the filing of an infringement or misappropriation suit using counsel of its own choice. [***] shall have the first right, but not the obligation, to control and attempt to resolve any Infringement Activity related to the other Clearside Patent Rights in the Territory by commercially appropriate steps [***], including the filing of an infringement or misappropriation suit using counsel of its own choice. [***] shall (i) keep [***] reasonably informed regarding such infringement or misappropriation suit (including by providing [***] with drafts of each filing within a reasonable period before the deadline for such filing and promptly providing [***] with copies of all final filings and correspondence), (ii) consult with [***] on such infringement or misappropriation suit, and (iii) consider in good faith all comments from [***] regarding such infringement or misappropriation suit and incorporate all reasonable comments or suggested changes proposed by [***], except any comments or suggested changes that would reasonably be expected to have a negative impact on [***]. [***] shall be [***] in connection with such infringement or misappropriation suit. If [***] fails to resolve such Infringement Activity in the Territory, or to initiate a suit with respect thereto by the date that is [***] before any deadline for taking action to avoid any loss of material enforcement rights or remedies, then, [***] may, subject to the following sentence, have the right, but not the obligation, to attempt to resolve such Infringement Activity by commercially appropriate steps [***], including the filing of an infringement or misappropriation suit using counsel of its own choice. In the circumstance where [***] has the right to resolve such Infringement Activity: [***].

(c)Any amounts recovered by a Party as a result of an action pursuant to **Section 9.03(b)**, whether by settlement or judgment, shall be [***].

(d)In any event, at the request and expense of the Party bringing an infringement or misappropriation action under **Section 9.03(b)**, the other Party shall provide reasonable assistance in any such action (including entering into a common interest agreement if reasonably deemed necessary by any Party) and be joined as a party to the suit if necessary for the initiating or defending Party to bring or continue such suit. Neither Party may settle any action or proceeding brought under **Section 9.03(b),** or knowingly take any other action in the course thereof, in a manner that materially adversely affects the other Party's interest in any Clearside Patent Rights or Arctic Vision Patent Rights without the written consent of such other Party. Each Party shall always have the right to be represented by counsel of its own selection and its own expense in any suit or other action instituted by the other Party pursuant to **Section 9.03(b)**.

Section 9.04 Defense of Third Party Infringement and Misappropriation Claims.

(a)If a Third Party asserts that a Patent Right or other right Controlled by it in the Territory is infringed or misappropriated by a Party's activities under this Agreement or a Party becomes aware of a Patent Right or other right that might form the basis for such a claim, the Party

first obtaining knowledge of such a claim or such potential claim shall immediately provide the other Party with notice thereof and the related facts in reasonable detail. The Parties shall discuss what commercially appropriate steps, if any, to take to avoid infringement or misappropriation of said Third Party Patent Right or other right controlled by such Third Party in the Territory.

(b)If a Third Party asserts that a Patent Right or other right Controlled by it in the Territory is infringed or misappropriated by a Party's activities under this Agreement, then such Party shall have the first right, but not the obligation, to defend against such assertion and, at such Party's request and expense, the other Party will provide reasonable assistance in defending against such Third Party assertion. Such Party shall keep the other Party reasonably informed regarding such assertion and such defense.

Section 9.05 **Patent Term Extensions**. Arctic Vision shall have the first right to select the appropriate Clearside Patent Rights for filing to obtain any available patent term extensions, including supplementary protection certificates and any other extensions that are now available or become available in the future, based on Regulatory Approvals for Licensed Products in the Field in the Territory. Each Party shall cooperate with the other Party in gaining any such patent term extensions, including by signing all necessary papers. If Arctic Vision elects not to, or is unable to, file to obtain any patent term extension described in this **Section 9.05 (Patent Term Extensions)**, it shall give Clearside prompt notice thereof, and, in such cases, shall permit Clearside [***] to take such actions itself.

Section 9.06 [***]. All licenses and other rights granted to Arctic Vision with respect to the [***] under this Agreement are subject to the rights and obligations of Clearside under the [***] and Arctic Vision shall comply with such provisions applicable to the rights granted to Arctic Vision hereunder in all material respects. Clearside may not amend the [***] in a manner that diminishes the rights granted under this Agreement or that places material obligations on Arctic Vision that are not expressly included in this Agreement without Arctic Vision's prior written consent. For the avoidance of doubt, Arctic Vision is not and shall not be obligated to make any payments to [***] under the [***], except to the extent that Arctic Vision becomes a direct licensee pursuant to **Section 2.5.5** thereof. With respect to the [***], the license granted to Arctic Vision under **Section 2.01(a)** is subject to [***] right, on behalf of itself, its employees and research collaborators, to make, have made, use, import, and transfer products Covered by the [***] and practice the "Licensed Technology" as defined in the [***] for research, educational and non-commercial and humanitarian clinical purposes.

ARTICLE X.

ADVERSE DRUG EVENTS AND REPORTS

Section 10.01 **Complaints**. Each Party shall maintain a record of all non-medical and medical product-related complaints it receives with respect to any Licensed Product. Each Party shall notify the other Party of any such complaint received by it in sufficient detail and in accordance with the timeframes and procedures for reporting established by the Parties within the Safety Data Exchange Agreement and the quality agreement, and in any event in sufficient time

to allow each Clearside Entity and their respective sublicensees ([***]) and each Arctic Vision Entity to comply with any and all regulatory requirements imposed upon it, including in accordance with International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use ("**ICH**") guidelines. The Party that holds the applicable Regulatory Filing(s) in a particular country or jurisdiction shall investigate and respond to all such complaints in such country or jurisdiction with respect to any Licensed Product as soon as reasonably practicable. All such responses shall be made in accordance with the procedures established pursuant to ICH, FDA, EMA, NMPA and other applicable guidelines. The Party responsible for responding to such complaint shall promptly provide the other Party a copy of any such response.

