Table of Contents

As confidentially submitted to the Securities and Exchange Commission on September 1, 2023.
This draft registration statement has not been publicly filed with the Securities and Exchange Commission and all information herein remains strictly confidential.

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CARGO THERAPEUTICS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**2836**	**84-4080422**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

1900 Alameda De Las Pulgas, Suite 350
San Mateo, California 94403
(650) 379-6143
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Gina Chapman
Chief Executive Officer
CARGO Therapeutics, Inc.
1900 Alameda De Las Pulgas, Suite 350
San Mateo, California 94403
(650) 379-6143
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

B. Shayne Kennedy **Benjamin A. Potter** **Phillip S. Stoup** **Latham & Watkins LLP** **140 Scott Drive** **Menlo Park, California 94025** **(650) 328-4600**	**Anup Radhakrishnan** **Chief Financial Officer** **CARGO Therapeutics, Inc.** **1900 Alameda De Las Pulgas, Suite 350** **San Mateo, California 94403** **(650) 379-6143**	**Denny Won** **Charles S. Kim** **Kristin VanderPas** **Dave Peinsipp** **Cooley LLP** **3 Embarcadero Center, 20th Floor** **San Francisco, California 94111** **(415) 693-2000**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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 7(a)(2)(B) of the Securities Act. ☐

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated , 2023

Preliminary prospectus

shares

CARGO THERAPEUTICS

Common stock

This is an initial public offering of shares of common stock of CARGO Therapeutics, Inc. We are offering shares of our common stock to be sold in this offering. The initial public offering price is expected to be between $ and $ per share.

Prior to this offering, there has been no public market for our common stock. We intend to apply to list our common stock on the Nasdaq Global Market under the symbol "CRGX," and this offering is contingent upon obtaining such approval.

We are an "emerging growth company" and a "smaller reporting company" as defined under the federal securities laws and, as such, have elected to comply with certain reduced public company reporting requirements.

	Per share	Total
Initial public offering price	$	$
Underwriting discounts and commissions[(1)]	$	$
Proceeds to CARGO Therapeutics, Inc. before expenses	$	$

(1) See the section titled "Underwriting" for a description of the compensation payable to the underwriters.

We have granted the underwriters an option for a period of 30 days to purchase up to an additional shares of our common stock.

Investing in our common stock involves a high degree of risk. See the section titled "Risk factors" beginning on page 15.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about , 2023.

J.P. Morgan **Jefferies** **TD Cowen** **Truist Securities**

, 2023

Table of contents

We have not, and the underwriters have not, authorized anyone to provide you any information or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. Neither we nor the underwriters take responsibility for, or provide any assurance as to the reliability of, any other information others may give you. This prospectus is an offer to sell only the shares offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: We have not, and the underwriters have not, done anything that would permit this offering or the possession or distribution of this prospectus or any free writing prospectus in connection with this offering in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States. See the section titled “Underwriting.”

In this prospectus, “CARGO Therapeutics,” “CARGO,” the “company,” “we,” “us” and “our” refer to CARGO Therapeutics, Inc. and, where appropriate, our subsidiaries.

“CARGO,” the CARGO logos and other trade names, trademarks or service marks of CARGO appearing in this prospectus are the property of CARGO. Other trade names, trademarks or service marks appearing in this prospectus are the property of their respective holders. Solely for convenience, trade names, trademarks and service marks referred to in this prospectus appear without the ®, ™ and SM symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or that the applicable owner will not assert its rights, to these trade names, trademarks and service marks.

Through and including , 2023 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Prospectus summary

This summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that you should consider before deciding to invest in our common stock. You should read this entire prospectus carefully, including the sections titled "Risk factors," "Special note regarding forward-looking statements," "Management's discussion and analysis of financial condition and results of operations" and "Business," and our financial statements and related notes included elsewhere in this prospectus before making an investment decision. Unless the context requires otherwise, references in this prospectus to "we," "us," "our," "our company" and "CARGO" refer to CARGO Therapeutics, Inc.

Overview

We are a clinical-stage biotechnology company uniquely positioned to advance next generation, potentially curative cell therapies for cancer patients. Our programs, platform technologies, and manufacturing strategy are designed to directly address the limitations of approved cell therapies, including limited durability of effect, safety concerns and unreliable supply. Our lead program, CRG-022, an autologous CD22 chimeric antigen receptor (CAR) T-cell product candidate, is being studied by Stanford University (Stanford) in a Phase 1 clinical trial in patients with large B-cell lymphoma (LBCL) whose disease relapsed or was refractory (R/R) to CD19 CAR T-cell therapy. Treatment with CRG-022 led to high complete response (CR) rates with 17 of the 20 patients in CR not relapsing despite a median follow-up period of almost two years. In addition, CRG-022 was generally well-tolerated with a low rate of high-grade CAR T related adverse events. On the basis of these breakthrough results, we are evaluating CRG-022 in a potentially pivotal Phase 2 clinical trial in patients with LBCL whose disease is R/R to CD19 CAR T-cell therapy. We also plan to evaluate CRG-022 in patients at earlier stages of disease, including LBCL and other hematologic malignancies. Beyond our lead program, we are leveraging our proprietary cell engineering platform technologies to develop a pipeline of programs that incorporate multiple transgene therapeutic "cargo" designed to enhance CAR T-cell persistence and trafficking to tumor lesions, as well as to help safeguard against tumor resistance and T-cell exhaustion. Our founders are pioneers and world-class experts in CAR T-cell therapy, and our team has significant experience and success developing, manufacturing, launching and commercializing oncology and cell therapy products. We aim to become a fully integrated, leading cell therapy company. Together, we are united in our mission to outsmart cancer and deliver more cures for patients.

Transformative advances have been made by commercially available CAR T-cell therapies, however resistance mechanisms in hematologic malignancies can limit the strength and quality of T-cell response and contribute to disease progression, including loss or down-regulation of target antigen expression, loss of costimulation and limited CAR T-cell persistence. For example, as shown in the ZUMA-1 clinical trial for Yescarta in LBCL patients with two or more prior lines of therapy, approximately 60% of LBCL patients treated with Yescarta had their disease relapse or progress within 24 months. As CD19 CAR T-cell therapies continue to expand into earlier lines of therapy and additional geographies, there is a large growing unmet need for the majority of patients who do not experience a durable response. According to our estimates, we expect by 2030 approximately 7,600 patients annually may need treatment post CD19 CAR T-cell therapy within the United States as well as France, Germany, Italy, Spain and the United Kingdom (EU4/UK).

Our lead program, CRG-022, is a novel CAR T-cell product candidate designed to address resistance mechanisms by targeting CD22, an alternate tumor antigen that is expressed in a vast majority of B-cell malignancies. Stanford is conducting a Phase 1 clinical trial of CRG-022, which enrolled 41 patients with R/R LBCL, 38 of whom received CRG-022. As of the most recent data cutoff date (May 3, 2023), the following encouraging results were reported:

- CR rate of 53% (20 of 38 patients);

- responses were durable with 85% of patients (17 of 20 patients) that achieved a CR maintained their response with a median follow up time of 23 months and a maximum of 43 months;
- overall response rate (ORR) of 68% (26 of 38 patients);
- median overall survival (OS) of 14.1 months;
- only 1 patient experienced Grade 3 or higher cytokine release syndrome (CRS);
- no patients experienced Grade 3 or higher immune effector cell-associated neuropathy (ICANS); and
- reliable supply with 95% successful manufacturing rate and median turnaround time of 18 days.

On the basis of these results, Stanford received Breakthrough Therapy Designation from the FDA for the treatment of adult LBCL patients whose disease is R/R after CD19-directed CAR T-cell therapy in connection with Stanford's Investigational New Drug (IND) application. In August 2023, we initiated a potentially pivotal multi-center Phase 2 clinical trial to evaluate the safety and efficacy of CRG-022 in patients with LBCL whose disease is R/R to CD19 CAR T-cell therapy. In this growing patient population with significant unmet need, CRG-022 may provide another option and opportunity to achieve a complete and durable response. We expect interim results from this Phase 2 clinical trial in 2025. Beyond our initial focus on R/R LBCL post CD19 CAR T-cell therapy, we plan to evaluate CRG-022 in additional indications, including patients with LBCL who are CAR T naïve, as well as B-cell acute lymphocytic leukemia (B-ALL).

We are building upon the development of CRG-022 by leveraging our proprietary platform technologies, including our CD2 and STASH platforms, to enable the development of multi-specific and multi-functional cancer product candidates designed to improve outcomes and survival by addressing multiple mechanisms of resistance and other unmet needs. Our most advanced preclinical program, CRG-023, incorporates a tri-specific CAR to address either tumor antigen loss (e.g., CD19) or low-density antigen expression, loss of costimulation (e.g., CD58) and lack of T-cell persistence. CRG-023 is designed to target tumor cells with three B-cell antigen targets, CD19, CD20 and CD22. This product candidate also integrates a CD2 costimulatory domain into the tri-specific CAR T cell to counter a target-independent mechanism, the downregulation of CD58 (the ligand of the CD2 costimulatory receptor), that leads to resistance to CAR T cells and other immune therapies.

The strength and quality of a T-cell response is dependent not only on cognate antigen recognition, but also on costimulation, which involves interaction of one or more costimulatory receptors on T cells, such as CD2, with their cognate ligands expressed on the surface of tumor cells, such as CD58. Tumor cells can escape CAR T-cell destruction by downregulating the expression of ligands for the costimulatory receptors. Alteration of CD58 expression is associated with poor prognosis in patients with LBCL and leads to lack of response to CD19 CAR T cells. Approximately 25% of LBCL patients that are eligible for CAR T-cell therapy have mutated or absent CD58 and up to 67% have decreased expression of CD58. In addition, a study published in June 2023 demonstrated that aberrant CD58 expression can also occur in a wide range of hematologic malignancies including Hodgkin and non-Hodgkin lymphomas (both B-cell and T-cell), including de novo disease, suggesting a potential utility for our CD2 platform technology to mitigate immune escape in future therapies. Our CD2 platform creates constructs that couple CD2 signaling directly to CAR activation, thereby engaging CD2 signaling even in the presence of tumor cells that have reduced aberrant CD58 expression. We leveraged this platform to uniquely differentiate CRG-023.

Our second platform technology, which we refer to as STASH, is designed to enable multiplex engineering of a variety of immune cell types. This platform allows us to incorporate multiple transgene therapeutic "cargo" designed to enhance CAR T-cell persistence and trafficking to tumor lesions, as well as to help safeguard

against tumor resistance and T-cell exhaustion. Engineering a multifunctional cell requires the introduction of additional genetic elements that often do not fit within the payload capacity of a single lentiviral vector, requiring the use of multiple vectors. However, engineering cells with multiple vectors typically results in a heterogeneous cell product, and we are unaware of an efficient way to generate a homogenous CAR T-cell product using existing viral vector systems. Our STASH platform is designed to address this problem by employing a technology that selects only cells that possess all of the desired transgenes, which enables the production of a homogeneous population of CAR T cells produced using more than one delivery vector. We believe this technology will allow us to efficiently incorporate more genetic elements into our CAR T cells with the goal of enhancing the potential for efficacy, persistence and safety.

Despite the curative potential of cell therapies, we believe these treatments are not readily available to many of the patients who could benefit from them due to manufacturing challenges, supply constraints, unpredictable turnaround time and other logistical challenges. With the goal of addressing these issues, our team developed the intended commercial manufacturing process and analytical control strategy for CRG-022, while demonstrating comparability of the final drug product to that produced by the process used in the Stanford Phase 1 clinical trial. Specifically, our CRG-022 IND application included our comprehensive data supporting the comparability of our intended commercial manufacturing process to the process used in the Stanford Phase 1 clinical trial, as well as qualified testing methods for the lentiviral vector and cell product, including a potency assay. We developed the intended commercial process prior to initiating our potentially pivotal Phase 2 clinical trial in order to potentially minimize the need for process or analytical changes post-pivotal clinical trial. In addition, we believe our strategy reduces the need for additional complex comparability studies post-pivotal clinical trial. Our process is designed to be readily transferrable, which we believe positions us to scale capacity if demand increases. The transferability of the process is enabled by the use of a single-cell processing device coupled with automated unit operations and a comparability framework.

Our solution: next generation of CAR T-cell therapies

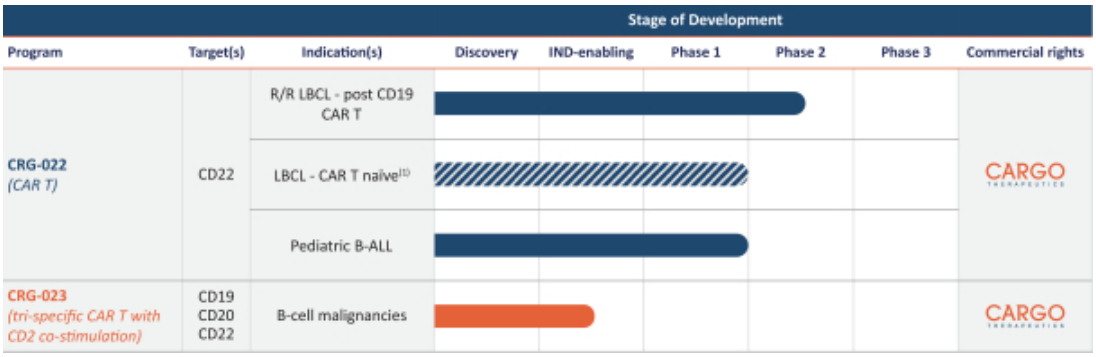
We are developing a portfolio of product candidates designed to expand the number of patients that can benefit from CAR T-cell therapies by addressing limitations of currently approved products. Our solution includes:

- ***Directing CAR T cells toward alternate targets***. Therapies that target single tumor antigens, such as CD19, can be rendered ineffective by genetic or non-genetic changes that diminish the expression of these targets. Our most advanced product candidate, CRG-022, is designed to address an alternate target, CD22, that is nearly always expressed on cancerous B cells, to kill B-cell tumors including those that have become resistant to CD19-based therapies. We are also developing multi-specific CAR T-cell therapies, starting with CRG-023, that can recognize tumors that express any of the CD19, CD20 and CD22 antigens, thereby limiting potential antigen loss as a mechanism of resistance.
- ***Addressing common mechanism of non-target-based resistance***. In addition to antigen downregulation or loss, resistance to immune therapies, including CAR T cells, can develop through the loss of costimulatory signaling, such as tumor cells downregulating CD58. Because these mechanisms are not antigen-specific, loss of costimulation can lead to broad suppression of immune therapies. We are addressing loss of costimulatory ligands such as CD58, by creating CAR T cells that can induce CD2 costimulatory signaling by a tumor antigen irrespective of potential CD58 downregulation or loss on tumor cells.
- ***Reducing anti-CAR immunogenicity due to species differences***. Our CAR T-cell product candidates are all constructed with human binders, thereby reducing the risk for anti-CAR immune responses.

- ***Addressing manufacturing challenges***. Our team is applying its extensive experience in the field to implement manufacturing processes that are highly reliable and readily transferrable to expand capacity, reduce turnaround time and minimize costs of goods. We have also licensed and further developed technologies specifically designed towards the manufacturing and purification of CAR T cells containing multiple genetic inserts delivered by multiple vectors.

Our programs

Our initial focus is to treat patients with high unmet need and poor survival outcomes who develop resistance to current guideline recommended cancer therapies. In the future, we aim to treat patients at earlier stages of disease to help prevent resistance from emerging in order to extend the durability of response. The figure below summarizes our pipeline of wholly owned CAR T-cell product candidates designed to address key mechanisms of resistance for the treatment of a variety of cancers.



(1) Based on data from the Phase 1 clinical trial conducted by Stanford and pending data from our ongoing Phase 2 clinical trial in R/R LBCL – post CD19 CAR T, we intend to discuss with the FDA initiation of a Phase 2 program in LBCL – CAR T naïve without completing earlier clinical trials in LBCL – CAR T-naïve patients.

Our lead program, CRG-022

CRG-022 is an autologous CAR T-cell product candidate that targets CD22, a B-cell specific antigen that has been reported to be expressed in 81% to 100% of diffuse large B-cell lymphoma (DLBCL) patients. Importantly, CD22 expression is usually retained following loss of CD19 antigen expression in patients who become resistant to CD19 CAR T-cell therapy. Beyond targeting CD22, CRG-022 is also designed to incorporate several key features including its short linker, a single-chain variable fragment (scFv) targeting a membrane-proximal epitope on CD22 and its fully human composition, which, respectively, are designed to improve efficacy by increasing dimerization, minimizing resistance and reducing immunogenicity. Additionally, the CAR incorporates the 4-1BB costimulatory domain, which has been shown to improve long-term persistence.

We are initially focused on developing CRG-022 to treat patients with LBCL whose disease is R/R following CD19 CAR T-cell therapy. LBCL is a composite of different subtypes and includes DLBCL, high-grade B-cell lymphomas, primary mediastinal B-cell lymphoma (PMBCL) and grade 3B or transformed follicular lymphoma (FL). LBCL is the most common aggressive lymphoid malignancy in the United States and Europe, accounting for approximately 30% to 40% of all non-Hodgkin lymphomas (NHL), a disease with over 80,000 new diagnoses a year. Many DLBCL patients (approximately 30% to 50%) do not respond to or relapse after initial treatments, and then become eligible for CAR T-cell therapy targeting CD19.

Since 2017, the FDA has approved three autologous CD19 CAR T-cell products for the treatment of LBCL, which generated $1.3 billion in sales in DLBCL in 2022 in the United States/EU4/UK alone and are projected to grow to

$3.3 billion sales annually by 2030, according to data published by Clarivate Disease and Landscape Forecasting (NHL, CLL) 2023. CD19 CAR T-cell therapies can induce long-term remission in some patients, however, as shown in the ZUMA-1 clinical trial for Yescarta in LBCL patients with two or more prior lines of therapy, approximately 60% of LBCL patients treated with the CD19 CAR T-cell therapy had their disease relapse or progress within 24 months. As more patients receive these therapies, driven by recent approvals in earlier lines of therapy and geographic expansion, the unmet need for those who do not experience a durable response is growing. There is currently no broadly recognized standard of care for patients with LBCL whose disease does not respond to or relapses following treatment with CD19 CAR T-cell therapies. The prognosis for this patient population is poor with a median OS of approximately five to eight months.

To help address the significant unmet need in this patient population, we are developing CRG-022, of which the underlying autologously derived CAR we exclusively licensed from the National Cancer Institute (NCI). This CAR has been included in CD22 CAR T-cell product candidates dosed in more than 120 patients in several clinical trials conducted by Stanford and the NCI. The Stanford Phase 1 clinical trial enrolled 41 patients with LBCL whose disease was R/R to CD19 CAR T-cell therapy, including one patient whose disease was CD19-negative and was CD19 CAR T naïve. One patient withdrew from the clinical trial prior to leukapheresis and two patients did not receive CRG-022 due to an inability to manufacture given limited patient T cells, resulting in a 95% successful manufacturing rate (38 of 40 patients) with a median turnaround time of 18 days. In the 38 LBCL patients who received CRG-022, an ORR and a CR rate of 68% and 53%, respectively, was achieved. The median OS was 14.1 months. As of the May 3, 2023 cutoff date, 17 of 20 patients that achieved a CR maintained their response with a median follow up time of 23 months and a maximum of 43 months, which we believe suggests favorable durability. CRG-022 was generally well-tolerated with only one patient experiencing Grade 3 or higher CRS and no patients experiencing Grade 3 or higher ICANS. Based on this data, we believe that CRG-022 may provide another option and opportunity to achieve a durable and complete response in the growing post CD19 CAR T-cell therapy patient population.

We have been actively engaged with the FDA in the design of our potentially pivotal multi-center Phase 2 clinical trial, which we initiated in August 2023, to evaluate the safety and efficacy of CRG-022 in patients with LBCL whose disease is R/R to CD19 CAR T-cell therapy. We expect interim results from this Phase 2 clinical trial in 2025.

In addition to our initial focus on R/R LBCL, we are also evaluating the development of CRG-022 in additional indications, including LBCL in patients who are CAR T naïve, as well as B-ALL. In a Phase 1 clinical trial conducted by the NCI in children and young adults with R/R B-ALL with CD22 expression, treatment with CD22 CAR T-cell therapy using the same CAR as CRG-022 led to a 70% CR rate.

Our tri-specific program, CRG-023

Our most advanced preclinical program, CRG-023, incorporates a tri-specific CAR designed to address tumor antigen loss and our CD2 platform technology to address loss of costimulatory CD58. CRG-023 is designed to target tumor cells with three B-cell antigen targets, CD19, CD20 and CD22. Leveraging our CD2 platform, CRG-023 integrates a CD2 costimulatory domain into the tri-specific CAR T to counter a target-independent mechanism, the downregulation of CD58 (the ligand of the CD2 costimulatory receptor), that leads to resistance to CAR T cells and other immune therapies. CD58 alteration is associated with poor prognosis in LBCL and leads to lack of response to CD19 CAR T cells. Approximately 25% of LBCL patients that are eligible for CAR T-cell therapy have mutated or absent CD58 and up to 67% have decreased expression of CD58. In addition, a study published in June 2023 demonstrated that aberrant CD58 expression can also occur in a wide range of hematologic malignancies including Hodgkin and non-Hodgkin lymphomas (both B-cell and T-cell), including de

novo disease, suggesting a potential utility for our CD2 platform technology to mitigate immune escape in future therapies. Our CD2 platform creates constructs that couple CD2 signaling directly to CAR activation, thereby engaging CD2 signaling even in the presence of tumor cells that have reduced or eliminated CD58 expression. We leveraged this platform to uniquely differentiate our CRG-023 program. We are initiating preparing to conduct IND-enabling studies with CRG-023.