Section 10.02 **Adverse Drug Events**. Within [***] of the Effective Date, both Parties shall develop and agree to the worldwide safety and pharmacovigilance procedures for the Parties with respect to the Product, such as safety data sharing and exchange, and adverse events reporting, in a written agreement (the "**Safety Data Exchange Agreement**"). Such agreement shall describe the coordination of collection, investigation, reporting, and exchange of information concerning adverse events or any other important safety information, and Product quality and Product complaints involving adverse events, sufficient to permit each Party, its Affiliates, or Sublicensees to comply with its legal obligations. The Parties shall promptly update the Safety Agreement if required by changes in Applicable Law. Each Party shall comply with its respective obligations under the Safety Agreement and shall cause its Affiliates and Sublicensees to comply with such obligations.

ARTICLE XI.

REPRESENTATIONS, WARRANTIES, AND COVENANTS

Section 11.01 **Mutual Representations and Warranties**. Each of Arctic Vision and Clearside hereby represents and warrants to the other Party as of the Effective Date that:

(a)it is a corporation or entity duly organized and validly existing under the Laws of the state, municipality, province, administrative division or other jurisdiction of its incorporation or formation;

(b)the execution, delivery and performance of this Agreement by it has been duly authorized by all requisite corporate action;

(c)it has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and such performance does not conflict with or constitute a breach of any of its agreements with any Third Party;

(d)it has the right to grant the rights and licenses described in this Agreement;

(e)it has not made any commitment to any Third Party in conflict with the rights granted by it hereunder;

(f)to its knowledge, no consent, approval or agreement of any person or Governmental Authority is required to be obtained in connection with the execution and delivery of this Agreement;

(g)[***]; and

(h)it has not been debarred by the FDA, is not the subject of a conviction described in Section 306 of the FD&C Act, and is not subject to any similar sanction of any other Governmental Authority outside of the U.S., and neither it nor any of its Affiliates has used, in any capacity, any person or entity who either has been debarred by the FDA, is the subject of a conviction described in Section 306 of the FD&C Act or is subject to any such similar sanction inside or outside of the U.S.

Section 11.02 **Mutual Covenants**. Each of Arctic Vision and Clearside hereby covenants to the other Party that:

(a)it will not engage, in any capacity in connection with this Agreement or any ancillary agreement, any person or entity who either has been debarred by the FDA, is the subject of a conviction described in Section 306 of the FD&C Act or is subject to any similar sanction inside or outside of the U.S., and such Party shall inform the other Party in writing promptly if such Party or any person or entity engaged by such Party who is performing services under this Agreement, or any ancillary agreement, is debarred or is the subject of a conviction described in Section 306 of the FD&C Act or any similar sanction inside or outside of the U.S., or if any action, suit, claim, investigation or legal or administrative proceeding is pending or, to such Party's knowledge, is threatened, relating to any such debarment or conviction of a Party, any of its Affiliates or any such person or entity performing services hereunder or thereunder;

(b)during the Term, it will not make any commitment to any Third Party in conflict with the rights granted by it hereunder; and

(c)it will comply with all applicable Laws in performing its activities hereunder.

Section 11.03 **Additional Clearside Warranties**. Clearside hereby represents and warrants to Arctic Vision as of the Effective Date that:

(a)to Clearside's knowledge, Exhibit A contains a list of all Patent Rights that are Controlled by Clearside as of the Effective Date and Cover (i) Development or Commercialization of the Licensed Products as they exist on the Effective Date in the Field in the Territory or (ii) the Manufacture in the Territory of Licensed Product as they exist on the Effective Date, in each case ((i) and (ii)) in accordance with this Agreement;

(b) all of the issued Patent Rights on Exhibit A are in full force and effect, and, to Clearside's knowledge, are not invalid or unenforceable, in whole or in part;

(c) to Clearside's knowledge, Clearside is unaware of any challenge in the Territory to the validity or enforceability of any of the Clearside Patent Rights listed in Exhibit A;

(d) to Clearside's knowledge, no Third Party is infringing or misappropriating any Clearside Technology in the Field in the Territory in derogation of the rights granted to Arctic Vision in this Agreement;

(e) Other than the SVB Security Interest, the REGENXBIO Agreement and the Aura Agreement, Clearside and its Affiliates have not, prior to the Effective Date, assigned, transferred, conveyed or otherwise encumbered their right, title and interest in any Clearside Technology within the Territory;

(f) neither Clearside nor any of its Affiliates has received any written notification from a Third Party that the research, development, manufacture, use, sale or import of Licensed Products in the Territory would infringe or misappropriate the Patent Rights or Know-How owned or controlled by such Third Party;

(g) to Clearside's knowledge, Clearside has not received written notice of any investigations, inquiries, actions or other proceedings pending before or threatened by any Regulatory Authority or other Governmental Authority in the Territory with respect to the Licensed Products in the Territory arising from any action or default by Clearside or any of its Affiliates or a Third Party acting on behalf Clearside in the discovery or Development of the Licensed Products; and

(h) [***].

Section 11.04 Anti-Corruption.

(a)Anti-Corruption Provisions. Each Party represents and warrants to the other Party that such Party has not, directly or indirectly, offered, promised, paid, authorized or given, and each Party agrees that such Party will not, in the future, offer, promise, pay, authorize or give, money or anything of value, directly or indirectly, to any Government Official (as defined below) or Other Covered Party (as defined below) for the purpose, pertaining to this Agreement, of: (i) influencing any act or decision of such Government Official or Other Covered Party; (ii) inducing such Government Official or Other Covered Party to do or omit to do an act in violation of a lawful duty; (iii) securing any improper advantage; or (iv) inducing such Government Official or Other Covered Party to influence the act or decision of a Governmental Authority, in order to obtain or retain business, or direct business to, any person or entity, in any way related to this Agreement.

For purposes of this Agreement: (A) "**Government Official**" means any official, officer, employee or representative of: (1) any Governmental Authority; (2) any public international organization or any department or agency thereof; or (3) any company or other entity owned or controlled by any Governmental Authority; and (B) "**Other Covered Party**" means any political party or party official, or any candidate for political office.

(b)Anti-Corruption Compliance.

(i) In performing under this Agreement, each Party, on behalf of itself, its respective Affiliates and (in the case of Clearside) other Clearside Entities and (in the case of Arctic Vision) other Arctic Vision Entities, agrees to comply with all applicable anti-corruption Laws, including the Foreign Corrupt Practices Act of 1977, as amended from time to time ("**FCPA**") and all anti-corruption Laws of the Territory.

(ii) Each Party represents and warrants to the other Party that such Party is not aware of any Government Official or Other Covered Party having any financial interest in the subject matter of this Agreement or in any way personally benefiting, directly or indirectly, from this Agreement.

(iii) No Party, nor any Affiliate of any Party (and (in the case of Clearside) no other Clearside Entity and (in the case of Arctic Vision) no other Arctic Vision Entity), shall give, offer, promise or pay any political contribution or charitable donation at the request of any Government Official or Other Covered Party that is in any way related to this Agreement or any related activity.

(iv) Arctic Vision Entities shall in all cases, refrain from engaging in any activities or conduct which would cause any Clearside Entity to be in violation of the FCPA and any applicable anti-bribery Laws. To the extent allowed by Law, if any Arctic Vision Entity proposes to provide any information, data or documentation to any governmental or regulatory authority in respect of the Licensed Product that relates to or may result in a violation of the FCPA or any applicable anti-bribery Law, it shall first obtain the prior written approval of Clearside, which will not be unreasonably withheld, or shall provide such information, data or documentation in accordance with Clearside's written instructions.

(v) Arctic Vision agrees that should it learn or have reason to know of: (i) any payment, offer, or agreement to make a payment to a foreign official or political party for the purpose of obtaining or retaining business or securing any improper advantage for Clearside under this Agreement or otherwise, or (ii) any other development during the Term that in any way makes inaccurate or incomplete the representations, warranties and certifications of Arctic Vision hereunder given or made as of the date hereof or at any time during the Term, relating to the FCPA, Arctic Vision will immediately advise Clearside in writing of such knowledge or suspicion and the entire basis known to Arctic Vision therefor.

(vi) Notwithstanding any other provisions contained in this Agreement, Arctic Vision agrees that full disclosure of information relating to a possible violation of the FCPA or the existence and terms of this Agreement, including the compensation provisions hereof, may be made at any time and for any reason to the U.S. government and its agencies, and to whomsoever Clearside determines has a legitimate need to know.

(vii) In the event that a Party violates the FCPA, any anti-corruption Law of the Territory or any other applicable anti-corruption Law, or breaches any provision in this **Section**

11.04 (Anti-Corruption), the other Party shall have the right to terminate this Agreement pursuant to **Section 14.03** (**Termination for Breach**).

Section 11.05 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE INTELLECTUAL PROPERTY RIGHTS PROVIDED BY CLEARSIDE TO ARCTIC VISION HEREIN ARE PROVIDED "AS IS" AND WITHOUT WARRANTY. EXCEPT AS EXPRESSLY SET FORTH HEREIN, EACH OF THE PARTIES EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OR ENFORCEABILITY OF THEIR RESPECTIVE INTELLECTUAL PROPERTY RIGHTS, AND NONINFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES.

Section 11.06 Limitation of Liability. NEITHER PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY ANY SPECIAL, INCIDENTAL, EXEMPLARY, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES OR DAMAGES FOR LOSS OF PROFIT OR LOST OPPORTUNITY IN CONNECTION WITH THIS AGREEMENT, ITS PERFORMANCE OR LACK OF PERFORMANCE HEREUNDER, OR ANY LICENSE GRANTED HEREUNDER. THE FOREGOING SHALL NOT LIMIT (a) ANY INDEMNIFICATION OBLIGATIONS HEREUNDER OR (b) REMEDIES AVAILABLE TO EITHER PARTY WITH RESPECT TO A BREACH OF **Article XII** (**CONFIDENTIALITY),** OR (c) DAMAGES IN INSTANCES OF INTENTIONAL MISCONDUCT OR FRAUD COMMITTED BY THE OTHER PARTY.

ARTICLE XII.

CONFIDENTIALITY

Section 12.01 Generally. During the Term and for a period of [***] thereafter, each Party (a) shall maintain in confidence all Confidential Information of the other Party or any of such Party's Affiliates; (b) shall not use such Confidential Information for any purpose except to fulfill its obligations or exercise its rights (for the avoidance of doubt, including, with respect to Clearside, the right to Commercialize the Licensed Products outside of the Field or Territory (and inside of the Field and Territory after any termination of this Agreement) and to Develop and Manufacture the Licensed Products in accordance with this Agreement) under this Agreement; and (c) shall not disclose such Confidential Information to anyone other than those of its Affiliates, directors, investors, prospective investors, lenders, prospective lenders, acquirers, prospective acquirers, licensees, prospective licensees, sublicensees, prospective sublicensees, employees, consultants, financial or legal advisors, or other agents or contractors (collectively, "**Representatives**") who are bound by written obligations of nondisclosure and non-use no less stringent than those set forth in this **Article XII (Confidentiality)** and to whom such disclosure, under this Agreement, is necessary in connection with the fulfillment of such Party's obligations or exercise of such Party's rights under this Agreement or in connection with *bona fide* financing or acquisition activities. Each Party shall (i) ensure that such Party's Representatives who receive

any of the other Party's (or any of such Party's Affiliates') Confidential Information comply with the obligations set forth in this **Article XII (Confidentiality)** and (ii) be responsible for any breach of these obligations by any of its Representatives who receive any of the other Party's (or any of such Party's Affiliates') Confidential Information. Each Party shall notify the other Party promptly on discovery of any unauthorized use or disclosure of the other's (or any of its Affiliates') Confidential Information.

Section 12.02 **Exceptions**. The obligations of confidentiality, non-disclosure, and non-use set forth in **Section 12.01 (Generally)** shall not apply to, and "Confidential Information" shall exclude, any information to the extent the receiving Party (the "**Recipient**") can demonstrate that such information: (a) was in the public domain or publicly available at the time of disclosure to the Recipient or any of its Affiliates by the disclosing Party or any of its Affiliates pursuant to this Agreement or the Confidentiality Agreement, or thereafter entered the public domain or became publicly available, in each case other than as a result of any action of the Recipient, or any of its Representatives, in breach of this Agreement or the Confidentiality Agreement; (b) was rightfully known by the Recipient or any of its Affiliates (as shown by its written records) prior to the date of disclosure to the Recipient or any of its Affiliates by the disclosing Party or any of its Affiliates pursuant to this Agreement or the Confidentiality Agreement; (c) was received by the Recipient or any of its Affiliates on an unrestricted basis from a Third Party rightfully in possession of such information and not under a duty of confidentiality to the disclosing Party or any of its Affiliates; or (d) was independently developed by or for the Recipient or any of its Affiliates without reference to or reliance on the Confidential Information of the other Party or any of its Affiliates (as demonstrated by written records).