Our history, team and investors

We were founded by pioneers and world experts in CAR T-cell therapy, and we have built a seasoned leadership team with experience and success developing, manufacturing, launching and commercializing oncology and cell therapy products.

Our founders include internationally recognized experts from Stanford and an acclaimed cancer advocate. Crystal Mackall, MD, Professor of Pediatrics and Internal Medicine at Stanford serves as Founding Director of the Stanford Center for Cancer Cell Therapy, Associate Director of Stanford Cancer Institute, Leader of the Cancer Immunology and Immunotherapy Program, and Director of the Parker Institute for Cancer Immunotherapy at Stanford. Dr. Mackall previously served as Chief of the Pediatric Oncology Branch at the NCI. Robbie Majzner, MD, is the Director of the Pediatric and Young Adult Cancer Cell Therapy Program within the Departments of Pediatric Oncology and Medical Oncology at Dana Farber Cancer Institute and the Division of Hematology/Oncology at Boston Children's Hospital. Dr. Majzner's laboratory is working to develop novel cellular immunotherapies for children with incurable cancers. Louai Labanieh, PhD is a Parker Scholar at Stanford School of Medicine and is a leader in engineering CAR T cells using synthetic biology. Nancy Goodman, JD, is the CEO of Kids v Cancer, a nonprofit organization dedicated to policy reform to attract biotech and pharmaceutical companies to pediatric cancer drug development.

Our management team has significant experience in both cell therapy and oncology. We have progressed products from research to clinical trials, and ultimately to regulatory approval and commercialization. Gina Chapman, our President and Chief Executive Officer, brings over 30 years of biopharmaceutical commercial and operational experience. She most recently served as Senior Vice President and Business Unit Head at Genentech, where she worked for more than 15 years. Michael Ports, PhD, our Chief Scientific Officer, has over 10 years of biopharmaceutical and cell-therapy drug development experience. He most recently served as Vice President and Head of Cell Therapy Discovery and Platforms at Janssen. Shishir Gadam, PhD, our Chief Technical Officer, most recently was Vice President of Global Cell Therapy Manufacturing Science and Technology at Bristol Myers Squibb (BMS). He played an instrumental role in the global licensure and launch of the CAR T-cell products Breyanzi and Abecma and built a global manufacturing science and technology organization responsible for product and process life-cycle management, technology transfers and manufacturing technology. Anup Radhakrishnan, our Chief Financial Officer and Chief Business Officer, brings over 20 years of experience in the biopharmaceutical sector providing strategic financial leadership across both clinical and commercial stage organizations. He previously served as CFO at Dascena and worked at Genentech for over 11 years.

We are also supported by our board of directors, scientific advisory board and a leading syndicate of investors, which include our founding investors Samsara BioCapital, Red Tree Venture Capital and Emerson Collective, as well as Ally Bridge Group, Cormorant Asset Management, Janus Henderson Investors, Nextech, Perceptive Xontogeny Venture Fund, Piper Heartland, RTW Investments, Third Rock Ventures, accounts advised by T. Rowe Price Associates, and Wellington Management.

Our strategy

Our mission is to outsmart cancer by developing the next generation of transformational CAR T-cell therapies to impact patients worldwide with the aim of becoming a fully integrated, leading cell therapy company. Our strategy to achieve this goal is as follows:

- ***Build a next generation CAR T-cell company focused on developing and delivering potentially curative therapies to more patients.***
- ***Advance CRG-022 through a potentially pivotal Phase 2 clinical trial for the treatment of patients with LBCL whose disease is R/R to CD19 CAR T-cell therapy.***
- ***Expand development of CRG-022 to earlier lines of therapy and additional indications.***
- ***Leverage our intended commercial and readily transferable manufacturing process to help mitigate regulatory hurdles and facilitate predictable and reliable supply for future patients.***
- ***Continue to leverage our platform technologies to advance additional CAR T-cell programs into clinical development.***
- ***Opportunistically pursue strategic partnerships and collaborations to maximize the value of our pipeline and platform technologies.***

Risk factors summary

Our business is subject to a number of risks of which you should be aware before making a decision to invest in our common stock. These risks are more fully described in the section titled “Risk factors” immediately following this prospectus summary. These risks include, among others, the following:

- We are a clinical-stage biotechnology company and have incurred significant losses since our inception, and we expect to incur losses for the foreseeable future. We have no products approved for commercial sale and may never achieve or maintain profitability.
- Our limited operating history may make it difficult to evaluate our prospects and likelihood of success.
- Even if this offering is successful, we will require additional funding in order to finance operations. If we are unable to raise capital when needed, or on acceptable terms, we could be forced to delay, reduce or eliminate our product development programs, commercialization efforts or other operations.
- The substantial obligations from our license agreements may result in dilution to our stockholders, may be a drain on our cash resources or may cause us to incur debt obligations to satisfy the payment obligations.
- If we are unable to successfully identify, develop, obtain regulatory approval and ultimately commercialize any of our current or future product candidates, or experience significant delays in doing so, our business, financial condition and results of operations will be materially adversely affected.
- We have experienced rapid growth since our inception in December 2019, and expect to continue to grow in the future. If we fail to effectively manage our growth, we may not be able to execute on our business objectives.
- Our ability to develop our product candidates and our platform technologies, as well as our future growth, depends on attracting, hiring and retaining our key personnel and recruiting additional qualified personnel.

- We operate in highly competitive and rapidly changing industries, which may result in others discovering, developing or commercializing competing products before or more successfully than we do.
- We rely on third parties to conduct our clinical trials and preclinical studies. If these third parties do not successfully carry out their contractual duties, comply with applicable regulatory requirements or meet expected deadlines, our development programs and our ability to seek or obtain regulatory approval for or commercialize our product candidates may be delayed.
- We have identified material weaknesses in our internal control over financial reporting. If our remediation of the material weaknesses is not effective, or if we experience additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our common stock.
- Our success depends on our ability to protect our intellectual property and our proprietary technologies.

Before you invest in our common stock, you should carefully consider all of the information in this prospectus, including matters set forth in the section titled “Risk factors.”

Corporate information

We were founded in December 2019 as a Delaware corporation under the name Syncopation Life Sciences, Inc. We changed our name to CARGO Therapeutics, Inc. in September 2022. Our principal executive offices are located at 1900 Alameda De Las Pulgas, Suite 350, San Mateo, California 94403, and our telephone number is (650) 379-6143.

Our website address is www.cargo-tx.com. The information on, or that can be accessed through, our website is not part of this prospectus and is not incorporated by reference herein. We have included our website address as an inactive textual reference only.

Implications of being an emerging growth company and a smaller reporting company

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012 (the JOBS Act). We will remain an emerging growth company until the earliest of: (i) the last day of the fiscal year following the fifth anniversary of the consummation of this offering; (ii) the last day of the fiscal year in which we have total annual gross revenue of at least $1.235 billion; (iii) the last day of the fiscal year in which we are deemed to be a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the Exchange Act), which would occur if the market value of our common stock held by non-affiliates exceeded $700.0 million as of the last business day of the second fiscal quarter of such year; or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period. An emerging growth company may take advantage of specified reduced reporting requirements and is relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company:

- we will present in this prospectus only two years of audited annual financial statements, plus any required unaudited interim condensed financial statements, and related management’s discussion and analysis of financial condition and results of operations;
- we will avail ourselves of the exemption from the requirement to obtain an attestation and report from our independent registered public accounting firm on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002;

- we will provide less extensive disclosure about our executive compensation arrangements; and
- we will not require non-binding, advisory stockholder votes on executive compensation or golden parachute arrangements.

In addition, 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. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period for any other new or revised accounting standards during the period in which we remain an emerging growth company; however, we have and may adopt certain new or revised accounting standards early.

As a result, the information in this prospectus and that we provide to our investors in the future may be different than what you might receive from other public reporting companies.

We are also a “smaller reporting company,” as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as the market value of our voting and non-voting common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our voting and non-voting common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter.

The offering

Common stock offered by us	shares.
Option to purchase additional shares	We have granted the underwriters an option to purchase up to additional shares of common stock from us at any time within 30 days from the date of this prospectus.
Common stock to be outstanding immediately after this offering	shares (or shares if the underwriters exercise their option to purchase additional shares in full).
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately $ million (or approximately $ million if the underwriters exercise their option to purchase additional shares in full), assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We currently intend to use the net proceeds from this offering, together with our existing cash and cash equivalents, to fund the planned Phase 2 clinical trials of CRG-022, to fund our internal research and development capabilities to advance new product candidates, and the remainder for working capital and other general corporate purposes, including the additional costs associated with being a public company. We may also use a portion of the net proceeds to in-license, acquire, or invest in, complementary technologies, assets, or intellectual property. We regularly evaluate strategic opportunities; however, we have no current commitments to enter into any such license arrangements or acquisition agreements or to make any such investments. See the section titled “Use of Proceeds.”
Risk factors	See the section titled “Risk Factors” and other information included in this prospectus for a discussion of factors you should carefully consider before deciding whether to invest in our common stock.
Proposed Nasdaq Global Market trading symbol	“CRGX”

Unless we specifically state otherwise or the context otherwise requires, the number of shares of our common stock to be outstanding after this offering is based on shares of common stock outstanding as of June 30, 2023 (after giving effect to the automatic conversion of all of our shares of our convertible preferred stock outstanding as of June 30, 2023 into an aggregate of shares of our common stock immediately prior to the completion of this offering), and excludes:

- shares of our common stock issuable upon the exercise of stock options outstanding under our 2021 Stock Option and Grant Plan (the 2021 Plan) as of June 30, 2023, with a weighted-average exercise price of $ per share;

- shares of our common stock issuable upon the exercise of stock options granted under the 2021 Plan subsequent to June 30, 2023, with a weighted-average exercise price of $ per share;
- shares of our common stock reserved for future issuance under the 2021 Plan as of June 30, 2023, which shares will cease to be available for issuance at the time our 2023 Incentive Award Plan (the 2023 Plan) becomes effective;
- shares of our common stock reserved for future issuance under the 2023 Plan, which will become effective on the date immediately prior to the date our registration statement relating to this offering becomes effective, as well as any future increases in the number of shares of common stock reserved for issuance under the 2023 Plan; and
- shares of our common stock reserved for future issuance under our Employee Stock Purchase Plan (the ESPP), which will become effective on the date immediately prior to the date our registration statement relating to this offering becomes effective, as well as any future increases in the number of shares of common stock reserved for issuance under the ESPP.

Unless we specifically state otherwise or the context otherwise requires, this prospectus reflects and assumes the following:

- the adoption, filing and effectiveness of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws, which will occur immediately prior to the completion of this offering;
- the automatic conversion of all outstanding shares of our convertible preferred stock outstanding as of June 30, 2023 into an aggregate of shares of our common stock immediately prior to the completion of this offering;
- no exercise, settlement or termination of the outstanding stock options described above;
- a -for- stock split of our capital stock, which we effected on , 2023; and
- no exercise by the underwriters of their option to purchase up to additional shares of our common stock in this offering.

Summary financial data

The following tables summarize our historical financial data for the periods and as of the dates indicated. We have derived the summary statements of operations and comprehensive loss data for the years ended December 31, 2021 and 2022, except for pro forma amounts, from our audited financial statements and related notes included elsewhere in this prospectus. We have derived the summary statements of operations and comprehensive loss data for the six months ended June 30, 2022 and 2023, except for pro forma amounts, and the summary balance sheet data as of June 30, 2023, except for pro forma and pro forma as adjusted amounts, from our unaudited interim condensed financial statements and related notes as of and for the six months ended June 30, 2022 and 2023 included elsewhere in this prospectus. Our unaudited interim condensed financial statements were prepared on a basis consistent with our audited financial statements and include, in our opinion, all adjustments of a normal and recurring nature that are necessary for the fair statement of the financial information set forth in those statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of results that may be expected in the future and our interim results are not necessarily indicative of results that may be expected for the full year. You should read the following summary financial data together with our audited financial statements, unaudited interim condensed financial statements and related notes included elsewhere in this prospectus and the information in the section titled “Management’s discussion and analysis of financial condition and results of operations.”

(in thousands, except per share and per share data)	Year ended December 31, 2021	Year ended December 31, 2022	Six months ended June 30, 2022	Six months ended June 30, 2023
			(unaudited)	
Statements of operations and comprehensive loss data:				
Operating expenses:				
Research and development	$ 4,461	$ 29,373	$ 11,673	$ 26,491
General and administrative	1,516	5,398	2,044	6,552
Total operating expenses	5,977	34,771	13,717	33,043
Loss from operations	(5,977)	(34,771)	(13,717)	(33,043)
Interest expense	—	(4,942)	(776)	(1,604)
Net change in fair value of redeemable convertible preferred stock tranche obligations	—	—	—	(692)
Change in fair value of derivative liabilities	—	(1,216)	(407)	6,453
Loss on extinguishment of convertible notes	—	—	—	(2,316)
Other income (expense), net	127	(22)	(17)	603
Net loss and comprehensive loss	$ (5,850)	$ (40,951)	$ (14,917)	$ (30,599)
Net loss per share attributable to common stockholders, basic and diluted[1]	$ (2.83)	$ (7.69)	$ (3.68)	$ (3.55)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted[1]	2,068,321	5,323,465	4,048,112	8,613,993
Pro forma net loss per share of common stock, basic and diluted (unaudited)[2]		$		$
Pro forma weighted-average shares of common stock outstanding, basic and diluted (unaudited)[2]				

(1) See Note 14 to our audited financial statements and Note 12 to our unaudited interim condensed financial statements included elsewhere in this prospectus for details on the calculations of historical basic and diluted net loss per share and the weighted-average number of shares attributable to common stockholders used in computation of these per share amounts.

(2) The unaudited pro forma basic and diluted net loss per share for the year ended December 31, 2022 and for the six months ended June 30, 2023 have been prepared to give effect to the assumed conversion of outstanding shares of convertible preferred stock to common stock at December 31, 2022 and June 30, 2023, respectively, as if the convertible preferred stock was outstanding as of January 1, 2022 or January 1, 2023, respectively, irrespective of when the convertible preferred stock was issued.

(in thousands)	June 30, 2023		
	Actual	Pro forma[1]	Pro forma as adjusted[2][3]
		(unaudited)	
Balance sheet data:			
Cash and cash equivalents	$ 42,371	$	$
Working capital[4]	18,631		
Total assets	60,497		
Convertible preferred stock	106,166		
Additional paid-in capital	2,604		
Accumulated deficit	(77,598)		
Total stockholders' deficit	(74,979)		

(1) The pro forma balance sheet data gives effect to the (i) automatic conversion of all of our outstanding shares of our convertible preferred stock into an aggregate of shares of our common stock and the related reclassification of the carrying value of the convertible preferred stock to permanent equity immediately prior to the completion of this offering and (ii) the filing and effectiveness of our amended and restated certificate of incorporation, which will be effective immediately prior to the completion of this offering.

(2) The pro forma as adjusted column in the balance sheet data table above gives effect to (i) the pro forma adjustments described in footnote (1) above and (ii) the sale and issuance of shares of common stock by us in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(3) Each $1.00 increase or decrease in the assumed initial public offering price of per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the pro forma as adjusted amount of each of our cash and cash equivalents, working capital, total assets, additional paid-in capital and total stockholders' deficit by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of common stock offered would increase or decrease, as applicable, each of our cash and cash equivalents, working capital, total assets, additional paid-in capital and total stockholders' deficit by $ million, assuming the initial public offering price remains the same, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted balance sheet data discussed above is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing.

(4) We define working capital as current assets less current liabilities. See our audited financial statements and unaudited interim condensed financial statements and related notes thereto included elsewhere in this prospectus for further details regarding our current assets and current liabilities.

Risk factors

Investing in shares of our common stock involves a high degree of risk. You should carefully consider the following risks and uncertainties, together with all of the other information contained in this prospectus, including the section titled "Management's discussion and analysis of financial condition and results of operations" and our audited financial statements and unaudited interim condensed financial statements and related notes included elsewhere in this prospectus, before making an investment decision. The risks described below are not the only ones facing us. The occurrence of any of the following risks, or of additional risks and uncertainties not presently known to us or that we currently believe to be immaterial, could materially and adversely affect our business, financial condition, reputation or results of operations. In such case, the trading price of shares of our common stock could decline, and you may lose all or part of your investment.

Risks related to our limited operating history, financial condition and need for additional capital

We are a clinical-stage biotechnology company and have incurred significant losses since our inception, and we expect to incur losses for the foreseeable future. We have no products approved for commercial sale and may never achieve or maintain profitability.

We are a clinical-stage biotechnology company with a limited operating history. Biotechnology product development is a highly speculative undertaking and involves a substantial degree of risk. We have incurred significant losses since our inception in December 2019, have no products approved for commercial sale, have not generated any revenue from product sales, have financed our operations principally through private placements of convertible preferred stock and convertible promissory notes and expect to incur significant losses for the foreseeable future. We expect that it will be several years, if ever, before we have a commercialized product and generate revenue from product sales. Our net loss was $41.0 million for the year ended December 31, 2022 and $30.6 million for the six months ended June 30, 2023. As of June 30, 2023, we had an accumulated deficit of $77.6 million. Our losses have resulted principally from expenses incurred in connection with our research and development activities, including our clinical and preclinical development activities, as well as the buildout of our platform technologies such as our CD2 and STASH platforms, and from general and administrative costs associated with our operations.

We have devoted a significant portion of our financial resources and efforts to building our organization, conducting research and development, identifying and developing potential product candidates, executing preclinical studies and clinical trials, building and enhancing our platform technologies, organizing and staffing our company, business planning, establishing, maintaining and protecting our intellectual property portfolio, raising capital and providing general and administrative support for these operations. We are in the early stages of clinical development and have not completed development and commercialization of any of our product candidates.

We expect our expenses and operating losses will continue to increase substantially for the foreseeable future as we expand our research and development efforts, expand the capabilities of our platform technologies, conduct clinical trials and preclinical studies, seek regulatory approval and commercialization of our product candidates and operate as a public company. We anticipate that our expenses will continue to increase substantially as we:

- continue clinical and preclinical development of our current and future product candidates and initiate additional clinical trials and preclinical studies;
- continue to build out and enhance our platform technologies;
- seek regulatory approval of our current and future product candidates;

- expand our operational, financial and management systems and increase personnel, including personnel to support our clinical and preclinical development, manufacturing and commercialization efforts;
- to the extent we acquire or in-license additional product candidates, technologies and other assets for our business;
- continue to develop, perfect, maintain and protect our intellectual property portfolio; and
- incur additional legal, accounting or other expenses in operating our business, including the additional costs associated with operating as a public company.

To become and remain profitable, we must succeed in identifying, developing, conducting successful clinical trials, obtaining regulatory approval for and eventually commercializing, manufacturing and supplying products that generate significant revenue. This will require us to be successful in a range of challenging activities, including completing clinical trials and preclinical studies of our product candidates, continuing to discover and develop additional product candidates, obtaining regulatory approval for any product candidates that successfully complete clinical trials, developing manufacturing processes and methods, devising and implementing processes for transferring technology and manufacturing processes to a network of third-party manufacturing sites, establishing necessary quality control, ensuring GMP readiness, establishing marketing capabilities, commercializing and ultimately selling any products. We may never succeed in any or all of these activities and, even if we do, we may never generate revenue that is sufficient to achieve profitability. Even if we do achieve profitability, we may not be able to sustain profitability or meet outside expectations for our profitability. If we are unable to achieve or sustain profitability or to meet outside expectations for our profitability, the price of our common stock could be materially adversely affected.

Because of the numerous risks and uncertainties associated with pharmaceutical and biotechnology products and drug development, including the development of cell therapy product candidates, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. If we are required by the U.S. Food and Drug Administration (FDA) or comparable foreign regulatory authorities to perform studies in addition to those we currently anticipate, or if there are any delays in commencing or completing our clinical trials or the development of any of our product candidates, our expenses could increase and commercial revenue could be further delayed and become more uncertain, which will have a material adverse impact on our business.

Our limited operating history may make it difficult to evaluate our prospects and likelihood of success.

We are a clinical-stage biotechnology company with a limited operating history upon which you can evaluate our business and prospects. Since our inception in December 2019, we have devoted substantially all of our resources and efforts to building our organization, in-licensing technologies, building our platform technologies, identifying and developing potential product candidates, preparing for, and as the case may be, initiating clinical trials and preclinical studies, developing manufacturing processes and methods, devising and implementing processes for transferring technology and manufacturing processes to a network of third-party manufacturing sites, ensuring supply of critical reagents and final products to support the clinical trials and eventually commercialization, organizing and staffing our company, business planning, establishing, maintaining and protecting our intellectual property portfolio, raising capital and providing general and administrative support for these operations. All of our product candidates are in either clinical development or in preclinical stages of development, and we have not yet demonstrated our ability to successfully complete any late-stage or registration clinical trials, obtain regulatory approvals, manufacture a commercial scale product or arrange for a third party to do so on our behalf or conduct sales and marketing activities necessary for successful product commercialization. Additionally, we expect our financial condition and operating results to

continue to fluctuate significantly from period to period due to a variety of factors, many of which are beyond our control. Consequently, any predictions you may make about our future success or viability may not be as accurate as they could be if we had a longer operating history.