Section 12.03 **Permitted Disclosures**. Notwithstanding any other provision of this Agreement, Recipient's (or its Affiliates') disclosure of the other Party's (or any of such Party's Affiliates') Confidential Information shall not be prohibited if such disclosure: (a) is in response to a valid order of a court or other Governmental Authority, including the rules and regulations promulgated by the Securities and Exchange Commission (or similar foreign authority) or any other Governmental Authority; (b) is otherwise required by applicable Law or rules of a nationally or internationally recognized securities exchange or Nasdaq or (c) is to patent offices in order to seek or obtain Patent Rights or to Regulatory Authorities in order to seek or obtain approval to conduct clinical trials or to gain Regulatory Approval with respect to the Licensed Products as contemplated by this Agreement; *provided* that such disclosure may be made only to the extent reasonably necessary to seek or obtain such Patent Rights or Regulatory Approvals, and the Recipient (or its applicable Affiliate(s)) shall use Commercially Reasonable Efforts to obtain confidential treatment of such information. If a Recipient is required to disclose Confidential Information pursuant to **Section 12.03(a)** or **Section 12.03(b)**, prior to any disclosure the Recipient shall, to the extent legally permitted and practicable, provide the disclosing Party with prior written notice of such disclosure in order to permit the disclosing Party to seek a protective order or other confidential treatment of such disclosing Party's Confidential Information.

Section 12.04 **Publicity**. The Parties will issue a joint press release in connection with this Agreement. The Parties recognize that each Party may from time to time desire to issue press

releases and make other public statements or public disclosures in respect of this Agreement, including the Development or Commercialization of Licensed Products in the Territory (each, a "**Public Statement**"). If Arctic Vision desires to make a Public Statement, it shall provide Clearside a copy of such Public Statement at least [***] prior to the date it desires to make such public disclosure. Arctic Vision shall not issue a Public Statement without Clearside's prior written approval, which advance approval shall not be unreasonably withheld, conditioned or delayed. Clearside shall provide to Arctic Vision a preliminary draft of any Public Statement that it intends to make on a global basis with respect to Development of Licensed Products at least [***] in advance of such public disclosure and shall provide a final draft of such Public Statement at least [***] in advance of such public disclosure; *provided* that, if such Public Statement includes data owned by Arctic Vision with respect to a clinical study or pre-clinical research conducted by Arctic Vision in the Territory, Clearside shall obtain Arctic Vision's prior written approval to include such data, which approval shall not be unreasonably withheld, conditioned or delayed. Once any public statement or public disclosure has been approved in accordance with this **Section 12.04** (**Publicity**), then the applicable Party may appropriately communicate information contained in such permitted statement or disclosure. Notwithstanding anything to the contrary in this **Section 12.04 (Publicity)**, nothing in this **Section 12.04 (Publicity)** shall be deemed to limit either Party's rights under **Section 12.03 (Permitted Disclosures)** or either Party's ability to issue press releases or make other public statements or public disclosures required by applicable Law or rules of a nationally or internationally recognized securities exchange or Nasdaq.

Section 12.05 **Publications**. Clearside acknowledges Arctic Vision's interest in publishing certain key results of Arctic Vision's Development and Commercialization of Licensed Products in the Field in the Territory. Arctic Vision recognizes the mutual interest in obtaining valid patent protection and Clearside's interest in protecting its proprietary information. Consequently, except for disclosures permitted pursuant to **Section 12.02 (Exceptions)**, **Section 12.03 (Permitted Disclosures)** or **Section 12.04 (Publicity)**, if Arctic Vision wishes to make a publication or public presentation with respect to its Development or Commercialization of Licensed Products in the Field in the Territory, Arctic Vision shall deliver to Clearside a copy of the proposed written publication or presentation at least [***] prior to submission for publication or presentation. Clearside shall have the right (a) to require modifications to the publication or presentation for patent or any other business reasons, and Arctic Vision will remove all of Clearside's Confidential Information if requested by Clearside, and (b) to require a reasonable delay in publication or presentation in order to protect patentable information. If Clearside requests a delay, then Arctic Vision shall delay submission or presentation for a period of [***] (or such shorter period as may be mutually agreed by the Parties) to enable Clearside to file patent applications protecting Clearside's rights in such information.

Section 12.06 **Injunctive Relief**. Each Party acknowledges and agrees that there may be no adequate remedy at law for any breach of its obligations under this **Article XII (Confidentiality)**, that any such breach may result in irreparable harm to the other Party and, therefore, that upon any such breach or any threat thereof, such other Party may seek appropriate equitable relief in addition to whatever remedies it might have at law, without the necessity of showing actual damages.

ARTICLE XIII.

INDEMNIFICATION

Section 13.01 **Indemnification by Clearside**. Clearside shall indemnify, hold harmless and defend any Arctic Vision Entity, and their respective directors, officers, and employees (the "**Arctic Vision Indemnitees**") from and against any and all Third Party suits, claims, actions, demands, liabilities, expenses, costs, damages, deficiencies, obligations or losses (including reasonable attorneys' fees, court costs, witness fees, damages, judgments, fines and amounts paid in settlement) ("**Losses**") to the extent that such Losses arise out of (a) any breach of this Agreement by Clearside, (b) the Development, Manufacture or Commercialization of any Licensed Product by or on behalf of any Clearside Entity or their sublicensees or (c) the negligence or willful misconduct of any Clearside Indemnitee. Notwithstanding the foregoing, Clearside shall not have any obligation to indemnify the Arctic Vision Indemnitees to the extent that the applicable Losses arise out of the negligence or willful misconduct of any Arctic Vision Indemnitee or any breach of this Agreement by Arctic Vision.

Section 13.02 **Indemnification by Arctic Vision**. Arctic Vision shall indemnify, hold harmless and defend any Clearside Entity and any of their sublicensees, and their respective directors, officers, and employees, and [***], and their heirs, executors, administrators, successors and legal representatives (the "**Clearside Indemnitees**") from and against any and all Losses, to the extent that such Losses arise out of (a) any breach of this Agreement by Arctic Vision, (b) the Development, Manufacture or Commercialization of any Licensed Product by or on behalf of any Arctic Vision Entity or their sublicensees or (c) the negligence or willful misconduct of any Arctic Vision Indemnitee. Notwithstanding the foregoing, Arctic Vision shall not have any obligation to indemnify the Clearside Indemnitees to the extent that the applicable Losses arise out of the negligence or willful misconduct of any Clearside Indemnitee or any breach of this Agreement by Clearside.

Section 13.03 **Procedure**. In the event of a claim by a Third Party against an Arctic Vision Indemnitee or Clearside Indemnitee entitled to indemnification under this Agreement ("**Indemnified Party**"), the Indemnified Party shall promptly notify the Party obligated to provide such indemnification ("**Indemnifying Party**") in writing of the claim and the Indemnifying Party shall undertake and solely manage and control, at its sole expense, the defense of the claim and its settlement. The Indemnified Party shall cooperate with the Indemnifying Party. The Indemnified Party may, at its option and expense, be represented in any such action or proceeding by counsel of its choice. The Indemnifying Party shall not be liable for any litigation costs or expenses incurred by the Indemnified Party without the Indemnifying Party's written consent. The Indemnifying Party shall not settle any such claim unless such settlement fully and unconditionally releases the Indemnified Party from all liability relating thereto and does not impose any obligations on the Indemnified Party, unless the Indemnified Party otherwise agrees in writing. No Indemnified Party may settle any claim for which it is being indemnified under this Agreement without the Indemnifying Party's prior written consent.

Section 13.04 **Insurance**. Each Party will have and maintain, at its sole cost and expense, adequate liability insurance (including product liability insurance, clinical trial insurance employers liability, statutory Workers Compensation and contractual liability) to protect against potential liabilities and risk arising out of activities to be performed under this Agreement and any agreement related hereto and upon such terms (including coverages, deductible limits and self-insured retentions) as are customary in the pharmaceutical industry generally for the activities to be conducted by such Party under this Agreement. Without limiting the generality of the foregoing, such coverage shall include [***]. Such insurance policy shall provide product liability coverage and broad form contractual liability coverage for indemnification obligations under this Agreement. Each Party shall provide a copy of such insurance policy to the other Party upon reasonable request. Each Party shall provide the other Party with written notice at least [***] prior to any cancellation, non-renewal or material change in such insurance. This **Section 13.04 (Insurance)** shall survive expiration or termination of this Agreement and last until [***]. Following the Effective Date, upon Arctic Vision's reasonable request, Clearside shall [***].

ARTICLE XIV.

TERM AND TERMINATION

Section 14.01 **Term**. The term of this Agreement shall begin on the Effective Date and, unless earlier terminated in accordance with the terms of this **Article XIV** (**Term and Termination**), will expire upon the expiration of the last-to-expire Royalty Term (the "**Term**").

Section 14.02 **Termination at Will by Arctic Vision**. At any time, Arctic Vision may terminate this Agreement for any or no reason upon [***]. Should Arctic Vision exercise such termination right, it will not be entitled to a refund of any amounts previously paid to Clearside.

Section 14.03 **Termination for Breach**. Subject to the terms and conditions of this **Section 14.03** (**Termination for Breach**), a Party (the "**Non-Breaching Party**") shall have the right, in addition to any other rights and remedies available to such Party at law or in equity, to terminate this Agreement in the event the other Party (the "**Breaching Party**") is in material breach of its obligations under this Agreement. The Non-Breaching Party shall first provide written notice to the Breaching Party, which notice shall identify with particularity the alleged breach (the "**Breach Notice**"). With respect to material breaches of any payment provision hereunder, the Breaching Party shall have a period of [***] after such Breach Notice is provided to cure such breach. With respect to all other breaches, the Breaching Party shall have a period of [***] after such Breach Notice is provided to cure such breach. If such breach is not cured within the applicable period set forth above, the Non-Breaching Party may, at its election, terminate this Agreement upon written notice to the Breaching Party. The waiver by either Party of any breach of any term or condition of this Agreement shall not be deemed a waiver as to any subsequent or similar breach. For clarity, in cases of Clearside's material breach, Arctic Vision may, at its discretion, seek damage from Clearside pursuant to **Section 15.01 (Arbitration)** while retaining the license granted under this Agreement during and after the arbitration proceeding.

Section 14.04 **Termination for Bankruptcy and Rights in Bankruptcy**.

(a)To the extent permitted under applicable Law, if, at any time during the Term, an Event of Bankruptcy (as defined below) relating to either Party (the "**Bankrupt Party**") occurs, the other Party (the "**Other Party**") shall have, in addition to all other legal and equitable rights and remedies available to such Party, the option to terminate this Agreement upon [***] written notice to the Bankrupt Party. It is agreed and understood that, if the Other Party does not elect to terminate this Agreement upon the occurrence of an Event of Bankruptcy, except as may otherwise be agreed with the trustee or receiver appointed to manage the affairs of the Bankrupt Party, the Other Party shall continue to make all payments required of it under this Agreement as if the Event of Bankruptcy had not occurred, and the Bankrupt Party shall not have the right to terminate any license granted herein. The term "**Event of Bankruptcy**" means: (a) filing in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of the Bankrupt Party or of its assets or (b) being served with an involuntary petition against the Bankrupt Party, filed in any insolvency proceeding, where such petition is not dismissed within [***] after the filing thereof.