In addition, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors and risks frequently experienced by clinical-stage companies in rapidly evolving fields. We also may need to transition from a company with a research focus to a company capable of supporting commercial activities. If we do not adequately address these risks and difficulties or successfully make such a transition, it could have a material adverse effect on our business.

Even if this offering is successful, we will require additional funding in order to finance operations. If we are unable to raise capital when needed, or on acceptable terms, we could be forced to delay, reduce or eliminate our product development programs, commercialization efforts or other operations.

Developing biotechnology products, including conducting clinical trials and preclinical studies, is a very time-consuming, expensive and uncertain process that takes years to complete. Our operations have consumed substantial amounts of cash since inception, and our expenses will continue to increase in connection with our ongoing activities, particularly as we conduct our ongoing and planned preclinical studies and clinical trials of, and seek regulatory approval for, our current product candidates and future product candidates we may develop or otherwise acquire. In addition, as our product candidates progress through development and toward commercialization, we will need to make milestone payments to the licensors and other third parties from whom we have in-licensed our product candidates or certain proprietary products used in the manufacturing of our clinical products, including The Board of Trustees of the Leland Stanford Junior University (Stanford University), The National Cancer Institute (NCI) and Oxford BioMedica (UK) Limited (Oxford). Even if one or more of our product candidates is approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved product candidate, including manufacturing and supply costs, as well as costs associated with establishing a sales and end-to-end supply chain management infrastructure. To date, we have funded our operations principally through private financings. We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the clinical and preclinical development and manufacturing of our product candidates, continuing to develop and enhance our platform technologies, commence additional clinical trials and preclinical studies and continue to identify and develop additional product candidates.

In addition, if we obtain regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and end-to-end supply chain management between the treatment sites and manufacturing sites. Furthermore, upon the completion of this offering, we expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or any future regulatory approval or commercialization efforts.

As of June 30, 2023, we had $42.4 million of cash and cash equivalents. Without giving effect to the anticipated net proceeds from this offering, based on our current operating plan we expect that our existing cash and cash equivalents will not be sufficient to fund our planned operating expenses and capital expenditures beyond one year from the issuance date of our financial statements. We believe that the net proceeds from this offering, together with our existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditure requirements into .

We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect. Our operating plans and other demands on our cash resources may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner

than planned, through public or private equity or debt financings or other capital sources, including potential collaborations, licenses and other similar arrangements. We may also raise additional financing on an opportunistic basis in the future. We expect to continue to expend significant resources for the foreseeable future. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. Attempting to secure additional financing may divert our management from our day-to-day activities, which may adversely affect our ability to develop our product candidates. Our future capital requirements will depend on many factors, including but not limited to:

- the scope, timing, progress, costs and results of discovery, preclinical development and clinical trials for our current or future product candidates;
- the number of clinical trials required for regulatory approval of our current or future product candidates;
- the costs, timing and outcome of regulatory review of any of our current or future product candidates;
- the costs associated with developing and enhancing our platform technologies, including our current CD2 and STASH platforms;
- the costs associated with acquiring or licensing additional product candidates, technologies or assets, including the timing and amount of any future milestone, royalty or other payments due in connection with such acquisition or license;
- the cost of manufacturing clinical and commercial supplies of our current or future product candidates, including the costs associated with end-to-end supply chain management between the treatment sites and manufacturing sites;
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims, including any claims by third parties that we are infringing upon their intellectual property rights;
- our ability to maintain existing, and establish new, strategic collaborations or other arrangements and the financial terms of any such agreements, including the timing and amount of any future milestone, royalty or other payments due under any such agreement;
- the costs and timing of future commercialization activities, including manufacturing, marketing, sales and end-to-end supply chain management, for any of our product candidates for which we receive regulatory approval;
- the revenue, if any, received from commercial sales of our product candidates for which we receive regulatory approval;
- expenses to attract, hire and retain skilled personnel;
- the costs of operating as a public company;
- our ability to establish a commercially viable pricing structure and obtain approval for coverage and adequate reimbursement from third-party and government payors;
- addressing any potential interruptions or delays resulting from factors related to the COVID-19 pandemic;
- the effect of competing technological and market developments; and
- the extent to which we acquire or invest in business, products and technologies.

Our ability to raise additional funds will depend on financial, economic, political and market conditions and other factors, over which we may have no or limited control. Our ability to raise additional funds 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. Additional funds may not be available when we need them, on terms that are acceptable to us, or at all. If we fail to obtain necessary capital when needed on acceptable terms, or at all, it could force us to delay, limit, reduce or terminate our product development programs, future commercialization efforts or other operations. Because of the numerous risks and uncertainties associated with research, product development and commercialization of product candidates, we are unable to predict the timing or amount of our working capital requirements or when or if we will be able to achieve or maintain profitability.

Accordingly, we will need to continue to rely on additional financing to achieve our business objectives and adequate additional financing may not be available to us on acceptable terms, or at all.

Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or product candidates.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our operations with our existing cash and cash equivalents, the net proceeds from this offering, any future equity or debt financings and upfront and milestone and royalty payments, if any, received under any future licenses or collaborations. We do not have any committed external source of funds. If 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 holder of our common stock. In addition, the possibility of such issuance may cause the trading price of our common stock to decline. Debt financing and preferred equity financing, if available, may result in increased fixed payment obligations and involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends or acquiring, selling or licensing intellectual property rights or assets, which could adversely impact our ability to conduct our business.

If we raise additional funds through collaborations, strategic alliances or marketing, supply or licensing arrangements with third parties, we may have to relinquish valuable rights to our intellectual property, technologies, future revenue streams or product candidates or grant licenses on terms that may not be favorable to us and/or that may reduce the value of common stock. We could also be required to seek funds through arrangements with collaborators or others at an earlier stage than otherwise would be desirable. Any of these occurrences may have a material adverse effect on our business, operating results and prospects.

There is substantial doubt about our ability to continue as a going concern.

We have prepared cash flow forecasts which indicate that, based on our expected operating losses and negative cash flows, there is substantial doubt about our ability to continue as a going concern for the twelve months after the respective dates our financial statements for the year ended December 31, 2022 and the six months ended June 30, 2023 were issued. As a result, management has included disclosures in Note 1 of the financial statements and our independent registered public accounting firm has included an explanatory paragraph in its report on our financial statements for the fiscal year ended December 31, 2022 with respect to this uncertainty. Our future viability as an ongoing business is dependent on our ability to generate cash from our operating activities and to raise additional capital to finance our operations.

There is no assurance that we will succeed in obtaining sufficient funding on terms acceptable to us to fund continuing operations, if at all. The perception that we might be unable to continue as a going concern may also make it more difficult to obtain financing for the continuation of our operations on terms that are favorable to

us, or at all, and could result in the loss of confidence by investors and employees. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty. If we are unable to continue as a going concern, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our financial statements, and it is likely that our investors will lose all or a part of their investment.

The substantial obligations from our license agreements may result in dilution to our stockholders, may be a drain on our cash resources or may cause us to incur debt obligations to satisfy the payment obligations.

In connection with our recent license agreements, we entered into arrangements whereby the counterparties to such agreements are entitled to substantial contingent consideration payments upon the occurrence of certain events. For example, under the terms of our license agreement with Stanford University, in addition to the annual license maintenance fees of up to $0.1 million per year, we may also be required to pay up to $12.0 million in milestone payments upon achievement of specific intellectual property, clinical, regulatory and commercial milestone events. In addition, under this license agreement we will be obligated to pay low single-digit percentage royalties on net sales. We are also obligated to pay Stanford University a percentage of non-royalty revenue received by us from our right to sublicense at defined percentages.

In addition, under the terms of our license agreement with Oxford Biomedica (UK) Limited (Oxford Agreement) for the manufacture and supply of lentiviral vectors for clinical and potentially commercial purposes, we may also be required to pay up to $9.3 million if certain development, regulatory and commercial milestones are achieved. Additionally, we are obligated to pay low single-digit percentage royalties on net sales of products generated under the Oxford Agreement. Further, under the terms of our license agreement with the NCI, pursuant to which we obtained a worldwide, royalty-bearing, exclusive license under certain patent rights to research, develop and commercialize products covered by such licensed patents, we may be required to pay up to $18.0 million in milestone payments upon achievement of specific intellectual property, clinical and commercial milestone events and low single-digit percentage royalties on net sales of products incorporating the licensed patent rights from the NCI. Additionally, in the event we are granted a priority review voucher (PRV), we would be obligated to pay the NCI a minimum of $5.0 million upon the sale, transfer or lease of the PRV or $0.5 million upon submission of the PRV for use by the FDA.

In order to satisfy our obligations to make these payments, if and when they are triggered, we may need to issue equity or convertible debt securities that may cause dilution to our stockholders, or we may use our existing cash and cash equivalents or incur debt obligations to satisfy the payment obligations in cash, which may adversely affect our financial position. In addition, these obligations may impede our ability to raise money in future public offerings of debt or equity securities or to obtain a third-party line of credit.

See the section titled “Management’s discussion and analysis of financial condition and results of operations—License agreements” elsewhere in this prospectus for additional information regarding these agreements.

Risks related to our business

If we are unable to successfully identify, develop, obtain regulatory approval and ultimately commercialize any of our current or future product candidates, or experience significant delays in doing so, our business, financial condition and results of operations will be materially adversely affected.

Our ability to generate revenue from sales of any of our approved product candidates, which we do not expect will occur for at least the next several years, if ever, depends heavily on the successful identification, development, regulatory approval and eventual commercialization of any product candidates, which may never occur. We have invested substantially all of our efforts and financial resources in acquiring or in-licensing our

current product candidates and conducting clinical trials and preclinical studies. We have never generated revenue from sales of any products, and we may never be able to develop, obtain regulatory approval for or commercialize, a marketable product. All of our product candidates will require significant clinical development, regulatory approval, establishment of sufficient manufacturing supply, including commercial manufacturing supply, and may require us to build a commercial organization and make substantial investment and significant marketing efforts before we generate any revenue from product sales. We are not permitted to market or promote any of our product candidates before we receive regulatory approval from the FDA or comparable foreign regulatory authorities, and we may never receive such regulatory approval for any of our product candidates.

The successful development of our product candidates will depend on several factors, including, but not limited to, the following:

- successful and timely completion of clinical trials and preclinical studies for which the FDA, or any comparable foreign regulatory authority, agree with the design, endpoints or implementation;
- sufficiency of our financial and other resources to complete the necessary clinical trials and preclinical studies;
- receiving regulatory allowances or authorizations for conducting future clinical trials;
- initiation and successful patient enrollment in, and successful and timely completion of, clinical trials on a timely basis;
- if we are required to supplement our clinical development plans to include additional clinical trials or studies, such as the addition of a double-blind, placebo-controlled, randomized study of CRG-022 as part of the potentially pivotal Phase 2 clinical trial;
- the frequency and severity of adverse events in clinical trials;
- maintaining and establishing relationships with contract development and manufacturing organizations (CDMOs), contract research organizations (CROs) and clinical sites for the clinical development of our product candidates both in the United States and internationally;
- our ability to demonstrate to the satisfaction of the FDA or any comparable foreign regulatory authority that the applicable product candidate is safe, pure and potent, or effective as for its intended uses;
- our ability to demonstrate to the satisfaction of the FDA or any comparable foreign regulatory authority that the applicable product candidate’s risk-benefit ratio for its proposed indication is acceptable;
- timely receipt of regulatory approvals for our product candidates from applicable regulatory authorities;
- addressing any potential interruptions or delays resulting from factors related to the COVID-19 pandemic;
- the extent of any post-marketing commitments or requirements agreed to with applicable regulatory authorities;
- establishing, scaling up and scaling out, either alone or with third-party manufacturers, manufacturing capabilities of clinical supply for our clinical trials and commercial manufacturing, if any of our product candidates are approved, including ability to produce final product using our intended commercial manufacturing process when applied to using patient cells as starting material;
- the protection of our rights in our intellectual property portfolio; and
- our ability to compete with other therapies.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully develop and commercialize our product candidates, which would materially adversely affect our business, financial condition and results of operations.

Additionally, clinical or regulatory setbacks to other companies developing similar products or within adjacent fields, including those in gene editing and gene therapy and allogenic cell-based therapies, may impact the clinical development of and regulatory pathway for our current or future product candidates, or may negatively impact the perceptions of value or risk of our technologies.

We have experienced rapid growth since our inception in December 2019, and expect to continue to grow in the future. If we fail to effectively manage our growth, we may not be able to execute on our business objectives.

We have experienced rapid growth since our inception in December 2019, and expect to continue to grow in the future. As of December 31, 2022, we had 42 full-time employees and, as of June 30, 2023, we had grown to 74 full-time employees. We expect continued growth in the number of our employees and the scope of our operations, particularly as we continue our current and future clinical trials and preclinical studies, initiate and conduct IND-enabling studies and build out our clinical operations, as well as our platform technologies.

To manage our anticipated future growth, we will continue to implement and improve our managerial, operational and financial systems, expand our facilities and recruit and train additional qualified personnel. Due to the complexity in managing a company that has scaled very quickly and anticipates continued growth, we may not be able to scale our headcount and operations effectively to manage the expansion of our product pipeline or recruit and train the necessary additional personnel. As our operations expand, we also expect that we will need to manage additional relationships with various strategic partners, suppliers and other third parties. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

In addition, future growth imposes significant added responsibilities on members of management, including: identifying, recruiting, integrating, maintaining and motivating additional employees; managing our internal development efforts effectively, including the clinical development and FDA review processes for our product candidates, while complying with our contractual obligations to contractors and other third parties; and improving our operational, financial and management controls, reporting systems and procedures.

We currently rely on certain independent organizations, advisors and consultants to provide certain services, including strategic, financial, business development and research and development services, as well as certain aspects of regulatory approval and manufacturing. There can be no assurance that the services of independent organizations, advisors and consultants will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants or contract manufacturing organizations is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval of our product candidates or otherwise advance our business. There can be no assurance that we will be able to manage our existing consultants or find other competent outside contractors and consultants on reasonable terms, or at all.

If our product candidates do not achieve projected development milestones or commercialization in the announced or expected timeframes, the further development or commercialization of such product candidates may be delayed, and our business will be harmed.

We have estimated and may in the future estimate, the timing of the accomplishment of various scientific, clinical, manufacturing, regulatory and other product development objectives. These milestones have and may

include our expectations regarding the commencement or completion of clinical trials and preclinical studies, data readouts, the submission of regulatory filings, the receipt of regulatory approval or the realization of other commercialization objectives. The achievement of many of these milestones may be outside of our control. All of these milestones are based on a variety of assumptions, including assumptions regarding capital resources, constraints and priorities, progress of and results from development activities and the receipt of key regulatory approvals or actions, any of which may cause the timing of achievement of the milestones to vary considerably from our estimates. If we fail to achieve announced milestones in the expected timeframes, the commercialization of the product candidates may be delayed, our credibility may be undermined, our business and results of operations may be harmed and the trading price of our common stock may decline.

Our ability to develop our product candidates and our platform technologies, as well as our future growth, depends on attracting, hiring and retaining our key personnel and recruiting additional qualified personnel.

Our success depends upon the continued contributions of our key management, scientific and clinical personnel, many of whom have been instrumental for us and have substantial experience with our product candidates and platform technologies. Given the specialized nature of our product candidates and our platform technologies there is an inherent scarcity of experienced personnel in these fields. As we continue developing our product candidates in our pipeline, we will require personnel with medical, scientific or technical qualifications specific to each program. The loss of key personnel, in particular our senior leadership team, would delay our research and development activities. Despite our efforts to retain valuable employees, members of our team may terminate their employment with us on short notice. The competition for qualified personnel in the biotechnology and pharmaceutical industries is intense, and our future success depends upon our ability to attract, retain and motivate highly skilled scientific, technical and managerial employees. We face competition for personnel from other companies, universities, public and private research institutions and other organizations. If our recruitment and retention efforts are unsuccessful in the future, it may be difficult for us to implement our business strategy, which would have a material adverse effect on our business.

In addition, our research and development programs, as well as the development and enhancement of our platform technologies depend on our ability to attract and retain highly skilled scientists, particularly in California. There is powerful competition for skilled personnel in these geographical markets, and we have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications on acceptable terms, or at all. Many of the companies with which we compete for experienced personnel have greater resources than we do, and any of our employees may terminate their employment with us at any time. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached legal obligations, resulting in a diversion of our time and resources and, potentially, damages. In addition, job candidates and existing employees often consider the value of the stock awards they receive in connection with their employment. If the perceived benefits of our stock awards decline, it may harm our ability to recruit and retain highly skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects would be harmed.

We operate in highly competitive and rapidly changing industries, which may result in others discovering, developing or commercializing competing products before or more successfully than we do.

The biotechnology and pharmaceutical industries are highly competitive and subject to significant and rapid technological change. Our success is highly dependent on our ability to discover, develop and obtain regulatory approval for new and innovative products on a cost-effective basis and to market them successfully. In doing so, we face and will continue to face intense competition from a variety of businesses, including large pharmaceutical and biotechnology companies, academic institutions, government agencies and other public and private research organizations. These organizations may have significantly greater resources than we do

and conduct similar research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and marketing of products that compete with our product candidates. Mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated in our competitors. Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in these industries.

With the proliferation of new drugs and therapies for our target indications, we expect to face increasingly intense competition as new technologies become available. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future. The highly competitive nature of and rapid technological changes in the biotechnology and pharmaceutical industries could render our product candidates or our technology obsolete, less competitive or uneconomical. Our competitors may, among other things:

- have significantly greater financial, manufacturing, marketing, drug development, technical and human resources than we do;
- develop and commercialize products that are safer, more effective, less expensive, more convenient or easier to administer or have fewer or less severe side effects;
- obtain quicker regulatory approval;
- establish superior proprietary positions covering our products and technologies;
- implement more effective approaches to sales and marketing; or
- form more advantageous strategic alliances.

Should any of these factors occur, our business, financial condition and results of operations could be materially adversely affected. Competing products could present superior treatment alternatives, including by being more effective, safer, more convenient, less expensive or marketed and sold more effectively than any products we may develop. Competitive products approaches may make any products we develop obsolete or noncompetitive before we recover the expense of developing and commercializing our product candidates.

In addition, any collaborators may decide to market and sell products that compete with the product candidates that we have agreed to license to them, and any competition by our collaborators could also have a material adverse effect on our future business, financial condition and results of operations.

Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

We may expend our limited resources to pursue a particular product candidate, indication or platform technology and fail to capitalize on product candidates, indications or platform technologies that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we focus on product candidates, research programs and platform technologies that we identify for specific indications. As a result, we may forego or delay pursuit of opportunities with other platform technologies or product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and

future product candidates, research programs and platform technologies for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights.

Our product candidates and platform technologies are based on novel technologies, which makes it difficult to predict the time and cost of product candidate development and obtaining regulatory approval.

We have concentrated our research and development efforts on our engineered T cell therapy, including related product candidates and platform technologies, and our future success depends on the successful development of this therapeutic approach. We are in the early stages of developing our pipeline and platforms and there can be no assurance that any development problems we experience in the future will not cause significant delays or unanticipated costs, or that such development problems can be overcome. We may also experience delays in developing a sustainable, reproducible and scalable manufacturing process or transferring that process to commercial partners, which may prevent us from completing our clinical studies or commercializing our products on a timely or profitable basis, if at all. In addition, our expectations with regard to our scalability and costs of manufacturing may vary significantly as we develop our product candidates and understand these critical factors.

In addition, the clinical study requirements of the FDA, EMA and other regulatory agencies and the criteria these regulators use to determine the safety and efficacy of a product candidate are determined according to the type, complexity, novelty and intended use and market of the potential products. The regulatory approval process for novel product candidates such as ours can be more complex and consequently more expensive and take longer than for other, better known or extensively studied pharmaceutical or other product candidates. Approvals by the EMA and FDA for existing CAR T therapies may not be indicative of what these regulators may require for approval of our product candidates. More generally, approvals by any regulatory agency may not be indicative of what any other regulatory agency may require for approval or what such regulatory agencies may require for approval in connection with new product candidates. Moreover, our product candidates may not perform successfully in clinical trials or may be associated with adverse events that distinguish them from other CAR T therapies that have previously been approved. Unexpected clinical outcomes would significantly impact our business.

Any product candidates that we may develop will be novel and may be complex and difficult to manufacture, and if we experience manufacturing problems, it could result in delays in development and commercialization of such product candidates or otherwise harm our business.