(b) All rights and licenses granted under or pursuant to this Agreement by Arctic Vision and Clearside are and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction, licenses of right to "intellectual property" as defined under Section 101 of the U.S. Bankruptcy Code. The Parties agree that the Parties, as sublicensees of such rights under this Agreement, shall retain and may fully exercise all of their rights and elections under the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction. The Parties further agree that, in the event of the commencement of a bankruptcy proceeding by or against either Party under the U.S. Bankruptcy Code or any analogous provisions in any other country or jurisdiction, the Party hereto that is not a Party to such proceeding shall be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property and all embodiments of such intellectual property, which, if not already in the non-subject Party's possession, shall be promptly delivered to it (i) upon any such commencement of a bankruptcy proceeding upon the non-subject Party's written request therefor, unless the Party subject to such proceeding elects to continue to perform all of its obligations under this Agreement or (ii) if not delivered under clause (i) above, following the rejection of this Agreement by or on behalf of the Party subject to such proceeding upon written request therefor by the non-subject Party.

Section 14.05 **Termination for Patent Challenge**.

(a) Except to the extent the following is unenforceable under the laws of a particular Jurisdiction, this Agreement shall terminate automatically in its entirety immediately if any Arctic Vision Entity, individually or in association with any other person or entity, commences a legal action challenging the validity, enforceability or scope of any of the [***].

Section 14.06 Effect of Termination.

(a) Termination at Will by Arctic Vision. In the event of termination of this Agreement at will by Arctic Vision under **Section 14.02 (Termination at Will by Arctic Vision)**, (i) all license grants in this agreement from Clearside to Arctic Vision shall terminate, but the license granted from Arctic Vision to Clearside shall survive; (ii) Arctic Vision shall assign and transfer to Clearside all Regulatory Approvals, Regulatory Documents, and Trademarks pertaining to (with respect to Trademarks, only those specific to) the Licensed Product in the Territory; (iii) Arctic Vision shall conduct an orderly wind down of its activities for the Licensed Product or transfer such activities to Clearside or its designee; (iv) at Clearside's request, Arctic Vision shall, to the extent possible, assign to Clearside or its designee any Third Party Agreements it entered into in connection with the Development, Manufacturing or Commercialization of the Licensed Product; (v) Arctic Vision shall transfer to Clearside all Know-How (including technical, clinical and commercial Know-How) Developed by Arctic Vision in the Territory with respect to the Licensed Product; and (vi) Arctic Vision shall remain responsible for all non-cancellable Third Party obligations with respect to the Licensed Product.

(b) Termination by Arctic Vision for Clearside's Material Breach or Bankruptcy. In the event of termination of this Agreement by Arctic Vision for Clearside's material breach under **Section 14.03 (Termination for Breach)** or Clearside's bankruptcy under **Section 14.04 (Termination for Bankruptcy and Rights in Bankruptcy)**, all license grants in this agreement from Clearside to Arctic Vision and from Arctic Vision to Clearside shall terminate; provided that if such termination occurs after Regulatory Approval in the Territory, the license granted from Arctic Vision to Clearside shall survive and Clearside shall pay Arctic Vision running royalties at the rate of [***] of annual Net Sales of all Licensed Products sold by a Clearside Entity or sublicensee in the Territory, on a Licensed Product-by-Licensed Product and Jurisdiction-by-Jurisdiction basis, until the expiration of the last-to-expire Valid Claim that Covers such Licensed Product in such Jurisdiction.

(c) Termination by Clearside for Arctic Vision's Material Breach or Bankruptcy. In the event of termination of this Agreement by Clearside for Arctic Vision's material breach under **Section 14.03 (Termination for Breach)** or Arctic Vision's bankruptcy under **Section 14.04 (Termination for Bankruptcy and Rights in Bankruptcy)**, (i) all license grants in this agreement from Clearside to Arctic Vision shall terminate, but the license granted from Arctic Vision to Clearside shall survive; (ii) Arctic Vision shall assign and transfer to Clearside all Regulatory Approvals, Regulatory Documents, and Trademarks pertaining to (with respect to Trademarks, only those specific to) the Licensed Product in the Territory; (iii) Arctic Vision shall conduct an orderly wind down of its activities for the Licensed Product or transfer such activities to Clearside or its designee; (iv) at Clearside's request, Arctic Vision shall, to the extent possible,

assign to Clearside or its designee any Third Party Agreements it entered into in connection with the Development, Manufacturing or Commercialization of the Licensed Product; (v) Arctic Vision shall transfer to Clearside all Know-How (including technical, clinical and commercial Know-How) Developed by Arctic Vision in the Territory with respect to the Licensed Product; and (vi) Arctic Vision shall remain responsible for all non-cancellable Third Party obligations with respect to the Licensed Product.

(d) [***]. If the [***] terminates for any reason, Arctic Vision shall, unless this Agreement also terminates, from the effective date of such termination, automatically become a direct licensee of [***] with respect to the rights sublicensed to Arctic Vision by Clearside, provided Arctic Vision did not cause the termination of the [***]. In such case, Arctic Vision agrees to comply with all the terms of the [***] and assumes the responsibilities of Clearside thereunder, to the extent applicable to the rights granted to Arctic Vision under this Agreement.

Section 14.07 **Survival; Accrued Rights**. The following articles and sections of this Agreement shall survive expiration or early termination for any reason: **Article I (Definitions)**, **Article VIII (Payments)** (solely to the extent any payments became payable prior to the effective date of such expiration or termination), **Section 9.01 (Ownership)**, **Section 11.06 (Limitation of Liability)**, **Article XII (Confidentiality)**, **Section 13.01 (Indemnification by Clearside), Section 13.02 (Indemnification by Arctic Vision), Section 13.03 (Procedure)**, **Section 14.06 (Effect of Termination)**, **Section 14.07 (Survival; Accrued Rights)**, **Article XV (Dispute Resolution; Governing Law)**, **Section 16.01 (Assignment)** (solely with respect to the last sentence in clause (a) and the entirety of clause (b)) and **Article XVII (Miscellaneous)**. In any event, expiration or termination of this Agreement shall not relieve either Party of any liability which accrued hereunder prior to the effective date of such expiration or termination nor preclude either Party from pursuing all rights and remedies it may have hereunder or at law or in equity with respect to any breach of this Agreement, nor prejudice either Party's right to obtain performance of any obligation.

ARTICLE XV.