Our product candidates involve or will involve novel technology and will require processing steps that are more complex than those required for most small molecule drugs, resulting in a relatively higher manufacturing cost. Moreover, unlike small molecules, the physical and chemical properties of biologics generally cannot be fully characterized. As a result, assays of the finished product may not be sufficient to ensure that such product will perform in the intended manner. Although we intend to employ multiple steps to control the manufacturing processes for our product candidates, we may experience manufacturing issues with any of our product candidates that could cause production interruptions, including contamination, equipment or reagent failure, improper installation or operation of equipment, facility contamination, raw material shortages or contamination, natural disasters, disruption in utility services, human error, disruptions in the operations of our suppliers, inconsistency in cell growth and variability in product characteristics. We may encounter problems achieving adequate quantities and quality of clinical-grade materials that meet FDA or other comparable applicable standards or specifications with consistent and acceptable production yields and costs. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects and

other supply disruptions. If microbial, viral or other contaminations are discovered in our product candidates or in the manufacturing facilities in which such product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. Our manufacturing process for any CAR T cell therapy product candidate that we develop will be susceptible to product loss or failure due to the quality of the raw materials, failure of the products to meet specifications, logistical issues associated shipping such material to the manufacturing site, freezing the manufactured product, shipping the final product globally, thawing and infusing patients with such product. Problems with the manufacturing process, even minor deviations from the normal process, could result in product defects or manufacturing failures that result in lot failures, delays in initiating or completing clinical trials, product recalls, product liability claims or insufficient inventory.

As product candidates are developed through preclinical studies to late-stage clinical trials towards potential approval and commercialization, it is possible that various aspects of the development program, such as manufacturing process and methods, may be altered along the way in an effort to help optimize processes and results. Such changes carry the risk that they will not achieve the intended objectives, and any of these changes could cause our product candidates to perform differently from the previous Phase 1 clinical trials and affect the results of future clinical trials or our reliance on results of trials that have previously been conducted using the product candidate in its previous form. If the manufacturing process is changed during the course of product development, we may be required to repeat some or all of the previously conducted trials or conduct additional bridging trials or alternatively, we may need to re-develop the manufacturing process and methods, which could increase our costs and delay or impede our ability to obtain regulatory approval.

In addition, the facilities used by us and our contract manufacturers to manufacture our product candidates must be evaluated for the manufacture of our product candidates by the FDA or foreign regulatory authorities pursuant to inspections that will be conducted after we submit a Biologics License Application (BLA) to the FDA, or similar foreign applications to foreign regulatory authorities. We do not control the manufacturing process of our contract manufacturers and are dependent on their compliance with current Good Manufacturing Practice (cGMP) or similar foreign requirements for their manufacture of our product candidates.

The FDA and other foreign regulatory authorities may require us to submit samples of any lot of any product that may receive approval together with the protocols showing the results of applicable tests at any time. Under some circumstances, the FDA or other foreign regulatory authorities may require that we not distribute a lot until the relevant agency authorizes its release. Slight deviations in the manufacturing process, including those affecting quality attributes and stability, may result in unacceptable changes in the product that could result in lot failures or product recalls. Lot failures or product recalls could cause us to delay product launches or clinical trials, which could be costly to us and otherwise harm our business.

We may be unable to secure permission to use data from the previous clinical trials conducted by certain of our license agreement counterparties.

We are pursuing entering into agreements with certain of our license agreement counterparties whereby we would be able to use clinical data such counterparties had already generated from clinical trials or preclinical studies. We would utilize this data, if procured, as part of the approval process for our product candidates and for other purposes. If we are unable to secure such agreements at a reasonable price, or at all, we may not be able to pool the data with data generated from our clinical trials, utilize such data for demonstrating durability and safety or otherwise leverage the data to support our regulatory filings. If we cannot utilize the data for the aforementioned purposes, we may need to conduct additional clinical trials and could be limited in the scope of the labels we pursue, among other adverse consequences. The consequences of any of the foregoing could be costly to us and otherwise harm our business.

The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be smaller than we believe, and even if the markets in which we compete achieve the forecasted growth, our business may not grow at similar rates, or at all.

We intend to initially focus our product candidate development on treatments for various lymphomas. Our projections of addressable patient populations within any particular disease state that may benefit from treatment with our product candidates are based on our estimates. Market opportunity estimates and growth forecasts included in this prospectus are subject to significant uncertainty and are based on assumptions and estimates. These estimates, which have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations and market research, may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these diseases. For example, the observed persistence of CD22 expression following patients becoming relapsed or refractory to CD19 CAR T-cell therapy may not be as high as we expect. Similarly, the percent of the population with CD22 expression could be lower than we anticipate. In both instances, the pool of potential patients that our CD22 product candidates could address could be substantially smaller than we anticipate. Additionally, the potentially addressable patient population for our product candidates may not ultimately be amenable to treatment with our product candidates. Our market opportunity may also be limited by future competitor treatments that enter the market with such patients, for example, being too sick to receive treatment. If any of our estimates prove to be inaccurate, the market opportunity for any product candidate that we or our strategic partners develop could be significantly diminished and have an adverse material impact on our business.

Our business is subject to risks arising from epidemic diseases, such as the COVID-19 pandemic.

The COVID-19 pandemic continues to impact worldwide economic activity. A pandemic, including COVID-19 or other public health epidemic, poses the risk that we or our employees, contractors, including our CROs, CDMOs, suppliers and other partners may be prevented from conducting business activities for an indefinite period of time, including due to spread of the disease within these groups or due to shutdowns that may be requested or mandated by governmental authorities. While it is not possible at this time to estimate the full impact that COVID-19 could have on our business, the continued spread of new variants of COVID-19 and the measures taken by the governments of countries affected could, in addition to disrupting our clinical trials, adversely impact other aspects of our business and operations. The COVID-19 pandemic and mitigation measures have also had an adverse impact on global economic conditions which could have an adverse effect on our business and financial condition, including impairing our ability to raise capital when needed. The extent to which the COVID-19 pandemic, or any other pandemic, impacts our results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and the actions to contain its impact.

Even if approved, our products may not gain market acceptance, in which case we may not be able to generate product revenues, which will materially adversely affect our business, financial condition and results of operations.

Even if the FDA or any comparable foreign regulatory authority approves the marketing of any product candidates that we develop, physicians, healthcare providers, patients or the medical community may not accept or use them. Additionally, the product candidates that we are developing are based on our proprietary platforms, which are new technologies. If these products do not achieve an adequate level of acceptance, we may not generate significant product revenues or any profits from operations. The degree of market acceptance of any of our product candidates will depend on a variety of factors, including:

- the timing of market introduction of the product candidate, as well as competitive products;
- the clinical indications for which a product candidate is approved;

- the limitation of our targeted patient population and other limitations or warnings contained in any FDA-approved labeling;
- the terms of any approvals and the countries in which approvals are obtained;
- the number and clinical profile of competing products;
- the potential and perceived advantages of our product candidates over alternative treatments;
- our ability to provide acceptable evidence of safety and efficacy;
- the prevalence and severity of any side effects;
- the availability of an approved product candidate for use as a combination therapy;
- relative convenience and ease of administration;
- cost-effectiveness;
- patient diagnostics and screening infrastructure in each market;
- the effectiveness of sales and marketing efforts;
- approval of other new therapies for the same indications;
- marketing, manufacturing and supply support;
- adverse publicity about our product candidates;
- potential product liability claims;
- availability of coverage, adequate reimbursement and sufficient payment from health maintenance organizations and other insurers, both public and private, for our product candidates, or the procedures utilizing our product candidates, if approved;
- the willingness of patients to pay out-of-pocket in the absence of coverage by third-party payors and government authorities; and
- other potential advantages over alternative treatment methods.

If our product candidates are approved but fail to gain market acceptance, this will have a material adverse impact on our ability to generate revenues to provide a satisfactory, or any, return on our investments. Our efforts to educate the medical community and third-party payors regarding the benefits of our products may require significant resources and may never be successful. Even if some products achieve market acceptance, the market may prove not to be large enough to allow us to generate significant revenues.

We currently have no marketing, sales or supply chain infrastructure and we intend to either establish a sales and marketing infrastructure or outsource this function to a third party. Either of these commercialization strategies carries substantial risks to us.

Given our stage of development, we currently have no marketing, sales and end-to-end supply chain management capabilities. If any of our product candidates complete clinical development and are approved, we intend to either establish a sales and marketing organization with technical expertise and supporting end-to-end supply chain management capabilities to commercialize our product candidates in a legally compliant manner, or to outsource this function to a third party. There are risks involved if we decide to establish our own sales and marketing capabilities or enter into arrangements with third parties to perform

these services. We have no prior experience as a company in the marketing, sale and end-to-end supply chain management of biopharmaceutical products, and there are significant risks involved in building and managing a sales organization, including our ability to hire, retain and incentivize qualified individuals, generate sufficient sales leads, provide adequate training to sales and marketing personnel and effectively manage a geographically dispersed sales and marketing team. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact the commercialization of these products.

To the extent that we enter into collaboration agreements with respect to marketing, sales or end-to-end supply chain management, our product revenue may be lower than if we directly marketed or sold any approved products. Such collaborative arrangements with partners may place the commercialization of our products outside of our control and would make us subject to a number of risks, including that we may not be able to control the amount or timing of resources that our collaborative partner devotes to our products or that our collaborator's willingness or ability to complete its obligations, and our obligations under our arrangements may be adversely affected by business combinations or significant changes in our collaborator's business strategy.

If we are unable to enter into these arrangements on acceptable terms or at all, we may not be able to successfully commercialize any approved products. If we are not successful in commercializing any approved products, either on our own or through collaborations with one or more third parties, our future product revenue will suffer and we may incur significant additional losses, which would have a material adverse effect on our business, financial condition and results of operations.

We may become exposed to costly and damaging liability claims, either when testing our product candidates in the clinic or at the commercial stage, and our product liability insurance may not cover all damages from such claims.

We are exposed to potential product liability and professional indemnity risks that are inherent in the research, development, manufacturing, marketing and use of pharmaceutical products. While we currently have no products that have commenced clinical trials or been approved for commercial sale, the future use of product candidates by us in clinical trials, and the sale of any approved products in the future, may expose us to liability claims. These claims might be made by patients that use the product, healthcare providers, pharmaceutical companies or others selling such products. Any claims against us, regardless of their merit, could be difficult and costly to defend and could materially adversely affect the market for our product candidates or any prospects for commercialization of our product candidates.

Although the clinical trial process is designed to identify and assess potential side effects, it is always possible that a drug, even after regulatory approval, may exhibit unforeseen side effects. If any of our product candidates were to cause adverse side effects during clinical trials or after approval of the product candidate, we may be exposed to substantial liabilities. Physicians and patients may not comply with any warnings that identify known potential adverse effects and patients who should not use our product candidates.

Even successful defense against product liability claims would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in: decreased demand for our product candidates; injury to our reputation; withdrawal of clinical trial participants; initiation of investigations by regulators; costs to defend the related litigation; a diversion of management's time and our resources; substantial monetary awards to trial participants or patients; product recalls, withdrawals or labeling, marketing or promotional restrictions; loss of revenue; exhaustion of any available insurance and our capital resources; the inability to commercialize any product candidate; and a decline in our share price.

Although we maintain adequate product liability insurance for our product candidates, it is possible that our liabilities could exceed our insurance coverage. We intend to expand our insurance coverage to include the sale

of commercial products if we obtain regulatory approval for any of our product candidates. However, we may be unable to maintain insurance coverage at a reasonable cost or obtain insurance coverage that will be adequate to satisfy any liability that may arise. If a successful product liability claim or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims, and our business operations could be impaired.

We may not realize the benefits of technologies that we have acquired, or will acquire in the future, or other strategic transactions that we have or will consummate.

Our platform represents an aggregation of innovation and technology from multiple companies and academic institutions, including the NCI, Oxford and Stanford University. Further, a key component of our strategy is to acquire and in-license technologies to support the growth of our product pipeline, as well as to build upon and enhance our platform technologies. As such, we actively evaluate various strategic transactions on an ongoing basis. We may acquire other assets, businesses, products or technologies, as well as pursue joint ventures or investments in complementary businesses. The success of our strategic transactions and any future strategic transactions depends on the risks and uncertainties involved including:

- unanticipated liabilities related to acquired companies or joint ventures;
- difficulties integrating acquired personnel, technologies and operations into our existing business;
- retention of key employees;
- diversion of management time and focus from operating our business to management of acquisition and integration efforts, strategic alliances or joint ventures challenges;
- increases in our expenses and reductions in our cash available for operations and other uses;
- disruption in our relationships with collaborators or suppliers;
- possible write-offs or impairment charges relating to acquired businesses or joint ventures; and
- challenges resulting from the COVID-19 pandemic making it more difficult to integrate acquisitions into our business.

If any of these risks or uncertainties occur, we may not realize the anticipated benefit of any acquisition or strategic transaction. Additionally, foreign acquisitions and joint ventures are subject to additional risks, including those related to integration of operations across different cultures and languages, currency risks, potentially adverse tax consequences of overseas operations and the particular economic, political and regulatory risks associated with specific countries.

Future acquisitions or dispositions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses, impairments or write-offs of goodwill or impairments and write-offs of in-process research and development assets, any of which could harm our financial condition.

Our information technology systems, or those used by our third-party contract research organizations or other contractors or consultants, may fail or suffer security breaches.

We are increasingly dependent upon information technology systems, infrastructure and data to operate our business. In the ordinary course of business, we collect, store and transmit confidential information (including but not limited to intellectual property, proprietary business information and personal information). It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such confidential information.

We also have outsourced elements of our operations to third parties, and as a result we rely on the information technology systems of and manage a number of third-party contractors who have access to our confidential information.

Despite the implementation of security measures, our information technology systems and those of our CROs, CDMOs and other contractors and consultants are vulnerable to attack and damage or interruption from a variety of threats, including computer viruses and malware (e.g., ransomware), malicious code, natural disasters, terrorism, war, telecommunications and electrical failures, hacking, cyberattacks, phishing attacks and other social engineering schemes, employee theft or misuse, human error, fraud, denial or degradation of service attacks, sophisticated national-state and nation-state-supported actors or unauthorized access or use by persons inside our organization, or persons with access to systems inside our organization.

We and certain of our service providers are from time to time subject to cyberattacks and security incidents. Although to our knowledge we have not experienced any such material system failure, accident or security breach to date, if such an event were to occur and negatively affect our operations, it could result in a material disruption of our development programs and our business operations. Further, we cannot assure that our data protection efforts and our investment in information technology will prevent significant breakdowns, data leakages, breaches in our systems or other cyber incidents that could have a material adverse effect upon our reputation, business, operations or financial condition. The risk of a security breach or disruption, particularly through cyberattacks or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity, and sophistication of attempted attacks and intrusions from around the world have increased. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on third parties for the manufacture of our product candidates and to conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business. To the extent that any disruption or security incident were to result in an actual or perceived loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information or patient information, we could incur liability and the further development and commercialization of our product candidates could be delayed.

We and the third parties upon which we rely are subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks (such as credential stuffing), credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, and other similar threats.

Furthermore, significant disruptions of our internal information technology systems or those of our third-party service providers, or security breaches could result in the loss, corruption, misappropriation, and/or unauthorized access, use, or disclosure of, or the prevention of access to, confidential information (including trade secrets or other intellectual property, proprietary business information, and personal information), which could result in financial, legal, business, and reputational harm to us. For example, any such event that leads to actual or suspected, or is alleged to lead to, unauthorized access, use, or disclosure of personal information,

including personal information regarding our clinical trial subjects or employees, could harm our reputation directly, compel us to comply with federal and/or state breach notification laws and foreign law equivalents, subject us to mandatory corrective action, and otherwise subject us to liability under laws and regulations that protect the privacy and security of personal information, which could result in significant legal and financial exposure and reputational damages that could potentially have an adverse effect on our business. Further, our insurance coverage may not be sufficient to cover the financial, legal, business or reputational losses that may result from an interruption or breach of our systems.

We rely on third-party service providers and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, cloud-based infrastructure, data center facilities, encryption and authentication technology, employee email, content delivery to customers and other functions. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If our third-party service providers experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award.

In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third-party partners' supply chains have not been compromised. We have and will enter into collaboration, license, contract research and/or manufacturing relationships with organizations that operate in certain countries that are at heightened risk of theft of technology, data and intellectual property through direct intrusion by private parties or foreign actors, including those affiliated with or controlled by state actors. Accordingly, our efforts to protect and enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license, and we may be at heightened risk of losing our proprietary intellectual property rights around the world, including outside of such countries, to the extent such theft or intrusion destroy the proprietary nature of our intellectual property.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

We are subject to stringent and evolving U.S. and foreign laws, regulations, rules, contractual obligations, policies and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; and other adverse business consequences.

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit and share (collectively, processing) personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, data we collect about trial participants in connection with clinical trials and sensitive third-party data. Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements and other obligations relating to data privacy and security.

In the United States, federal, state and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act) and other similar laws. For example, the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH), imposes specific requirements relating to the privacy, security and transmission of individually identifiable protected health information. The California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (CPRA), (collectively, CCPA) applies to personal information of consumers, business representatives and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for administrative fines of up to $7,500 per violation and allows private litigants affected by certain data breaches to recover significant statutory damages. Although the CCPA exempts some data processed in the context of clinical trials, the CCPA increases compliance costs and potential liability with respect to other personal data we maintain about California residents. In addition, the CPRA expanded the CCPA's requirements, including by adding a new right for individuals to correct their personal information and establishing a new regulatory agency to implement and enforce the law. Other states, such as Virginia and Colorado, have also passed comprehensive privacy laws, and similar laws are being considered in several other states, as well as at the federal and local levels. While these states, like the CCPA, also exempt some data processed in the context of clinical trials, these developments further complicate compliance efforts, and increase legal risk and compliance costs for us, and the third parties upon whom we rely.

Outside the United States, an increasing number of laws, regulations and industry standards govern data privacy and security. For example, the European Union's General Data Protection Regulation (EU GDPR), the United Kingdom's GDPR (UK GDPR), Brazil's General Data Protection Law (Lei Geral de Proteção de Dados Pessoais (LGPD)) (Law No. 13,709/2018) and China's Personal Information Protection Law (PIPL) impose strict requirements for processing personal data. For example, under the GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros under the EU GDPR, 17.5 million pounds sterling under the UK GDPR or, in each case, 4% of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests.

In the ordinary course of business, we may transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area (EEA) and the United Kingdom (UK) have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it generally believes are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross-border data transfer laws.

Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA and UK's standard contractual clauses, the UK's International Data Transfer Agreement / Addendum, and the EU-U.S. Data Privacy Framework (which allows for transfers for relevant U.S.-based organizations who self-certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States.

If there is no lawful manner for us to transfer personal data from the EEA, the UK or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions (such as Europe) at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work

with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups.

Our employees and personnel may use generative artificial intelligence (AI) technologies to perform their work, and the disclosure and use of personal information in generative AI technologies is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws regulating generative AI. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and consumer lawsuits. If we are unable to use generative AI, it could make our business less efficient and result in competitive disadvantages.

Negative public opinion and increased regulatory scrutiny of research and therapies involving gene editing may damage public perception of our product candidates or adversely affect our ability to conduct our business or obtain regulatory approvals for our product candidates.

The gene-editing technologies that we use are novel. Public perception may be influenced by claims that gene editing is unsafe, and products incorporating gene editing may not gain the acceptance of the public or the medical community. In particular, our success will depend upon physicians specializing in our targeted diseases prescribing our product candidates as treatments in lieu of, or in addition to, existing, more familiar, treatments for which greater clinical data may be available. Any increase in negative perceptions of gene editing may result in fewer physicians prescribing our treatments or may reduce the willingness of patients to utilize our treatments or participate in clinical trials for our product candidates. In addition, given the novel nature of gene engineering technologies, governments may place import, export or other restrictions in order to retain control or limit the use of the technologies. Increased negative public opinion or more restrictive government regulations either in the United States or internationally, would have a negative effect on our business or financial condition and may delay or impair the development and commercialization of our product candidates or demand for such product candidates.

Risks related to the regulatory environment for the development and commercialization of our product candidates

The regulatory landscape that will apply to development of our product candidates is rigorous, complex, uncertain and subject to change, which could result in delays or termination of development of such product candidates or unexpected costs in obtaining regulatory approvals.

All of our product candidates are based on cell therapy technology, and our future success depends on the successful development of product candidates utilizing our novel approach. We cannot assure you that any development problems we or other cell therapy companies experience in the future related to such technology will not cause significant delays or unanticipated costs in the development of our product candidates, or that such development problems can be solved. In addition, the clinical study requirements of the FDA, and other regulatory agencies, as well as the criteria these regulators use to determine the safety, purity, potency or efficacy of a product candidate, vary substantially according to the type, complexity, novelty and intended use and market of the product candidate. The regulatory approval process for novel product candidates such as ours can be more expensive and take longer than for other, better known or extensively studied therapeutic modalities. Further, as we are developing novel treatments for diseases in which there may be limited clinical experience, there is heightened risk that the FDA or comparable foreign regulatory bodies may not consider the clinical trial endpoints to provide clinically meaningful results, and the resulting clinical data and results may be more difficult to analyze. To date, relatively few cell therapy products have been approved by the FDA or comparable foreign regulatory authorities, which makes it difficult to determine how long it will take or how

much it will cost to obtain regulatory approvals for our product candidates in the United States or other jurisdictions. Further, approvals by one regulatory agency may not be indicative of what other regulatory agencies may require for approval in their respective jurisdictions.