DISPUTE RESOLUTION; GOVERNING LAW

Section 15.01 **Arbitration**. Subject to **Section 15.01(d)**, any disputes, claims or controversies in connection with this Agreement, including any questions regarding its formation, existence, validity, enforceability, performance, interpretation, breach or termination, that are not resolved in accordance with **Article III (Governance)** and are not subject to a Party's final decision-making authority in accordance with **Article III (Governance)** shall be referred to and finally resolved by binding arbitration under the International Chamber of Commerce Rules of Arbitration (the "**Rules**"), which rules are deemed to be incorporated by reference into this **Section 15.01** (**Arbitration**), in the manner described below; provided that, prior to commencing of arbitration or other legal proceedings with respect to any disputes, claims or controversies in connection with this Agreement, the CEOs of both Parties shall discuss in good faith such disputes, claims or controversies for at least [***].

(a)Arbitration Request. If a Party intends to begin an arbitration to resolve a dispute arising under this Agreement, such Party shall provide written notice (the "**Arbitration Request**") to the other Party of such intention and the issues for resolution. Any such dispute that is not to be resolved in accordance with **Section 15.01(d)** shall be resolved in accordance with **Section 15.01(c)**; and any such dispute that relates to validity or enforceability of a Patent Right shall be resolved in accordance with **Section 15.01(d)**.

(b)Additional Issues. Within [***] after the receipt of an Arbitration Request, the other Party may, by written notice, add additional issues for resolution.

(c)General Arbitration Procedure for Disputes. The seat of arbitration will be in [***], unless another venue is agreed upon by Parties, and it will be conducted in the English language. The arbitrators may not decide based on equity. Unless agreed by the Parties to choose a single common arbitrator, the arbitration will be conducted by three arbitrators, one appointed by each Party, according to the Rules. The two arbitrators appointed by the Parties will by mutual agreement appoint the third arbitrator, who will preside over the arbitration. Any dispute or omission regarding the appointment of the arbitrators by the Parties, as well as the choice of the third arbitrator, will be resolved by the International Chamber of Commerce ("**ICC**"). The arbitral award shall be final, definitive and binding on the Parties and their successors. The Parties reserve the right to apply to a competent judicial court to obtain urgent remedies to protect rights before establishment of the arbitration panel, without such recourse being considered as a waiver of arbitration. [***]. Nothing in this Agreement shall be deemed as preventing either Party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of the dispute as necessary to protect either Party's name, Confidential Information, Know-How, intellectual property rights or any other proprietary right or otherwise to avoid irreparable harm. If the issues in dispute involve scientific or technical matters, any arbitrators chosen hereunder shall have educational training or experience sufficient to demonstrate a reasonable level of knowledge in the field of biotechnology and pharmaceuticals. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The Parties intend that each award rendered by an Arbitrator hereunder shall be entitled to recognition and enforcement under the United Nations Convention on the Recognition and Enforcement of Arbitral Awards (New York, 1958).

(d) Intellectual Property Disputes. Unless otherwise agreed by the Parties, a dispute between the Parties relating to the validity or enforceability of any Patent Right shall not be subject to arbitration and shall be submitted to a court or patent office of competent jurisdiction in the relevant country or jurisdiction in which such patent was issued or, if not issued, in which the underlying patent application was filed.

Section 15.02 **Choice of Law**. This Agreement and all amendments, modifications, alterations, or supplements hereto, and the rights of the Parties hereunder, shall be construed under and governed by the Laws of England and Wales, exclusive of its conflicts of laws principles.

Section 15.03 **Language**. This Agreement has been prepared in the English language and the English language shall control its interpretation. All consents, notices, reports and other written

documents to be delivered or provided by a Party under this Agreement shall be in the English language, and, in the event of any conflict between the provisions of any document and the English language translation thereof, the terms of the English language translation shall control.

ARTICLE XVI.

ASSIGNMENT AND ACQUISITIONS

Section 16.01 **Assignment**.

(a)Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either Party (and, for these purposes, a merger, sale of assets, operation of law or other transaction shall be deemed an assignment) without the prior written consent of the other Party. Notwithstanding the foregoing, either Party may, without the other Party's written consent, assign this Agreement and its rights and obligations hereunder in whole or in part to (i) an Affiliate of such Party or (ii) a Third Party that acquires, by or otherwise in connection with, a merger, sale of assets or otherwise, all or substantially all of the business of such Party to which the subject matter of this Agreement relates; *provided* that the assignee agrees in writing to assume all of such Party's obligations under this Agreement. The assigning Party will remain responsible for the performance by its assignee of this Agreement or any obligations hereunder so assigned.

(b)The terms of this Agreement will be binding upon and will inure to the benefit of the successors, heirs, administrators and permitted assigns of the Parties. Any purported assignment in violation of this **Section 16.01 (Assignment)** will be null and void *ab initio*.

ARTICLE XVII.

MISCELLANEOUS

Section 17.01 **Force Majeure**. If either Party shall be delayed, interrupted in or prevented from the performance of any obligation hereunder by reason of force majeure, which may include any act of God, fire, flood, earthquake, war (declared or undeclared), public disaster, act of terrorism, government action, strike or labor differences, in each case outside of such Party's reasonable control, such Party shall not be liable to the other therefor, and the time for performance of such obligation shall be extended for a period equal to the duration of the force majeure which occasioned the delay, interruption or prevention. The Party invoking the force majeure rights of this **Section 17.01** (**Force Majeure**) must notify the other Party by courier or overnight dispatch (*e.g.*, Federal Express) within a period of [***] of both the first and last day of the force majeure unless the force majeure renders such notification impossible, in which case notification will be made as soon as possible. If the delay resulting from the force majeure exceeds [***], the other Party may terminate this Agreement immediately upon written notice to the Party invoking the force majeure rights of this **Section 17.01** (**Force Majeure**).

Section 17.02 **Entire Agreement**. This Agreement, together with the Exhibits and Schedules attached hereto, constitutes the entire agreement between Clearside or any of its

Affiliates, on the one hand, and Arctic Vision or any of its Affiliates, on the other hand, with respect to the subject matter hereof, supersedes all prior understandings and writings between Clearside or any of its Affiliates, on the one hand, and Arctic Vision or any of its Affiliates, on the other hand relating to such subject matter, including the Confidentiality Agreement, and shall not be modified, amended or (subject to **Article XIV (Term and Termination)**) terminated, except by another agreement in writing executed by the Parties.