Regulatory requirements governing cell therapy products have evolved and may continue to change in the future. For example, the FDA has established the Office of Therapeutic Products within its Center for Biologics Evaluation and Research (CBER), to consolidate the review of cell therapy and comparable products, as well as the Cellular, Tissue and Gene Therapies Advisory Committee to advise CBER on its review. These and other regulatory review agencies, committees and advisory groups and the requirements and guidelines they promulgate may lengthen the regulatory review process, require us to perform additional preclinical studies or clinical trials, increase our development costs, lead to changes in regulatory positions and interpretations, delay or prevent approval and commercialization of our product candidates or lead to significant post-approval limitations or restrictions.

For example, the National Institutes of Health (NIH) Guidelines for Research Involving Recombinant DNA Molecules (NIH Guidelines) require supervision of human gene transfer trials, including evaluation and assessment by an Institutional Biosafety Committee (IBC), a local institutional committee that reviews and oversees research utilizing recombinant or synthetic nucleic acid molecules at that institution. The IBC assesses the safety of the research and identifies any potential risk to the public health or the environment, and such review may result in some delay before initiation of a clinical trial. While the NIH Guidelines are not mandatory unless the research in question is being conducted at or sponsored by institutions receiving NIH funding of recombinant or synthetic nucleic acid molecule research, many companies and other institutions not otherwise subject to the NIH Guidelines voluntarily follow them.

We are subject to significant regulatory oversight by the FDA in connection with our clinical trials, and in addition, the applicable IBC and Institutional Review Board (IRB) of each institution at which we conduct clinical trials of our product candidates, or a central IRB if appropriate, may need to review and approve the proposed clinical trial prior to initiation.

Changes in applicable regulatory guidelines for product candidates such as ours may lengthen the regulatory review process, require us to perform additional studies or trials beyond those we contemplate, increase our development costs, delay or prevent approval and commercialization of our product candidates or lead to significant post-approval limitations or restrictions. As we advance our product candidates, we will be required to consult with these regulatory and advisory groups and comply with evolving regulations and guidelines. If we fail to do so, we may be required to delay or discontinue development of such product candidates. These additional processes may result in a review and approval process that is longer than we may anticipate. Delays as a result of an increased or lengthier regulatory approval process or further restrictions on the development of our product candidates can be costly and could negatively impact our ability to complete clinical trials and commercialize our current and future product candidates in a timely manner, if at all, and could seriously harm our business.

Clinical and preclinical development involves a lengthy and expensive process with an uncertain outcome. Any difficulties or delays in the commencement or completion, or the termination or suspension, of our current or planned clinical trials could result in increased costs to us, delay or limit our ability to generate revenue or adversely affect our commercial prospects.

Preclinical and clinical drug development is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the preclinical study or clinical trial process, including due to factors that are beyond our control. The historical failure rate for product candidates in our industry is high. It is not uncommon to observe results in clinical trials that are unexpected based on preclinical

studies and early clinical trials, and many product candidates fail in clinical trials despite very promising early results. For example, although we believe the results from Stanford University's Phase 1 clinical trial of its CD22 CAR T-cell therapy under its own IND have been encouraging and support further development of this product candidate, there is no guarantee we will observe similar results in our Phase 2 clinical trial of CRG-022 being conducted under our own IND due to a variety of factors which we do not have control over. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and regulatory authorities may not agree with the conclusions we draw from our clinical trials and preclinical studies. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving promising results in earlier studies.

Before obtaining approval from regulatory authorities for the commercialization of any of our product candidates, we must conduct extensive clinical trials to demonstrate the safety purity, potency or efficacy of the product candidate in humans. We have limited experience in conducting clinical trials, and as an organization, have not yet completed a clinical for any of our product candidates.

Prior to initiating clinical trials for any product candidates, we must submit the results of preclinical studies to the FDA or comparable foreign regulatory authorities along with other information, including information about product candidate chemistry, manufacturing and controls and our proposed clinical trial protocol, as part of an IND or similar regulatory submission. The FDA or comparable foreign regulatory authorities may require us to conduct additional preclinical or non-clinical studies, or complete additional activities relating to chemistry, manufacturing and controls (CMC) for any product candidate before such authorities allow us to initiate clinical trials under any IND or similar regulatory submission, which may lead to delays and increase the costs of our preclinical development programs. In particular, the manufacturing of autologous CAR T-cell therapies remains an emerging and evolving field. Accordingly, we expect CMC-related topics, including product specifications, will be a remain a focus for such regulatory authorities during their reviews of our applications. Moreover, even if we commence clinical trials, issues may arise that could cause regulatory authorities to suspend or terminate such clinical trials. Any such delays in the commencement or completion of our ongoing and planned clinical trials for our product candidates could significantly affect our product development timelines and product development costs and harm our financial position.

We do not know whether our planned clinical trials will begin on time or be completed on schedule, if at all. The timing for commencement, data readouts and completion of clinical trials can be delayed for a number of reasons, including delays related to:

- inability to generate sufficient preclinical, toxicology or other in vivo or in vitro data to support the initiation or continuation of clinical trials;
- obtaining allowance or approval from regulatory authorities to commence a trial or reaching a consensus with regulatory authorities on trial design;
- the FDA or comparable foreign regulatory authorities disagreeing as to the design or implementation of our clinical trials;
- if we are required to supplement our clinical development plans to include additional clinical trials or studies, such as the addition of a double-blind, placebo-controlled, randomized study of CRG-022 as part of the potentially pivotal Phase 2 clinical trial;
- any failure or delay in reaching an agreement with CROs, CDMOs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs, CDMOs and trial sites;
- the level of CD22 expression in the patient population in the trial not aligning with our expectations;

- delays in identifying, recruiting and training suitable clinical investigators;
- obtaining approval from one or more IRBs or ethics committees at clinical trial sites;
- IRBs refusing to approve, suspending or terminating the trial at an investigational site, precluding enrollment of additional subjects, or withdrawing their approval of the trial;
- changes or amendments to the clinical trial protocol;
- clinical sites deviating from the trial protocol or dropping out of a trial;
- failure by our CROs or CDMOs to perform in accordance with Good Clinical Practice (GCP) requirements or applicable regulatory rules and guidelines in other countries;
- manufacturing sufficient quantities of our product candidates for use in our clinical trials;
- subjects failing to enroll or remain in our trials at the rate we expect, or failing to return for post-treatment follow-up, including subjects failing to remain in our trials;
- patients choosing an alternative product for the indications for which we are developing our product candidates, or participating in competing clinical trials;
- lack of adequate funding to continue a clinical trial, or costs being greater than we anticipate;
- subjects experiencing severe or serious unexpected treatment-related adverse effects;
- occurrence of serious adverse events in trials of the same class of agents conducted by other companies that could be considered similar to our product candidates;
- selection of clinical endpoints that require prolonged periods of clinical observation or extended analysis of the resulting data;
- transfer of manufacturing processes to larger-scale facilities operated by a CMO delays or failure by our CMOs or us to make any necessary changes to such manufacturing process, or failure of our CMOs to produce clinical trial materials in accordance with cGMP regulations or other applicable requirements; and
- third parties being unwilling or unable to satisfy their contractual obligations to us in a timely manner.

Clinical trials must be conducted in accordance with the FDA and other applicable regulatory authorities' legal requirements, regulations and guidelines, and remain subject to oversight by these governmental agencies and ethics committees or IRBs at the medical institutions where such clinical trials are conducted. We could also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted, by a Data Safety Monitoring Board for such trial or by the FDA or comparable foreign regulatory authorities. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or applicable clinical trial protocols, adverse findings from inspections of clinical trial sites by the FDA or comparable foreign regulatory authorities, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product candidate, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. In addition, changes in regulatory requirements and policies may occur, and we may need to amend clinical trial protocols to comply with these changes. Amendments may require us to resubmit our clinical trial protocols to regulators or to IRBs for reexamination, which may impact the costs, timing or successful completion of a clinical trial.

Further, conducting clinical trials in foreign countries, as we may do for our future product candidates, presents additional risks that may delay completion of our clinical trials. These risks include the failure of enrolled

subjects in foreign countries to adhere to clinical protocols as a result of differences in healthcare services or cultural customs, managing additional administrative burdens associated with foreign regulatory schemes and political and economic risks, including war, relevant to such foreign countries.

Moreover, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA or comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authority may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the study. The FDA or comparable foreign regulatory authority may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA or comparable foreign regulatory authority, as the case may be, and may ultimately lead to the denial of regulatory approval of one or more of our product candidates.

In addition, many of the factors that cause, or lead to, the termination suspension of, or a delay in the commencement or completion of, clinical trials may also ultimately lead to the denial of regulatory approval of a product candidate. Any resulting delays to our clinical trials could shorten any period during which we may have the exclusive right to commercialize our product candidates. In such cases, our competitors may be able to bring products to market before we do, and the commercial viability of our product candidates could be significantly reduced. Any of these occurrences may harm our business, financial condition and prospects.

We may find it difficult to enroll patients in our clinical trials. If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

Patient enrollment is a significant factor in the timing of clinical trials, and the timing of our clinical trials will depend, in part, on the speed at which we can recruit patients to participate in our trials, as well as completion of required follow-up periods. We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials to such trial's conclusion as required by the FDA or other comparable regulatory authorities. The conditions for which we currently plan to evaluate our product candidates are orphan or rare diseases with limited patient pools from which to draw for clinical trials. The eligibility criteria of our clinical trials, once established, may further limit the pool of available trial participants.

Patient enrollment in clinical trials may be affected by other factors, including:

- size and nature of the targeted patient population;
- severity of the disease or condition under investigation;
- availability and efficacy of approved therapies for the disease or condition under investigation;
- patient eligibility criteria for the trial in question as defined in the protocol;
- perceived risks and benefits of the product candidate under study;
- clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any products that may be approved for, or any product candidates under investigation for, the indications we are investigating;
- efforts to facilitate timely enrollment in clinical trials;
- patient referral practices of physicians;

- the ability to monitor patients adequately during and after treatment;
- proximity and availability of clinical trial sites for prospective patients;
- difficulty identifying and enrolling patients for clinical trials to expand into earlier lines of LBCL;
- continued enrollment of prospective patients by clinical trial sites; and
- the risk that patients enrolled in clinical trials will drop out of such trials before completion.

Additionally, other pharmaceutical companies targeting these same diseases are recruiting clinical trial patients from these patient populations, which may make it more difficult to fully enroll any clinical trials. We also rely on, and will continue to rely on, CROs, CDMOs and clinical trial sites to ensure proper and timely conduct of our clinical trials and preclinical studies. Though we have entered into agreements governing their services, we will have limited influence over their actual performance. Our inability to enroll a sufficient number of patients for our clinical trials would result in significant delays, may lead us to abandon one or more clinical trials altogether, or may lead the FDA and other regulatory authorities to require us to conduct additional clinical trials before we are able to seek regulatory approvals for our product candidates, if ever. Any enrollment issues in our clinical trials may therefore result in increased development costs for our product candidates and jeopardize our ability to obtain regulatory approval for the sale of our product candidates, which would adversely affect our business and financial condition.

Use of our product candidates could be associated with adverse side effects, adverse events or other properties or safety risks, which could delay or preclude approval, cause us to suspend or discontinue clinical trials, abandon a product candidate, limit the commercial profile of an approved product or result in other significant negative consequences that could severely harm our business, prospects, operating results and financial condition.

Results of our clinical trials could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics. Undesirable side effects caused by our product candidates, whether used alone on in combination with other therapies, could cause us or regulatory authorities to interrupt, delay or halt clinical trials or the delay or denial of regulatory approval by the FDA or comparable foreign regulatory authorities, or, if such product candidates are approved, result in a more restrictive label and other post-approval requirements. Any treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial, or could result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

If our product candidates are associated with undesirable side effects or have unexpected characteristics in preclinical studies or clinical trials, when used alone or in combination with other approved product, we may need to interrupt, delay or abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective.

Patients in our ongoing and planned clinical trials may suffer significant adverse events or other side effects not observed in our preclinical studies or in previous clinical trials evaluating our product candidates. Patients treated with our product candidates may also be undergoing surgical, radiation or chemotherapy treatments, which can cause side effects or adverse events that are unrelated to our product candidate, but may still impact the success of our clinical trials. The inclusion of critically ill patients in our clinical trials may result in deaths or other adverse medical events due to other therapies or medications that such patients may be using or due to the gravity of such patients' illnesses. If such significant adverse events or other side effects are observed in any of our ongoing or planned clinical trials, we may have difficulty recruiting patients to the clinical trials, or

we may be required to abandon the trials or our development efforts of that product candidate altogether. We, the FDA, other comparable regulatory authorities or an IRB may suspend clinical trials of a product candidate at any time for various reasons, including a belief that subjects in such trials are being exposed to unacceptable health risks or adverse side effects. Even if the side effects do not preclude the product candidate from obtaining or maintaining regulatory approval, undesirable side effects may inhibit market acceptance due to tolerability concerns as compared to other available therapies. Any of these developments could materially harm our business, financial condition and prospects.

Additionally, if any of our product candidates receives regulatory approval, and we or others later identify undesirable side effects caused by such product, a number of potentially significant negative consequences could result. For example, the FDA could require us to adopt a Risk Evaluation and Mitigation Strategy (REMs) to ensure that the benefits of treatment with such product candidate outweigh the risks for each potential patient, which may include, among other things, a communication plan to health care practitioners, patient education, extensive patient monitoring or end-to-end supply chain management systems and processes that are highly controlled, restrictive and more costly than what is typical for the industry. We may also be required to adopt a REMS or engage in similar actions, such as patient education, certification of health care professionals or specific monitoring, if we or others later identify undesirable side effects caused by any product that we develop. Other potentially significant negative consequences associated with adverse events include:

- we may be required to suspend marketing of a product, or we may decide to remove such product from the marketplace;
- regulatory authorities may withdraw or change their approvals of a product;
- regulatory authorities may require additional warnings on the label or limit access of a product to selective specialized centers with additional safety reporting and with requirements that patients be geographically close to these centers for all or part of their treatment;
- we may be required to create a medication guide outlining the risks of a product for patients, or to conduct post-marketing studies;
- we may be required to change the way a product is administered;
- we could be subject to fines, injunctions, or the imposition of criminal or civil penalties, or be sued and held liable for harm caused to subjects or patients; and
- a product may become less competitive, and our reputation may suffer.

Any of these events could diminish the usage or otherwise limit the commercial success of our product candidates and prevent us from achieving or maintaining market acceptance of our product candidates, if approved by the FDA or other regulatory authorities.

Interim, "topline" and preliminary data from our clinical trials and preclinical studies that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose interim, topline or preliminary data from our clinical trials and preclinical studies, which is based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data.

As a result, the interim, topline or preliminary results that we report may differ from future results of the same studies or trials, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline and preliminary data also remain subject to audit and verification procedures that may result in the final data being materially different from the topline or preliminary data we previously published. As a result, topline and preliminary data should be viewed with caution until the final data are available.

Interim data from clinical trials that we may complete are further subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Adverse differences between interim, topline or preliminary data and final data could significantly harm our business prospects. Further, disclosure of such data by us or by our competitors could result in volatility in the price of our common stock.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product candidate or our business. If the interim, topline or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our product candidates may be harmed, which could harm our business, operating results, prospects or financial condition.

We have not successfully tested our product candidates in clinical trials and any favorable data from trials conducted by Stanford University or NCI may not be replicated in our clinical trials.

We have not successfully tested our product candidates in clinical trials, including our lead program CRG-022. Specifically, while the CRG-022 CAR has been included in CD22 CAR T-cell products dosed in more than 120 patients in separate clinical trials conducted by Stanford University and the NCI, these trials were designed and conducted by third parties. Further, we also did not control the preclinical development of CRG-022, which was conducted by Stanford University and NCI. As a result of the foregoing, there are certain aspects of these clinical trials which could lead to our Phase 2 clinical trial producing different results. For example, it is possible that the selection of patients dosed in the Phase 1 clinical trial conducted by Stanford being different than the selection criteria we utilize in our Phase 2 clinical trial. If that were to occur, the results we receive in our Phase 2 clinical trial may be different, such as a lower complete response rate and overall response rate, as well as a shorter median survival, than what was observed in the Phase 1 clinical trial conducted by Stanford University. Different results may require us to augment our clinical development plans, which could be costly, or could result in us abandoning the development of CRG-022. The occurrence of either event would harm our business.

In addition, we have changed the manufacturing process of CRG-022 in an effort to improve manufacturing yields and efficiency. These improvements are reflected in the CRG-022 being used in our potentially pivotal Phase 2 clinical trial. While we have conducted comparability analysis of our CRG-022 to the CAR T therapy used in the Stanford study and concluded that the two are comparable, we cannot assure you that the outcome in our Phase 2 clinical trial will be consistent with the outcome observed in the Stanford University conducted Phase 1 clinical trial.

If our Phase 2 clinical trial results are not consistent with the results from the Phase 1 clinical trial conducted by Stanford University, the development of CRG-022 may be adversely impacted, which could harm our business, operating results, prospects or financial condition.

Further, while we received clearance from the FDA in connection with our IND for CRG-022, which included our comprehensive package to establish the comparability of our intended commercial process to the process used for the Stanford clinical trial, we cannot assure you going forward that the FDA will agree with our claim of comparability and the sufficiency of the data to support it, or agree with our ability to reference the preclinical, manufacturing or clinical data generated by the Stanford clinical trial even if we receive a right of reference from Stanford. If so, the FDA may require us to obtain and submit additional preclinical, manufacturing or clinical data before we may initiate further clinical trials and/or obtain any regulatory approvals. Any of these occurrences may harm our business, financial condition and prospects.

The regulatory approval processes of the FDA and comparable foreign authorities are lengthy, time consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.

The clinical development, manufacturing, labeling, storage, record-keeping, advertising, promotion, import, export, marketing and end-to-end supply chain management of our product candidates are subject to extensive regulation by the FDA in the U.S. and by comparable foreign regulatory authorities in foreign markets. In the U.S., we are not permitted to market our product candidates in the U.S. until we receive regulatory approval of a BLA from the FDA. The process of obtaining such regulatory approval is expensive, often takes many years following the commencement of clinical trials and can vary substantially based upon the type, complexity and novelty of the product candidates involved, as well as the target indications and patient population. Approval policies or regulations may change, and the FDA and comparable regulatory have substantial discretion in the approval process, including the ability to delay, limit or deny approval of a product candidate for many reasons. Despite the time and expense invested in clinical development of product candidates, regulatory approval of a product candidate is never guaranteed. Of the large number of biologics in development, only a small percentage successfully complete the FDA or foreign regulatory approval processes and are commercialized.

Prior to obtaining approval to commercialize a product candidate in the U.S. or abroad, we must demonstrate with substantial evidence from adequate and well-controlled clinical trials, and to the satisfaction of the FDA or comparable foreign regulatory authorities, that such product candidates are safe, pure and potent or efficacious with for their intended uses. Results from nonclinical studies and clinical trials can be interpreted in different ways. Even if we believe available nonclinical or clinical data support the safety, purity, potency or efficacy of our product candidates, such data may not be sufficient to obtain approval from the FDA and comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authorities, as the case may be, may also require us to conduct additional preclinical studies or clinical trials for our product candidates either prior to or post-approval, or may object to elements of our clinical development program.

The FDA or comparable foreign regulatory authorities can delay, limit or deny approval of a product candidate for many reasons, including:

- such authorities may disagree with the design or execution of our clinical trials;
- negative or ambiguous results from our clinical trials or results may not meet the level of statistical significance required by the FDA or comparable foreign regulatory agencies for approval;
- serious and unexpected treatment-related side effects may be experienced by participants in our clinical trials or by individuals using therapies similar to our product candidates;

- the population studied in the clinical trial may not be sufficiently broad or representative to assure safety in the full population for which we seek approval;
- such authorities may not accept clinical data from trials that are conducted at clinical facilities or in countries where the standard of care is potentially different from that of their own country;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- such authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- such authorities may not agree that the data collected from clinical trials of our product candidates are acceptable or sufficient to support the submission of a BLA or other submission or to obtain regulatory approval in the U.S. or elsewhere, and such authorities may impose requirements for additional preclinical studies or clinical trials;
- such authorities may disagree with us regarding the formulation, labeling and/or the product specifications of our product candidates;
- approval may be granted only for indications that are significantly more limited than those sought by us, and/or may include significant restrictions on end-to-end supply chain management and use;
- such authorities may find deficiencies in the manufacturing processes or facilities of the third-party manufacturers with which we contract for clinical and commercial supplies;
- such authorities may not accept a submission due to, among other reasons, the content or formatting of the submission; or
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

With respect to foreign markets, approval procedures vary among countries and, in addition to the foregoing risks, may involve additional product testing, administrative review periods and agreements with pricing authorities.

Even if we eventually complete clinical trials and receive approval of a BLA or comparable foreign marketing application for our product candidates, the FDA or comparable foreign regulatory authority may grant approval contingent on the performance of costly additional clinical trials and/or the implementation of a REMS, which may be required because the FDA believes it is necessary to ensure safe use of the product after approval. Any delay in obtaining, or inability to obtain, applicable regulatory approval would delay or prevent commercialization of that product candidate and would materially adversely impact our business and prospects.