Section 17.03 **Severability**. If, under applicable Law, any provision of this Agreement is invalid or unenforceable, or otherwise directly or indirectly affects the validity of any other material provision of this Agreement (such invalid or unenforceable provision, a "**Severed Clause**"), it is mutually agreed that this Agreement shall endure except for the Severed Clause. The Parties shall consult one another and use their reasonable efforts to agree upon a valid and enforceable provision that is a reasonable substitute for the Severed Clause in view of the intent of this Agreement.

Section 17.04 **Notices**. Any notice required or permitted to be given under this Agreement shall be in writing and shall be mailed by internationally recognized express delivery service, or sent by facsimile or email and confirmed by mailing, as follows (or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith):

If to Clearside:

Clearside Biomedical, Inc.
900 North Point Parkway, Suite 200
Alpharetta, Georgia 30005 USA
Attn: CEO

With a copy to (which shall not constitute notice for purposes of this Agreement):

Clearside Biomedical, Inc.
900 North Point Parkway, Suite 200
Alpharetta, Georgia 30005 USA
Attn: General Counsel

If to Arctic Vision:

Arctic Vision (Hong Kong) Limited
23/F Nan Fung Tower 88
Connaught Road C & 173 Des Voeux Road C
Central HK
Attn: CEO

With a copy to (which shall not constitute notice for purposes of this Agreement):

Latham & Watkins, LLP
885 Third Avenue
New York, NY 10022
Attn: XXX

Any such notice shall be deemed to have been given (a) when delivered if personally delivered, (b) on receipt if sent by overnight courier or (c) on receipt if sent by mail.

Section 17.05 **Agency**. Neither Party is, nor will be deemed to be a partner, employee, agent or representative of the other Party for any purpose. Each Party is an independent contractor of the other Party. Neither Party shall have the authority to speak for, represent or obligate the other Party in any way without prior written authority from the other Party.

Section 17.06 **No Waiver**. Any omission or delay by either Party at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof, by the other Party, shall not constitute a waiver of such Party's rights to the enforcement of any of its rights under this Agreement. Any waiver by a Party of a particular breach or default by the other Party shall not operate or be construed as a waiver of any subsequent breach or default by the other Party.

Section 17.07 **Cumulative Remedies**. Except as may be expressly set forth herein, no remedy referred to in this Agreement is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to in this Agreement or otherwise available under law or in equity.

Section 17.08 **No Third Party Beneficiary Rights**. This Agreement is not intended to and shall not be construed to give any Third Party any interest or rights (including any third party beneficiary rights) with respect to or in connection with any agreement or provision contained herein or contemplated hereby, other than (a) to the extent provided in **Section 13.01 (Indemnification by Clearside)**, the Arctic Vision Indemnitees and (b) to the extent provided in **Section 13.02 (Indemnification by Arctic Vision)**, the Clearside Indemnitees.

Section 17.09 **Performance by Affiliates**. Subject to **Section 8.10 (Methods of Payment)**, either Party may use one or more of its Affiliates to perform its obligations and duties hereunder; *provided* that such Party so notifies the other Party in writing and *provided*, *further*, that such Party shall remain liable hereunder for the prompt payment and performance of all of its obligations hereunder.

Section 17.10 **Counterparts**. This Agreement may be executed in counterparts, all of which taken together shall be regarded as one and the same instrument.

Section 17.11 **Guaranty**. Arctic Vision Parent irrevocably guarantees the performance of all obligations of Arctic Vision under this Agreement. [***] Arctic Vision Parent shall in any case remain responsible for such performance. Arctic Vision Parent acknowledges and agrees that this guarantee is full and unconditional, and no release of Arctic Vision's liabilities (other than in

accordance with the terms of this Agreement), whether by decree in any bankruptcy proceeding or otherwise, will affect the continuing validity and enforceability of this guarantee. If and each time that Arctic Vision fails to make any undisputed payment when it is due under or pursuant to this Agreement, Arctic Vision Parent must at Clearside's request (without requiring Clearside first to take steps against Arctic Vision) pay directly to Clearside the relevant amount as if it were the principal obligor in respect of that amount.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement through their duly authorized representatives to be effective as of the Effective Date.

CLEARSIDE BIOMEDICAL, INC.

By: /s/ George Lasezkay

Name: George Lasezkay

Title: Chief Executive Officer

ARCTIC VISION (HONG KONG) LIMITED

By: /s/ Hoi Ti Wu

Name: Hoi Ti Wu

Title: Chief Executive Officer

ARCTIC VISION (CAYMAN) LIMITED (solely for purposes of **Section 17.11 (Guaranty))**

By: /s/ Hoi Ti Wu

Name: Hoi Ti Wu

Title: Chief Executive Officer

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

Exhibit A

Licensed Patents

[***]

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

Exhibit B

Technology Sharing

[***]

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

Schedule 1.11

Clearside Device

[***]

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

Schedule 1.25

Development Plan

[***]

Certain information has been excluded from this agreement (indicated by "[***]") because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, George Lasezkay, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2020 of Clearside Biomedical, Inc. (the "registrant");

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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, 2020

/s/ George Lasezkay, Pharm.D., J.D.
George Lasezkay, Pharm. D., J.D.
President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles A. Deignan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2020 of Clearside Biomedical, Inc. (the "registrant");

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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

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, 2020

/s/ Charles A. Deignan
Charles A. Deignan
Chief Financial Officer
(principal financial officer)

Exhibit 32.1

CERTIFICATIONS OF
PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), George Lasezkay, President and Chief Executive Officer of Clearside Biomedical, Inc. (the "Company"), and Charles A. Deignan, Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended March 31, 2020, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned have set their hands hereto as of the 8th day of May, 2020.

/s/ George Lasezkay, Pharm. D., J.D.
George Lasezkay, Pharm. D., J.D.
President and Chief Executive Officer
(principal executive officer)

/s/ Charles. A. Deignan
Charles A. Deignan
Chief Financial Officer
(principal financial 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 Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.