If we are required by the FDA to obtain approval of a companion diagnostic in connection with approval of any of our product candidates or a companion diagnostic we contemplate developing with collaborators in connection with our CD22 CAR T-cell therapy, and we do not obtain, or face delays in obtaining, FDA approval of such companion diagnostic, we will not be able to commercialize such product candidate and our ability to generate revenue will be materially impaired.

If the FDA believes that the safe and effective use of any of our product candidates depends on an *in vitro* diagnostic, then it may require approval or clearance of that diagnostic as a companion diagnostic at the same time that the FDA approves our product candidates, if at all. According to FDA guidance, if the FDA determines that a companion diagnostic device is essential to the safe and effective use of a novel therapeutic product or

indication, the FDA generally will not approve the therapeutic product or new therapeutic product indication if the companion diagnostic is not also approved or cleared for that indication. Depending on the data from our clinical trials, we may decide to collaborate with diagnostic companies during our clinical trial enrollment process to help identify patients with characteristics that we believe will be most likely to respond to our product candidates. If a satisfactory companion diagnostic is not commercially available in this situation, we may be required to develop or obtain such test, which would be subject regulatory approval requirements. The process of obtaining or creating such diagnostic is time consuming and costly.

Companion diagnostics are developed in conjunction with clinical programs for the associated product and are subject to regulation as medical devices by the FDA and comparable foreign regulatory authorities, and the FDA has generally required premarket approval of companion diagnostics for cancer therapies. The approval or clearance of a companion diagnostic as part of the therapeutic product's further labeling limits the use of the therapeutic product to only those patients who express the specific characteristic that the companion diagnostic was developed to detect.

If the FDA or a comparable foreign regulatory authority requires approval or clearance of a companion diagnostic for any of our product candidates, whether before or after the product candidate obtains regulatory approval, we and/or third-party collaborators may encounter difficulties in developing and obtaining approval or clearance for these companion diagnostics. Any delay or failure by us or third-party collaborators to develop or obtain regulatory approval or clearance of a companion diagnostic could delay or prevent approval or continued marketing of the relevant product. We or our collaborators may also experience delays in developing a sustainable, reproducible and scalable manufacturing process for the companion diagnostic or in transferring that process to commercial partners or negotiating insurance reimbursement plans, all of which may prevent us from completing our clinical trials or commercializing our product candidates, if approved, on a timely or profitable basis, if at all.

We may attempt to secure approval from the FDA through the use of the accelerated approval pathway. If we are unable to obtain such approval, we may be required to conduct additional preclinical studies or clinical trials beyond those that we contemplate, which could increase the expense of obtaining, and delay the receipt of, necessary regulatory approvals. Even if we receive accelerated approval from the FDA, if our confirmatory trials do not verify clinical benefit, or if we do not comply with rigorous post-marketing requirements, the FDA may seek to withdraw any accelerated approval we have obtained.

We may in the future seek accelerated approval for one or more of our product candidates. Under the accelerated approval program, the FDA may grant accelerated approval to a product candidate designed to treat a serious or life-threatening condition that provides meaningful therapeutic benefit over available therapies upon a determination that the product candidate has an effect on a surrogate endpoint or intermediate clinical endpoint that is reasonably likely to predict clinical benefit. The FDA considers a clinical benefit to be a positive therapeutic effect that is clinically meaningful in the context of a given disease, such as irreversible morbidity or mortality. For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. An intermediate clinical endpoint is a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit.

The accelerated approval pathway may be used in cases in which the advantage of a new biologic over available therapy may not be a direct therapeutic advantage, but is a clinically important improvement from a patient and public health perspective. If granted, accelerated approval is usually contingent on the sponsor's agreement to conduct, in a diligent manner, additional confirmatory studies to verify and describe the biologic's clinical benefit. If such post-approval studies fail to confirm the biologic's clinical benefit or are not completed

in a timely manner, the FDA may withdraw its approval of the biologic on an expedited basis. In addition, in December 2022, President Biden signed an omnibus appropriations bill to fund the U.S. government through fiscal year 2023. Included in the omnibus bill is the Food and Drug Omnibus Reform Act of 2022, which among other things, provided FDA new statutory authority to mitigate potential risks to patients from continued marketing of ineffective drugs previously granted accelerated approval. Under these provisions, the FDA may require a sponsor of a product seeking accelerated approval to have a confirmatory trial underway prior to such approval being granted.

Prior to seeking accelerated approval for any of our product candidates, we intend to seek feedback from the FDA and will otherwise evaluate our ability to seek and receive accelerated approval. There can be no assurance that after our evaluation of the feedback and other factors we will decide to pursue or submit a BLA seeking accelerated approval or any other form of expedited development, review or approval. Furthermore, if we decide to submit an application for accelerated approval for our product candidates, there can be no assurance that such application will be accepted or that any expedited development, review or approval will be granted on a timely basis, or at all. The FDA or other comparable foreign regulatory authorities could also require us to conduct further studies prior to considering our application or granting approval of any type. A failure to obtain accelerated approval or any other form of expedited development, review or approval for our product candidate would result in a longer time period to commercialization of such product candidate, if any, could increase the cost of development of such product candidate and could harm our competitive position in the marketplace.

A Breakthrough Therapy designation from the FDA, even if granted for any of our product candidates, may not lead to a faster development or regulatory review or approval process, and does not increase the likelihood that our product candidates will receive FDA approval.

We may seek Breakthrough Therapy designations for CRG-022 and our product candidates where we believe the clinical data support such designation. A “Breakthrough Therapy” is defined as a drug or biologic that is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening disease or condition, where preliminary clinical evidence indicates that the drug or biologic may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For product candidates that have been designated as Breakthrough Therapies, increased interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Biologics designated as Breakthrough Therapies also receive the same benefits associated with the FDA’s Fast Track designation program, including eligibility for rolling review of a submitted BLA, if the relevant criteria are met.

Stanford University has received Breakthrough Therapy designation from the FDA for its CD22 CAR T-cell therapy candidate for, following fludarabine and cyclophosphamide, the treatment of adult patients with relapsed or refractory large B cell lymphoma after CD19-directed CAR T-cell therapy. Although Stanford University’s CD22 CAR T is an earlier version of CRG-022, our CRG-022 program will not receive the benefits of this designation until and unless we obtain the rights to Stanford University’s IND for the program and the FDA agrees to transfer the designation to our IND for CRG-022, or until we otherwise request and obtain such designation from the FDA with respect to our IND for CRG-022. We cannot assure you that the FDA will agree with our claim of comparability and the sufficiency of the data to support it, or agree with our ability to reference the preclinical, manufacturing or clinical data generated by the Stanford clinical trial even if we obtain a right of reference from Stanford. If the FDA disagrees, there may be limitations on the inclusion of Phase 1 data in the product label.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe one of our product candidates meets the criteria for designation as a Breakthrough Therapy, the FDA may disagree

and instead determine not to make such designation. In any event, the receipt of a Breakthrough Therapy Designation for a product candidate may not result in a faster development process, review or approval compared to drugs considered for approval under standard FDA review procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualify as Breakthrough Therapies, the FDA may later decide that the product candidate no longer meets the conditions for qualification and rescind the designation, or otherwise decide that the time period required for FDA review or approval will not be reduced.

Disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, prevent new or modified products from being developed, review, approved or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of the FDA and foreign regulatory authorities to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory and policy changes, the FDA's or foreign regulatory authorities' ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's or foreign regulatory authorities' ability to perform routine functions. Average review times at the FDA and foreign regulatory authorities have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies, such as the EMA following its relocation to Amsterdam and resulting staff changes, may also slow the time necessary for new biologics or modifications to approved biologics to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities. In addition, during the COVID-19 pandemic, the FDA postponed most inspections of domestic and foreign manufacturing facilities at various points. Even though the FDA has resumed standard inspection operations of domestic facilities where feasible, the FDA has continued to monitor and implement changes to its inspectional activities to ensure the safety of its employees and those of the firms it regulates, and any resurgence of COVID-19 or emergence of new variants may lead to further inspectional delays. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Even if we obtain FDA approval for any of our product candidates in the United States, we may never obtain approval for or commercialize such candidates in any other jurisdiction, which would limit our ability to realize their full market potential.

In order to market any products in any particular jurisdiction, we must establish and comply with numerous and varying regulatory requirements on a country-by-country basis regarding safety and efficacy. Approval by the FDA in the United States does not ensure approval by regulatory authorities in other countries or jurisdictions. However, the failure to obtain approval in one jurisdiction may negatively impact our ability to obtain approval elsewhere. In addition, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not guarantee regulatory approval in any other country.

Approval processes vary among countries and can involve additional product testing and validation, as well as additional administrative review periods. Seeking foreign regulatory approval could result in difficulties and increased costs for us and require additional preclinical studies or clinical trials which could be costly and time

consuming. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our products in those countries. We do not have any product candidates approved for sale in any jurisdiction, including in international markets, and we do not have experience in obtaining regulatory approval in international markets. If we fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals, or if regulatory approvals in international markets are delayed, our target market will be reduced and our ability to realize the full market potential of any product we develop will be unrealized.

Even if we receive regulatory approval for any product candidate, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense.

For any regulatory approvals that we may receive for our product candidates, the manufacturing processes, labeling, packaging, end-to-end supply chain management, adverse event reporting, storage, advertising, promotion, import, export and recordkeeping for our product candidates will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as ongoing compliance with cGMPs for manufacturing, as well as GCPs for any clinical trials that we may conduct. In addition, manufacturers of biological products and their facilities are subject to continual review and periodic, unannounced inspections by the FDA and other regulatory authorities for compliance with cGMP regulations and other applicable standards. In addition, any regulatory approvals we may receive will require the submission of reports to regulatory authorities and surveillance to monitor the safety and efficacy of the product candidate, and such approvals may contain significant limitations related to use restrictions for specified age groups, warnings, precautions or contraindications, and may include burdensome post-approval study or risk management requirements. For example, the FDA may require a REMS as a condition of approval of our product candidates, which could include requirements for a medication guide, physician training and communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools.

If we or a regulatory agency discover previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facilities where the product is manufactured, such regulatory agency may impose restrictions on that product, the manufacturing facility or us, including requiring recall or withdrawal of the product from the market or suspension of manufacturing. In addition, failure to comply with FDA and other comparable foreign regulatory requirements may subject our company to administrative or judicially imposed sanctions, including:

- restrictions on the marketing or manufacturing of our products, withdrawal of the product from the market or voluntary or mandatory product recalls;
- restrictions on end-to-end supply chain management or use of product, or requirements to conduct post-marketing studies or clinical trials;
- fines, restitutions, disgorgement of profits or revenues, warning letters, untitled letters or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications submitted by us or suspension or revocation of approvals;
- product seizure or detention, or refusal to permit the import or export of our products; and
- injunctions or the imposition of civil or criminal penalties.

The occurrence of any event or penalty described above may inhibit our ability to commercialize our product candidates and generate revenue and could require us to expend significant time and resources in response and could generate negative publicity.

The FDA's and other regulatory authorities' policies may change, and additional government regulations may be promulgated that could prevent, limit or delay marketing authorization of any product candidates we develop. We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may be subject to enforcement action and we may not achieve or sustain profitability.

The FDA and other regulatory agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses.

The FDA strictly regulates marketing, labeling, advertising and promotion of prescription drugs and biologics. These regulations include standards and restrictions for direct-to-consumer advertising, industry-sponsored scientific and educational activities, promotional activities involving the internet and off-label promotion. Any regulatory approval that the FDA grants is limited to those specific diseases and indications for which a product is deemed to be safe, pure and potent or effective, by FDA. While physicians in the United States may choose, and are generally permitted, to prescribe drugs and biologics for uses that are not described in the product's labeling and for uses that differ from those tested in clinical trials and approved by the regulatory authorities, our ability to promote any products will be narrowly limited to those indications that are specifically approved by the FDA.

If we are found to have promoted such off-label uses, we may become subject to significant liability. The U.S. federal government has levied large civil and criminal fines against companies for alleged improper promotion of off-label use and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed. If we cannot successfully manage the promotion any product candidates, if approved, we could become subject to significant liability, which would materially adversely affect our business and financial condition.

Any product candidates for which we intend to seek approval as biologic products may face competition sooner than anticipated.

The Patient Protection and Affordable Care Act, signed into law on March 23, 2010, includes a subtitle called the Biologics Price Competition and Innovation Act of 2009 (BPCIA), which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. Under the BPCIA, an application for a biosimilar product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of its product.

We believe that any of our future product candidates approved as a biological product under a BLA should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to Congressional action or otherwise, or that the FDA will not consider our product candidates to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. Moreover, the extent to which a biosimilar, once approved, could be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological products will depend on a number of marketplace and regulatory factors that are still developing.

The successful commercialization of our product candidates, if approved, will depend in part on the extent to which governmental authorities and health insurers establish coverage, adequate reimbursement levels and favorable pricing policies. Failure to obtain or maintain coverage and adequate reimbursement for our products could limit our ability to market those products and decrease our ability to generate revenue.

The availability of coverage and the adequacy of reimbursement by governmental healthcare programs such as Medicare and Medicaid, private health insurers and other third-party payors are essential for most patients to be able to afford prescription medications such as our product candidates, if approved. Our ability to achieve coverage and acceptable levels of reimbursement for our products by third-party payors will have an effect on our ability to successfully commercialize those products. Accordingly, we will need to successfully implement a coverage and reimbursement strategy for any approved product candidate. Even if we obtain coverage for a given product by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high.

If we participate in the Medicaid Drug Rebate Program or other governmental pricing programs, in certain circumstances, our products would be subject to ceiling prices set by such programs, which could reduce the revenue we may generate from any such products. Participation in such programs would also expose us to the risk of significant civil monetary penalties, sanctions and fines should we be found to be in violation of any applicable obligations thereunder.

Third-party payors increasingly are challenging prices charged for biopharmaceutical products and services, and many third-party payors may refuse to provide coverage and reimbursement for particular drugs when an equivalent generic drug or a less expensive therapy is available. It is possible that a third-party payor may consider our products as substitutable and only offer to reimburse patients for the less expensive product. Even if we are successful in demonstrating improved efficacy or improved convenience of administration with our products, pricing of existing drugs may limit the amount we will be able to charge for our products. These payors may deny or revoke the reimbursement status of a given product or establish prices for new or existing marketed products at levels that are too low to enable us to realize an appropriate return on our investment in product development. For products administered under the supervision of a physician, obtaining coverage and adequate reimbursement may be particularly difficult because of the higher prices often associated with such drugs. Additionally, separate reimbursement for the product itself or the treatment or procedure in which the product is used may not be available, which may impact physician utilization. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize our products and may not be able to obtain a satisfactory financial return on products that we may develop. In addition, in the event that we develop companion diagnostic tests for use with our products, once approved, such companion diagnostic tests will require coverage and reimbursement separate and apart from the coverage and reimbursement for their companion pharmaceutical product. Similar challenges to obtaining coverage and reimbursement applicable to pharmaceutical products will apply to companion diagnostics tests.

There is significant uncertainty related to third-party payor coverage and reimbursement of newly approved products. In the United States, third-party payors, including private and governmental payors, such as the Medicare and Medicaid programs, play an important role in determining the extent to which new drugs will be covered. Some third-party payors may require pre-approval of coverage for new or innovative devices or drug therapies before they will reimburse healthcare providers who use such therapies. It is difficult to predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our products.

Obtaining and maintaining reimbursement status is time-consuming, costly and uncertain. The Medicare and Medicaid programs increasingly are used as models for how private payors and other governmental payors develop their coverage and reimbursement policies for drugs. However, no uniform policy for coverage and reimbursement for products exists among third-party payors in the United States. Therefore, coverage and

reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement change frequently, and, in some cases, at short notice, and we believe that changes in these rules and regulations are likely.

Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost-containment initiatives in Europe and other countries has and will continue to put pressure on the pricing and usage of our product candidates, if approved in these jurisdictions. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. Other countries allow companies to fix their own prices for medical products but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our products. Accordingly, in markets outside the United States, the reimbursement for our products may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits.

Moreover, increasing efforts by governmental and third-party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for our products. We expect to experience pricing pressures in connection with the sale of any of our products due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and additional legislative changes. The downward pressure on healthcare costs in general, and prescription drugs has become very intense. As a result, increasingly high barriers are being erected to the entry of new products.

Recently enacted legislation, future legislation and healthcare reform measures may increase the difficulty and cost for us to obtain regulatory approval for and commercialize our product candidates and may affect the prices we may set.

In the United States and some foreign jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes to the healthcare system, including cost-containment measures that may reduce or limit coverage and reimbursement for newly approved drugs and affect our ability to profitably sell any product candidates for which we obtain regulatory approval. In particular, there have been and continue to be a number of initiatives at the U.S. federal and state levels that seek to reduce healthcare costs and improve the quality of healthcare.

For example, in March 2010, the ACA was enacted in the United States. The ACA established an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents; extended manufacturers' Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations; expanded eligibility criteria for Medicaid programs; expanded the entities eligible for discounts under the 340B drug pricing program; increased the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program; established a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in and conduct comparative clinical effectiveness research, along with funding for such research; and establishes a Center for Medicare & Medicaid Innovation at CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending. Since its enactment, there have been executive, judicial and Congressional challenges to certain aspects of the ACA, and on June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law, which eliminates the statutory cap on the Medicaid drug rebate, currently set at 100% of a drug's AMP, beginning January 1, 2024. Further, there has been heightened governmental scrutiny in the United States of pharmaceutical pricing practices in light of the rising cost of prescription drugs. Such scrutiny has resulted in several recent congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient assistance programs and reform government program reimbursement methodologies for products. Most recently, the Inflation Reduction Act of 2022 (IRA), included a number of significant drug pricing reforms, which include the establishment of a drug price negotiation program within the U.S. Department of Health and Human Services (HHS) (beginning in 2023) that requires manufacturers to negotiate with HHS and (beginning in 2026) charge a negotiated "maximum fair price" for certain selected drugs or pay an excise tax for noncompliance, the establishment of rebate payment requirements on manufacturers under Medicare Parts B and D to penalize price increases that outpace inflation (first due in 2023), and a redesign of the Part D benefit, as part of which manufacturers are required to provide discounts on Part D drugs (beginning in 2025). The IRA permits the HHS Secretary to implement many of these provisions through guidance, as opposed to regulation, for the initial years. HHS has and will continue to issue and update guidance as these programs are implemented. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations. However, the Medicare drug price negotiation program is currently subject to legal challenges. It is currently unclear how the IRA will be implemented but it is likely to have a significant effect on the pharmaceutical industry. Additional drug pricing proposals could appear in future legislation. Further, in response to the Biden administration's October 2022 executive order, on February 14, 2023, HHS released a report outlining three new models for testing by the CMS Innovation Center which will be evaluated on their ability to lower the cost of drugs, promote accessibility and improve quality of care. It is unclear whether the models will be utilized in any health reform measures in the future.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Legally mandated price controls on payment amounts by third-party payors or other restrictions could harm our business, results of operations, financial condition and prospects. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. This could reduce the ultimate demand for our product candidates, if approved, or put pressure on our product pricing, which could negatively affect our business, results of operations, financial condition and prospects.

We expect that these new laws and other healthcare reform measures that may be adopted in the future may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, new payment methodologies and additional downward pressure on the price that we receive for any approved product. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our product candidates, if approved.

We are subject to various U.S. federal, state and foreign healthcare laws and regulations, which could increase compliance costs, and our failure to comply with these laws and regulations could harm our reputation, subject us to significant fines and liability or otherwise adversely affect our business.

Our business operations and current and future arrangements with investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers expose us to broadly applicable foreign, federal and state fraud and abuse and other healthcare laws and regulations. These laws may constrain the

business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell and distribute any products for which we obtain regulatory approval. Such laws include:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or providing any remuneration (including any kickback, bribe or certain rebates), directly or indirectly, overtly or covertly, in cash or in kind, in return for, either the referral of an individual or the purchase, lease or order, or arranging for or recommending the purchase, lease or order of any good, facility, item or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the federal Anti-Kickback Statute or specific intent to violate it in order to have committed a violation;
- the federal false claims laws, including the civil False Claims Act, and civil monetary penalties laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, to the federal government, claims for payment or approval that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making or causing to be made a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;
- the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for, healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program (with certain exceptions) to report annually to the Centers for Medicare & Medicaid Services (CMS), information related to payments and other “transfers of value” made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain non-physician practitioners (physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, anesthesiology assistants and certified nurse-midwives), and teaching hospitals and other healthcare providers, as well as ownership and investment interests held by such healthcare professionals and their immediate family members; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; some state laws require biotechnology companies to comply with the biotechnology industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government and may require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; some state laws that require biotechnology companies to report information on the pricing of certain drug products; and some state and local laws that require the registration or pharmaceutical sales representatives.

Efforts to ensure that our current and future business arrangements with third parties will comply with applicable healthcare and privacy laws and regulations will involve ongoing substantial costs. It is possible that governmental authorities will conclude that our business practices, including certain advisory board agreements we have entered into with physicians who are paid, in part, in the form of stock or stock options, may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. Due to the breadth of these laws, the narrowness of statutory exceptions and regulatory safe harbors available and the range of interpretations to which they are subject, it is possible that some of our current or future practices might be challenged under one or more of these laws. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from participation in government-funded healthcare programs, such as Medicare and Medicaid, integrity oversight and reporting obligations, contractual damages, reputational harm, diminished profits and future earnings and the curtailment or restructuring of our operations. Defending against any such actions can be costly and time-consuming and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired. Further, if any of the physicians or other healthcare providers or entities with whom we expect to do business are found not to be in compliance with applicable laws or regulations, they may be subject to significant criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs.

Our employees, independent contractors, principal investigators, consultants, commercial partners and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk of employee fraud or other misconduct. We cannot ensure that our compliance controls, policies and procedures will in every instance protect us from acts committed by our employees, agents, contractors or collaborators that would violate the laws or regulations of the jurisdictions in which we operate, including, without limitation, employment, foreign corrupt practices, trade restrictions and sanctions, environmental, competition and patient privacy and other privacy laws and regulations. Misconduct by employees could include failures to comply with FDA regulations, provide accurate information to the FDA, comply with manufacturing standards we may establish, comply with federal and state healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, labeling, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations.

If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a material and adverse effect on our business, financial condition, results of operations and prospects, including the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, individual imprisonment, disgorgement of profits, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, additional reporting or oversight obligations if we become subject

to a corporate integrity agreement or other agreement to resolve allegations of noncompliance with the law and curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and pursue our strategy.

Risks related to our dependence on third parties

We rely on third parties to conduct our clinical trials and preclinical studies. If these third parties do not successfully carry out their contractual duties, comply with applicable regulatory requirements or meet expected deadlines, our development programs and our ability to seek or obtain regulatory approval for or commercialize our product candidates may be delayed.

We are dependent on third parties to conduct our clinical trials and preclinical studies. Specifically, we rely on, and will continue to rely on, medical institutions, clinical investigators, CROs, CDMOs and consultants to conduct clinical trials and preclinical studies, in each case in accordance with trial protocols and regulatory requirements. These CROs, CDMOs, investigators and other third parties play a significant role in the conduct and timing of these trials and subsequent collection and analysis of data. Though we expect to carefully manage our relationships with such CROs, CDMOs, investigators and other third parties, there can be no assurance that we will not encounter challenges or delays in the future, or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects. Further, while we have and will have agreements governing the activities of our third-party contractors, we have limited influence over their actual performance. Nevertheless, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards and requirements, and our reliance on our CROs, CDMOs and other third parties does not relieve us of our regulatory responsibilities.

In addition, we and our CROs and CDMOs are required to comply with Good Laboratory Practice (GLP) and GCP requirements, which are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities. Regulatory authorities enforce GCPs through periodic inspections of trial sponsors, principal investigators and trial sites. If we or any of our CROs, CDMOs or trial sites fail to comply with applicable GLP, GCP or other requirements, the data generated in our preclinical studies or clinical trials may be deemed unreliable, and the FDA or comparable foreign regulatory authorities may require us to perform additional studies or trials before approving our marketing applications, if ever. Furthermore, our clinical trials must be conducted with materials manufactured in accordance with cGMP regulations. Failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

There is no guarantee that any of our CROs, CDMOs, investigators or other third parties will devote adequate time and resources to such trials or studies or perform as contractually required. If any of these third parties fails to meet expected deadlines, adhere to our clinical protocols or meet regulatory requirements or otherwise perform in a substandard manner, our clinical trials may be extended, delayed or terminated. In addition, many of the third parties with whom we contract may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other activities that could harm our competitive position.

In addition, our CROs and CDMOs have the right to terminate their agreements with us in the event of an uncured material breach and under other specified circumstances. If any of our relationships with these third parties terminate, we may not be able to enter into arrangements with alternative third parties on commercially reasonable terms or at all. Switching or adding additional CROs, CDMOs, investigators and other third parties involves additional cost and requires our management's time and focus. In addition, there is a natural transition period when a new CRO or CDMO commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. Though we work to carefully manage our relationships with our CROs and CDMOs, investigators and other third parties, there can be no

assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

We currently rely on third parties for the manufacture of our product candidates during clinical development, and expect to continue to rely on third parties for the foreseeable future. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates, or such quantities at an acceptable cost, which could delay, prevent or impair our development or potential commercialization efforts.

We do not own or operate manufacturing facilities at this time. We rely, and expect to continue to rely, on third parties for the manufacture of our product candidates, and related raw materials for clinical development, as well as for commercial manufacture if any of our product candidates receives regulatory approval. The facilities used by our third-party manufacturers must be approved for the manufacture of our product candidates by the FDA, or any comparable foreign regulatory authority, pursuant to inspections that will be conducted after we submit a BLA to the FDA, or submit a comparable marketing application to a foreign regulatory authority. We do not control the manufacturing process of, and are completely dependent on, third-party manufacturers for compliance with cGMP requirements for manufacture of our product candidates. If these third-party manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or any comparable foreign regulatory authority, they will not be able to secure and/or maintain regulatory approval for the use of their manufacturing facilities.

In addition, we have no control over the ability of third-party manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or any comparable foreign regulatory authority does not approve these facilities for the manufacture our product candidates, or if such authorities withdraw any such approval in the future, we may be required to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, seizures or recalls, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect our financial position.

Our or a third party's failure to execute on our manufacturing requirements on commercially reasonable terms and in compliance with cGMP or other regulatory requirements could adversely affect our business in a number of ways, including:

- an inability to initiate or complete clinical trials of our product candidates in a timely manner;
- delay in submitting regulatory applications, or receiving regulatory approvals, for our product candidates;
- additional inspections by regulatory authorities of third-party manufacturing facilities or our manufacturing facilities;
- requirements to cease development or to recall batches of our product candidates; and
- in the event of approval to market and commercialize any product candidate, an inability to meet commercial demands.

In addition, we do not have any long-term commitments or supply agreements with any third-party manufacturers. We may be unable to establish any long-term supply agreements with third-party manufacturers or to do so on acceptable terms, which increases the risk of failing to timely obtain sufficient quantities of our product candidates or such quantities at an acceptable cost. Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- failure of third-party manufacturers to comply with regulatory requirements and maintain quality assurance;

- breach of the manufacturing agreement by the third party;
- failure to manufacture our product candidates according to our specifications;
- failure to manufacture our product according to our schedule or at all;
- misappropriation of our proprietary information, including our trade secrets and know-how; and
- termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.

Further, while we do not have any long-term commitments or supply agreements with third-party manufacturers, many of our agreements with such parties have liquidated damage provisions in them which require us to pay cancellation fees for any manufacturing work that we cancel but had already been scheduled or otherwise committed to by us, as well as certain out-of-pocket expenses. Such cancellation fees could be significant and if we are required to pay them, our operational results and business may be harmed.

In addition, certain of the third parties we use for our manufacturing processes provide services that would be difficult to replace. As a result, if such parties were to increase the cost of their services, we may be required to either pay higher amounts or alternatively develop and or procure an alternative solution. If either were to occur, our results of operations and business may be harmed.

Any performance failure on the part of our existing or future manufacturers could delay clinical development or regulatory approval, and any related remedial measures may be costly or time consuming to implement. If our existing or future third-party manufacturers cannot perform as agreed, we may be required to replace such manufacturers and we may be unable to replace them on a timely basis or at all, which would have a material adverse impact on our financial position. In particular, any replacement of our manufacturers could require significant effort and expertise because there may be a limited number of qualified replacements. In some cases, the technical skills or technology required to manufacture our product candidates may be unique or proprietary to the original manufacturer and we may have difficulty transferring such skills or technology to another third-party and a feasible alternative may not exist. In addition, certain of our product candidates and our own proprietary methods have never been produced or implemented outside of our company, and we may therefore experience delays to our development programs if and when we attempt to establish new third-party manufacturing arrangements for these product candidates or methods.

Supply sources could be interrupted from time to time and, if interrupted, there is no guarantee that supplies could be resumed within a reasonable time frame and at an acceptable cost or at all.

We rely on our manufacturers to purchase from third-party suppliers the materials necessary to produce our product candidates for our current clinical trials and preclinical studies and intend to continue to rely on these third parties for any future clinical trials that we undertake. There are a limited number of suppliers for raw materials that we use to manufacture our product candidates and there may be a need to assess alternate suppliers to prevent a possible disruption of the manufacture of the materials necessary to produce our product candidates for our preclinical studies, clinical trials and, if approved, ultimately for commercial sale. We do not have any control over the process or timing of the acquisition of these raw materials by our manufacturers. Moreover, we currently do not have any agreements for the commercial production of these raw materials. We cannot be sure that these suppliers will remain in business, or that they will not be purchased by one of our competitors or another company that is not interested in continuing to produce these materials for our intended purpose. In addition, the lead time needed to establish a relationship with a new supplier can be lengthy, and we may experience delays in meeting demand in the event a new supplier must be used. The time and effort to qualify a new supplier could result in additional costs, diversion of resources or reduced manufacturing yields, any of which would negatively impact our operating results. Any significant delay in the

supply of a product candidate, or the raw material components thereof, for an ongoing clinical trial due to the need to replace a third-party manufacturer could considerably delay completion of our clinical trials, product testing and potential regulatory approval of our product candidates. If our manufacturers or we are unable to purchase these raw materials after regulatory approval has been obtained for our product candidates, the commercial launch of our product candidates would be delayed or there would be a shortage in supply, which would impair our ability to generate revenues from the sale of our product candidates.

We may not realize the benefits of any licensing arrangement, and if we fail to enter into new strategic relationships our business, financial condition, commercialization prospects and results of operations may be materially adversely affected.

Our product development programs and the potential commercialization of our product candidates will require substantial additional cash to fund expenses. Therefore, for some of our product candidates we may enter into collaborations with pharmaceutical or biotechnology companies for the development and potential commercialization of those product candidates.

We face significant competition in seeking appropriate collaborators. Collaborations are complex and time-consuming to negotiate and document. We may also be restricted under existing and future collaboration agreements from entering into agreements on certain terms with other potential collaborators. We may not be able to negotiate collaborations on acceptable terms, or at all. If our strategic collaborations do not result in the successful development and commercialization of product candidates, or if one of our collaborators terminates its agreement with us, we may not receive any future research funding or milestone or royalty payments under the collaboration. Moreover, our estimates of the potential revenue we are eligible to receive under any strategic collaborations we may enter into may include potential payments related to therapeutic programs for which our collaborators may discontinue development in the future. If that were to occur, we may have to curtail the development of a particular product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of our sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we will not be able to bring our product candidates to market and generate product revenue.

In instances where we do enter into collaborations, we could be subject to the following risks, each of which may materially harm our business, commercialization prospects and financial condition:

- we may not be able to control the amount and timing of resources that is required of us to complete our development obligations or that the collaboration partner devotes to the product development or marketing programs;
- the collaboration partner may experience financial difficulties;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- we may be required to relinquish important rights such as marketing, end-to-end supply chain management and intellectual property rights;
- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability;

- a collaborator could move forward with a competing product developed either independently or in collaboration with third parties, including our competitors;
- we and our collaboration partner may disagree regarding the development plan for product candidates on which we are collaborating (for example, we may disagree with a collaboration partner regarding target indications or inclusion or exclusion criteria for a clinical trial); or
- business combinations or significant changes in a collaborator's business strategy may adversely affect our willingness to complete our obligations under any arrangement.

If we license products or businesses, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations and company culture. We cannot be certain that, following a strategic transaction or license, we will achieve the results, revenue or specific net income that justifies such transaction.

Risks related to intellectual property

We depend on intellectual property licensed from third parties and we are currently party to in-license agreements under which we acquired rights to use, develop, manufacture and/or commercialize certain of our proprietary technologies and product candidates. If we breach our obligations under these agreements or if any of these agreements is terminated, or otherwise experience disruptions to our business relationships with our licensors, we may be required to pay damages, lose our rights to such intellectual property and technology, or both, which would harm our business.

We are dependent on patents, know-how, and proprietary technology, both our own and licensed from others. We are a party to intellectual property license agreements and in the future, we may enter into additional license agreements. For example, with respect to developing our product candidates, we have licensed certain intellectual property from the NCI, Oxford and Stanford University. These license agreements impose, and we expect that future license and acquisition agreements will impose, various diligence, milestone payment, royalty and other obligations on us. If we fail to comply with our obligations under current or future intellectual property license agreements, we may be required to pay damages and the licensor may have the right to terminate the license. Any termination of these licenses could result in the loss of significant rights and could harm our ability to develop, manufacture and/or commercialize our product candidates. See the section titled "Business—Intellectual property—License agreements" for additional information regarding these key agreements.

In addition, the agreements under which we license intellectual property or technology to or from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates. Our business also would suffer if any current or future licensors fail to abide by the terms of the license, if the licensors fail to enforce licensed patents against infringing third parties, if the licensed patents or other rights are found to be invalid or unenforceable or if we are unable to enter into necessary licenses on acceptable terms. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights.

In addition, while we cannot currently determine the amount of the royalty obligations we would be required to pay on sales of future products, if any, the amounts may be significant. The amount of our future royalty obligations will depend on the technology and intellectual property we use in products that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and commercialize products, we may be unable to achieve or maintain profitability.

If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the relevant research programs or product candidates and our business, financial condition, results of operations and prospects could suffer.

Licensing of intellectual property is of critical importance to our business and involves complex legal, business and scientific issues and is complicated by the rapid pace of scientific discovery in our industry. Disputes may also arise between us and our current and future licensors regarding intellectual property subject to a license agreement, including those relating to:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the license agreement;
- our right to sublicense patent and other rights to third parties under collaborative development relationships;
- whether we are complying with our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidates, and what activities satisfy those diligence obligations;
- the priority of invention of patented technology;
- rights upon termination of the license agreements;
- the scope and duration of exclusivity obligations of each party to the license agreements;
- the amount and timing of payments owed under license agreements; and
- the allocation of ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and by us and our partners.

The resolution of any contractual interpretation dispute that may arise, if unfavorable to us, could have a material adverse effect on our business, financial condition, results of operations and prospects. Such resolution could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, increase what we believe to be our financial or other obligations under the relevant agreement or decrease the third party's financial or other obligations under the relevant agreement. Furthermore, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates. We are generally also subject to all of the same risks with respect to protection of intellectual property that we license as we are for intellectual property that we own, which are described below. If we or our licensors fail to adequately protect this intellectual property, our ability to commercialize our products could suffer.

We depend, in part, on our licensors to file, prosecute, maintain, defend and enforce certain patents and patent applications that are material to our business.

Certain patents and patent applications relating to our product candidates or certain products used in the manufacturing of our clinical products are owned or controlled by certain of our licensors, including Stanford University, the NCI and Oxford. In some circumstances, we may not have the right to control the preparation, filing, prosecution, maintenance and defense of patent applications or patents covering technology that we license from third parties. In such circumstances, our licensors generally have rights to file, prosecute, maintain and defend the licensed patents in their name, generally with our right to comment on such filing, prosecution, maintenance and defense, with some obligation for the licensor to consider or incorporate our comments. We generally have the first right to enforce our exclusively licensed patent rights against third parties, although our ability to settle such claims often requires the consent of the licensor. If our licensors or any future licensees having rights to file, prosecute, maintain and defend our patent rights fail to conduct these activities for patents or patent applications covering any of our product candidates, including due to the impact of the COVID-19 pandemic on our licensors' business operations, our ability to develop and commercialize those product candidates may be adversely affected and we may not be able to prevent competitors from making, using or selling competing products. We cannot be certain that such activities by our licensors have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents or other intellectual property rights. Pursuant to the terms of the license agreements with some of our licensors, the licensors may have the right to control enforcement of our licensed patents or defense of any claims asserting the invalidity of these patents and, even in the circumstances where we have the right to pursue such enforcement or defense, we cannot ensure the cooperation of our licensors. We cannot be certain that our licensors will allocate sufficient resources or prioritize their or our enforcement of such patents or defense of such claims to protect our interests in the licensed patents. Even if we are not a party to these legal actions, an adverse outcome could harm our business because it might prevent us from continuing to license intellectual property that we may need to operate our business. In addition, even when we have the right to control patent prosecution of licensed patents and patent applications, enforcement of licensed patents or defense of claims asserting the invalidity of those patents, we may still be adversely affected or prejudiced by actions or inactions of our licensors and their counsel that took place prior to or after our assuming control. This could cause us to lose rights in any applicable intellectual property that we in-license, and as a result our ability to develop and commercialize product candidates may be adversely affected and we may be unable to prevent competitors from making, using and selling competing products.

Furthermore, the U.S. government and/or government agencies have provided, and in the future may provide, funding or other assistance in connection with the development of the intellectual property rights owned by or licensed to us. We rely on our licensors to ensure compliance with applicable obligations arising from such funding or assistance, such as timely reporting, an obligation associated with in-licensed patents and patent applications. The failure of our licensors to meet their obligations may lead to a loss of rights or the unenforceability of relevant patents.

We may not be successful in obtaining or maintaining necessary rights for our product pipeline which may cause us to operate our business in a more costly or otherwise adverse manner that was not anticipated.

We own or license from third parties certain intellectual property rights necessary to develop our product candidates. The growth of our business will likely depend in part on our ability to acquire or in-license additional proprietary rights, including to expand our product pipeline. In that event, we may be required to expend considerable time and resources to develop or license replacement technology. For example, our programs may involve additional technologies or product candidates that may require the use of additional proprietary rights held by third parties. Furthermore, other pharmaceutical companies and academic

institutions may also have filed or are planning to file patent applications potentially relevant to our business. Our product candidates may also require specific formulations or other technology to work effectively and efficiently. These formulations or technology may be covered by intellectual property rights held by others. From time to time, in order to avoid infringing these third-party rights, we may be required to license technology from additional third parties to further develop or commercialize our product candidates. We may be unable to acquire or in-license any relevant third-party intellectual property rights, including any such intellectual property rights required to manufacture, use or sell our product candidates, that we identify as necessary or important to our business operations. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all, and as a result we may be unable to develop or commercialize the affected product candidates, which would harm our business. We may need to cease use of the compositions or methods covered by such third-party intellectual property rights and may need to seek to develop alternative approaches that do not infringe on such intellectual property rights which may entail additional costs and development delays, even if we were able to develop such alternatives, which may not be feasible. Even if we are able to obtain a license under such intellectual property rights, any such license may be non-exclusive, which may allow our competitors' access to the same technologies licensed to us.

The licensing and acquisition of third-party intellectual property rights is a competitive practice, and companies that may be more established, or have greater resources than we do, may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider necessary or attractive in order to commercialize our product candidates. More established companies may have a competitive advantage over us due to their larger size and cash resources or greater clinical development and commercialization capabilities. There can be no assurance that we will be able to successfully complete such negotiations and ultimately acquire the rights to the intellectual property surrounding the additional product candidates that we may seek to acquire.

We may be dependent on intellectual property for which development was funded or otherwise assisted by, the U.S. government and/or government agencies, such as The National Cancer Institute, for development of our technology and product candidates. Failure to meet our own obligations to such government agencies, may result in the loss of our rights to such intellectual property, which could harm our business.

The U.S. government and/or government agencies have provided, and in the future may provide, funding, facilities, personnel or other assistance in connection with the development of the intellectual property rights owned by or licensed to us. The U.S. government and/or government agencies may have retained rights in such intellectual property, including the right to grant or require us to grant mandatory licenses or sublicenses to such intellectual property to third parties under certain specified circumstances, including if it is necessary to meet health and safety needs that we are not reasonably satisfying or if it is necessary to meet requirements for public use specified by federal regulations, or to manufacture products in the United States. Any exercise of such rights, including with respect to any such required sublicense of these licenses, could result in the loss of significant rights and could harm our ability to commercialize licensed products and harm our competitive position, business, financial condition, results of operations and prospects. For example, the research resulting in certain of our in-licensed patent rights and technology was funded in part by the U.S. government. As a result, the government may have certain rights, or march-in rights, to such patent rights and technology. These rights may permit the government to disclose our confidential information to third parties and to exercise march-in rights to use or allow third parties to use our licensed technology.

Our proprietary position may depend upon patents that are manufacturing, formulation or method-of-use patents, which may not prevent a competitor or other third party from using the same product candidate for another use.

Composition-of-matter patents on the active pharmaceutical ingredient (API) in prescription drug products are generally considered to be the strongest form of intellectual property protection for drug products because such patents provide protection without regard to any particular method of use or manufacture or formulation of the API used. We currently have claims in our in-licensed issued U.S. patents that cover the composition-of-matter of our product candidates that expire in 2033 without taking into account any possible patent term adjustments or extensions. We are pursuing claims in our pending owned or in-licensed patent applications that cover the manufacturing, formulation or method-of-use of our product candidates. Our proprietary patent position of our product candidates after 2033 may depend upon issuance of patents from such patent applications. The claims in such patents may not prevent a competitor or other third party from using the same product candidate for a noncovered use, from using a noncovered formulation or from making the same product candidate by a noncovered process.

If we are unable to obtain and maintain sufficient intellectual property protection for our platform technologies and product candidates, or if the scope of the intellectual property protection is not sufficiently broad, our competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our products may be adversely affected. We cannot ensure that patent rights relating to inventions described and claimed in our pending patent applications will issue or that patents based on our patent applications will not be challenged and rendered invalid and/or unenforceable.

We or our licensors have filed, and we anticipate that in the future we will file additional patent applications both in the United States and in other countries, as appropriate. However, we cannot predict:

- if and when any patents will issue;
- whether any of our patents that may be issued may be challenged, invalidated, modified, revoked, circumvented, found to be unenforceable or otherwise may not provide any competitive advantage, including the degree and range of protection our patents that may be issued will afford us against competitors, including whether third parties will find ways to invalidate or otherwise circumvent our patents;
- whether any of our intellectual property will provide any competitive advantage;
- whether others will apply for or obtain patents claiming aspects similar to those covered by our patents and patent applications;
- whether we will need to initiate litigation or administrative proceedings to defend our patent rights, which may be costly whether we win or lose; or
- whether the patent applications that we own or in-license will result in issued patents with claims that cover our product candidates or uses thereof in the United States or in other foreign countries.

Our success depends in large part on our ability to obtain and maintain patent protection in the United States and other countries with respect to our platform and product candidates. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our novel discoveries and technologies that are important to our business.

Obtaining and enforcing patents is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications or maintain and/or enforce patents that may issue based on our patent applications, at a reasonable cost or in a timely manner, including as a result of the COVID-19 pandemic

impacting our or our licensors' operations. It is also possible that we will fail to identify patentable aspects of our research and development results before it is too late to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, contract research organizations, contract manufacturers, consultants, advisors and other third parties, any of these parties may breach these agreements and disclose such results before a patent application is filed, thereby jeopardizing our ability to seek patent protection.

Our ability to enforce patent rights also depends on our ability to detect infringement. It may be difficult to detect infringers who do not advertise the components or methods that are used in connection with their products and services. Such proceedings could also provoke third parties to assert claims against us, including that some or all of the claims in one or more of our patents are invalid or otherwise unenforceable. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product or service. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded if we were to prevail may not be commercially meaningful. If we initiate lawsuits to protect or enforce our patents, or litigate against third-party claims, such proceedings would be expensive and would divert the attention of our management and technical personnel.

Composition of matter patents for biological and pharmaceutical products often provide a strong form of intellectual property protection for those types of products, as such patents provide protection without regard to any method of use. We cannot be certain, however, that the claims in our pending patent applications covering the composition of matter of our product candidates will be considered patentable by the United States Patent and Trademark Office (USPTO), or by patent offices in foreign countries, or that the claims in any of our issued patents will be considered valid and enforceable by courts in the United States or foreign countries. Method of use patents protect the use of a product for the specified method. This type of patent does not prevent a competitor from making and marketing a product that is identical to our product for an indication that is outside the scope of the patented method. Moreover, even if competitors do not actively promote their product for our targeted indications, physicians may prescribe these products "off-label" for those uses that are covered by our method of use patents. Although off-label prescriptions may infringe or contribute to the infringement of method of use patents, the practice is common and such infringement can be difficult to prevent or prosecute.

The strength of patents in the biotechnology and pharmaceutical fields can be uncertain, and evaluating the scope of such patents involves complex legal, factual and scientific analyses and has in recent years been the subject of much litigation, resulting in court decisions, including Supreme Court decisions, which have increased uncertainties as to the ability to enforce patent rights in the future. The patent applications that we own or in-license may fail to result in issued patents with claims that cover our product candidates or uses thereof in the United States or in other foreign countries. Even if the patents do successfully issue, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. In the event of litigation or administrative proceedings, we cannot be certain that the claims in any of our issued patents will be considered valid by courts in the United States or foreign countries. Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property or prevent others from designing their products to avoid being covered by our claims. If the breadth or strength of protection provided by the patent applications we hold with respect to our product candidates is threatened, this could dissuade companies from collaborating with us to develop, and could threaten our ability to commercialize, our product candidates. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States, or vice versa. Further, if we encounter delays in our clinical trials, the period of time during which we could market our product candidates under patent protection would be reduced.

Patent positions of life sciences companies can be uncertain and involve complex factual and legal questions. Recent years have witnessed constant changes in policy governing the scope of claims allowable in the field of antibodies and adoptive cell therapy in the United States. The scope of patent protection in jurisdictions outside of the United States is also uncertain. Changes in either the patent laws or their interpretation in any jurisdiction that we seek patent protection may diminish our ability to protect our inventions, maintain and enforce our intellectual property rights, and, more generally, may affect the value of our intellectual property, including the narrowing of the scope of our patents and any that we may license.

We may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent, which might adversely affect our ability to develop and market our products.

We cannot guarantee that any of our patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of our product candidates in any jurisdiction. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our products. We may incorrectly determine that our products are not covered by a third-party patent or may incorrectly predict whether a third-party's pending application will issue with claims of relevant scope. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our products.

One aspect of the determination of patentability of our inventions depends on the scope and content of the "prior art," information that was or is deemed available to a person of skill in the relevant art prior to the priority date of the claimed invention. There may be prior art of which we are not aware that may affect the patentability of our patent claims or, if issued, affect the validity or enforceability of a patent claim. Further, we may not be aware of all third-party intellectual property rights potentially relating to our product candidates or their intended uses, and as a result the impact of such third-party intellectual property rights upon the patentability of our own patents and patent applications, as well as the impact of such third-party intellectual property upon our freedom to operate, is highly uncertain. Because patent applications in the United States and most other countries are confidential for typically a period of 18 months after filing, or may not be published at all, we cannot be certain that we were the first to file any patent application related to our product candidates. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Furthermore, for U.S. applications in which all claims are entitled to a priority date before March 16, 2013, an interference proceeding can be provoked by a third party or instituted by the USPTO to determine who was the first to invent any of the subject matter covered by the patent claims of our applications. For U.S. applications containing a claim not entitled to priority before March 16, 2013, there is a greater level of uncertainty in the patent law in view of the passage of the America Invents Act, which brought into effect significant changes to the U.S. patent laws, including new procedures for challenging pending patent applications and issued patents.

Our patents or pending patent applications may be challenged in the courts or patent offices in the United States and abroad. For example, we may be subject to a third-party pre-issuance submission of prior art to the USPTO or become involved in post-grant review procedures, oppositions, derivations, reexaminations or *inter partes* review proceedings, in the United States or elsewhere, challenging our patent rights or the patent rights of others. An adverse determination in any such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. In addition, given the amount of time required for the

development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. Any failure to obtain or maintain patent protection with respect to our product candidates could have a material adverse effect on our business, financial condition, results of operations and prospects.

Intellectual property rights do not necessarily address all potential threats to our competitive advantage.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to make product candidates that are similar to ours but that are not covered by the claims of the patents that we own or have exclusively licensed;
- we or our licensors or future collaborators might not have been the first to make the inventions covered by the issued patent or pending patent application that we own or have exclusively licensed;
- we or our licensors or future collaborators might not have been the first to file patent applications covering certain of our inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that our pending patent applications will not lead to issued patents;
- issued patents that we own or have exclusively licensed may be held invalid or unenforceable, as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- we cannot predict the scope of protection of any patent issuing based on our patent applications, including whether the patent applications that we own or in-license will result in issued patents with claims that cover our product candidates or uses thereof in the United States or in other foreign countries;
- the claims of any patent issuing based on our patent applications may not provide protection against competitors or any competitive advantages, or may be challenged by third parties;
- if enforced, a court may not hold that our patents are valid, enforceable and infringed;
- we may need to initiate litigation or administrative proceedings to enforce and/or defend our patent rights which will be costly whether we win or lose;
- we may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property;
- the laws of foreign countries may not protect our or our licensors', as the case may be, proprietary rights to the same extent as the laws of the United States;
- the inventors of our owned or in-licensed patents or patent applications may become involved with competitors, develop products or processes which design around our patents or become hostile to us or the patents or patent applications on which they are named as inventors;

- it is possible that our owned or in-licensed patents or patent applications omit individual(s) that should be listed as inventor(s) or include individual(s) that should not be listed as inventor(s), which may cause these patents or patents issuing from these patent applications to be held invalid or unenforceable;
- we have engaged in scientific collaborations in the past, and will continue to do so in the future. Such collaborators may develop adjacent or competing products to ours that are outside the scope of our patents;
- we may fail to adequately protect and police our trademarks and trade secrets; and
- the patents of others may have an adverse effect on our business, including if others obtain patents claiming subject matter similar to or improving that covered by our patents and patent applications.

Should any of these events occur, they could significantly harm our business, results of operations and prospects.

Confidentiality agreements with employees and third parties may not prevent unauthorized disclosure of trade secrets and other proprietary information. If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to the protection afforded by patents, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable or that we elect not to patent, processes for which patents are difficult to enforce, and any other elements of our product candidates, technology and product discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents. Any disclosure, either intentional or unintentional, by our employees, the employees of third parties with whom we share our facilities or third-party consultants and vendors that we engage to perform research, clinical trials or manufacturing activities or misappropriation by third parties (such as through a cybersecurity breach) of our trade secrets or proprietary information could enable competitors to duplicate or surpass our technological achievements, thus eroding our competitive position in our market. Because we expect to rely on third parties in the development and manufacture of our product candidates, we must, at times, share trade secrets with them. Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

Trade secrets and confidential information, however, may be difficult to protect. We seek to protect our trade secrets, know-how and confidential information, including our proprietary processes, in part, by entering into confidentiality agreements with our employees, consultants, outside scientific advisors, contractors and collaborators. We require our employees to enter into written employment agreements containing provisions of confidentiality and obligations to assign to us any inventions generated in the course of their employment. With our consultants, contractors and outside scientific collaborators, these agreements typically include invention assignment obligations. We cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes. Although we use reasonable efforts to protect our trade secrets, our employees, consultants, outside scientific advisors, contractors and collaborators might intentionally or inadvertently disclose our trade secret information to competitors. In addition, competitors may otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us.

Furthermore, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. If we are unable to prevent unauthorized material disclosure of our intellectual property to third parties, or misappropriation of our intellectual property by third parties, we will not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, operating results and financial condition.

Courts outside the United States are sometimes less willing to protect trade secrets. If we choose to go to court to stop a third party from using any of our trade secrets, we may incur substantial costs. These lawsuits may consume our time and other resources even if we are successful. For example, significant elements of our products, including aspects of sample preparation, methods of manufacturing, cell culturing conditions, computational-biological algorithms and related processes and software, are based on unpatented trade secrets that are not publicly disclosed. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees and consultants, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology.

We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties.

We have received confidential and proprietary information from third parties. In addition, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies. We may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed confidential information of these third parties or our employees' former employers or our consultants' or contractors' current or former clients or customers. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial cost and be a distraction to our management and employees. If we are not successful, we could lose access or exclusive access to valuable intellectual property.

We may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed alleged trade secrets of our competitors or are in breach of non-competition or non-solicitation agreements with our competitors.

Some of our employees were previously employed at other pharmaceutical companies, including our competitors or potential competitors. We may be subject to claims that we or our employees have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of these former employers or competitors. In addition, we have been and may in the future be subject to claims that we caused an employee to breach the terms of his or her non-competition or non-solicitation agreement. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and could be a distraction to management. If our defense to those claims fails, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Any litigation or the threat thereof may adversely affect our ability to hire employees. A loss of key personnel or their work product could hamper or prevent our ability to commercialize product candidates, which could have an adverse effect on our business, results of operations and financial condition.

Third-party claims of intellectual property infringement against us or our collaborators may prevent or delay our product discovery and development efforts.

Our commercial success depends in part on our avoiding infringement of the patents and proprietary rights of third parties. There is a substantial amount of litigation involving patents and other intellectual property rights

in the biotechnology and pharmaceutical industries, as well as administrative proceedings for challenging patents, including interference, derivation, *inter partes* review, post-grant review and reexamination proceedings before the USPTO or oppositions and other comparable proceedings in foreign jurisdictions. Furthermore, patent reform and changes to patent laws in the United States and in foreign jurisdictions add uncertainty to the possibility of challenge to our patents in the future, and could diminish the value of patents in general, thereby impairing our ability to protect our product candidates. We cannot assure you that our product candidates and other proprietary technologies we may develop will not infringe existing or future patents owned by third parties. Litigation or other legal proceedings relating to intellectual property claims, with or without merit, is unpredictable and generally expensive and time consuming and, even if resolved in our favor, is likely to divert significant resources from our core business, including distracting our technical and management personnel from their normal responsibilities. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or supply chain activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

If a third party claims that we infringe its intellectual property rights, we may face a number of issues, including, but not limited to:

- infringement and other intellectual property claims, which, regardless of merit, may be expensive and time-consuming to litigate and may divert our management's attention from our core business;
- substantial damages for infringement, which we may have to pay if a court decides that the product candidate or technology at issue infringes on or violates the third party's rights, and, if the court finds that the infringement was willful, we could be ordered to pay treble damages and the patent owner's attorneys' fees;
- a court prohibiting us from developing, manufacturing, marketing or selling our product candidates, or from using our proprietary technologies, unless the third party licenses its product rights to us, which it is not required to do;
- if a license is available from a third party, we may have to pay substantial royalties, upfront fees and other amounts, and/or grant cross-licenses to intellectual property rights for our products; and
- redesigning our product candidates or processes so they do not infringe third-party intellectual property rights, which may not be possible or may require substantial monetary expenditures and time.

Numerous U.S. and foreign issued patents and pending patent applications owned by third parties exist in the fields in which we are developing our product candidates. We cannot provide any assurances that valid third-party patents do not exist which might be enforced against our current product candidates or future products, resulting in either an injunction prohibiting our sales, or, with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation to third parties. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our product candidates may give rise to claims of infringement of the patent rights of others. Third parties may assert that we infringe their patents or other intellectual property, or that we are otherwise employing their proprietary technology without authorization and may sue us. There may be third-party patents of which we are currently unaware with claims to compositions, formulations, methods of manufacture or methods of use or treatment that cover our product

candidates. We are aware of certain third-party patents, including by parties such as Juno Therapeutics, Kite Pharma, the United States Department of Health and Human Services, University of Pennsylvania, and Fred Hutchinson Cancer Research Center with claims to compositions and methods that may be relevant to our product candidates. We believe that we have reasonable defenses against possible allegations of infringement, such as noninfringement or invalidity defenses. There can be no assurance that these defenses will succeed. It is also possible that patents owned by third parties of which we are aware or might become aware, but which we believe are not valid, or do not believe are relevant to our product candidates and other proprietary technologies we may develop, could be found to be infringed by our product candidate. Because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents that our product candidates may infringe. In addition, third parties, our competitors in both the United States and abroad, many of which have substantially greater resources and have made substantial investments in patent portfolios and competing technologies, may obtain patents in the future that may prevent, limit or otherwise interfere with our ability to make, use and sell our product candidates, and may claim that use of our technologies or the manufacture, use or sale of our product candidates infringes upon these patents. If any such third-party patents were held by a court of competent jurisdiction to cover our technologies or product candidates, or if we are found to otherwise infringe a third-party's intellectual property rights, the holders of any such patents may be able to block, including by court order, our ability to develop, manufacture or commercialize the applicable product candidate unless we obtain a license under the applicable patents or other intellectual property, or until such patents expire or are finally determined to be held invalid or unenforceable. Such a license may not be available on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. If we are unable to obtain a necessary license to a third-party patent on commercially reasonable terms, our ability to commercialize our product candidates may be impaired or delayed, which could in turn significantly harm our business.

The pharmaceutical and biotechnology industries have produced a considerable number of patents, and it may not always be clear to industry participants, including us, which patents cover various types of products or methods of use. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. If we were sued for patent infringement, we would need to demonstrate that our product candidates, products or methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid or unenforceable, and we may not be able to do this. Proving invalidity may be difficult. For example, in the United States, proving invalidity in court requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents, and there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent. Even if we are successful in these proceedings, we may incur substantial costs and the time and attention of our management and scientific personnel could be diverted in pursuing these proceedings, which could have a material adverse effect on our business and operations. In addition, we may not have sufficient resources to bring these actions to a successful conclusion.

Third parties asserting their patent or other intellectual property rights against us may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our product candidates or force us to cease some of our business operations. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of management and other employee resources from our business, cause development delays and may impact our reputation. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible on a cost-effective basis or require substantial time and monetary expenditure. In that event, we would be unable to

further develop and commercialize our product candidates, which could harm our business significantly. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business.

We may not be able to protect our intellectual property rights throughout the world.

Patents are of national or regional effect, and filing, prosecuting, maintaining and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can have a different scope and strength than do those in the United States. In addition, the laws of some foreign countries, particularly certain developing countries, do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement rights are not as strong as those in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or adequate to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property, particularly those relating to biotechnology products, which could make it difficult in those jurisdictions for us to stop the infringement or misappropriation of our patents or other intellectual property rights, or the marketing of competing products in violation of our proprietary rights. Proceedings to enforce our patent and other intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Furthermore, such proceedings could put our patents at risk of being invalidated, held unenforceable or interpreted narrowly, could put our patent applications at risk of not issuing, and could provoke third parties to assert claims of infringement or misappropriation against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Similarly, if our trade secrets are disclosed in a foreign jurisdiction, competitors worldwide could have access to our proprietary information and we may be without satisfactory recourse. Such disclosure could have a material adverse effect on our business. Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws. In addition, certain countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In those countries, we and our licensors may have limited remedies if patents are infringed or if we or our licensors are compelled to grant a license to a third-party, which could materially diminish the value of those patents. In addition, many countries limit the enforceability of patents against government agencies or government contractors. This could limit our potential revenue opportunities. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Because of the expense and uncertainty of litigation, we may conclude that even if a third-party is infringing our issued patents, any patents that may be issued as a result of our pending or future patent applications or other intellectual property rights, the risk-adjusted cost of bringing and enforcing such a claim or action, which typically last for years before they are concluded, may be too high or not in the best interest of our company or our stockholders, or it may be otherwise impractical or undesirable to enforce our intellectual property against some third parties. Our competitors or other third parties may be able to sustain the costs of complex patent litigation or proceedings more effectively than we can because of their greater financial resources and more

mature and developed intellectual property portfolios. In such cases, we may decide that the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel could outweigh any benefit we receive as a result of the proceedings and that the more prudent course of action is to simply monitor the situation or initiate or seek some other non-litigious action or solution. In addition, the uncertainties associated with litigation could compromise our ability to raise the funds necessary to continue our clinical trials, continue our internal research programs, in-license needed technology or other product candidates or enter into development partnerships that would help us bring our product candidates to market.

We may be involved in lawsuits to protect or enforce our patents or other intellectual property or the intellectual property of our licensors, which could be expensive, time-consuming and unsuccessful.

Competitors may infringe our patents or other intellectual property or the intellectual property of our licensors. To cease such infringement or unauthorized use, we may be required to file patent infringement claims, which can be expensive and time-consuming and divert the time and attention of our management and scientific personnel. Our pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications. In addition, in an infringement proceeding or a declaratory judgment action, a court may decide that one or more of our patents is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation or defense proceeding could put one or more of our patents at risk of being invalidated, held unenforceable or interpreted narrowly and could put our patent applications at risk of not issuing. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business.

Interference proceedings provoked by third parties or brought by the USPTO may be necessary to determine the priority of inventions with respect to, or the correct inventorship of, our patents or patent applications or those of our licensors. An unfavorable outcome could result in a loss of our current patent rights and could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Litigation, interference, derivation or other proceedings may result in a decision adverse to our interests and, even if we are successful, may result in substantial costs and distract our management and other employees.

Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may or may not be an adequate remedy. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock.

Issued patents covering our product candidates could be found invalid or unenforceable if challenged in court or before the USPTO or comparable foreign authority.

If we or one of our licensing partners initiate legal proceedings against a third party to enforce a patent covering one of our product candidates, the defendant could counterclaim we infringe their patents or that the patent covering our product candidate is invalid or unenforceable, or both. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent, including lack of novelty, obviousness, non-enablement or insufficient written description or that that someone connected

with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, *inter partes* review, post-grant review, derivation and equivalent proceedings in foreign jurisdictions, such as opposition or derivation proceedings. Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. In any patent infringement proceeding, there is a risk that a court will decide that a patent of ours is invalid or unenforceable, in whole or in part, and that we do not have the right to stop the other party from using the invention at issue. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent's claims narrowly or decide that we do not have the right to stop the other party from using the invention at issue on the grounds that our patent claims do not cover the invention, or decide that the other party's use of our patented technology falls under the safe harbor to patent infringement under 35 U.S.C. § 271(e)(1). With respect to the validity of our patents, for example, we cannot be certain that there is no invalidating prior art of which we, our patent counsel and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates and such an outcome may limit our ability to assert our patents against those parties or other competitors and may curtail or preclude our ability to exclude third parties from making and selling similar or competitive products. Such a loss of patent protection could have a material adverse impact on our business. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

Changes in U.S. patent law or the patent laws of other countries could diminish the value of patents in general, thereby impairing our ability to protect our products.

As is the case with other biotechnology companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biotechnology industry involves both technological and legal complexity, and is therefore costly, time-consuming and inherently uncertain. Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs, and may diminish our ability to protect our inventions, obtain, maintain and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our owned and licensed patents. Recent patent reform legislation in the United States and other countries, including the Leahy-Smith America Invents Act (the Leahy-Smith Act), signed into law on September 16, 2011, could increase those uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, *inter partes* review and derivation proceedings. After March 2013, under the Leahy-Smith Act, the United States transitioned to a first inventor to file system in which, assuming that the other statutory requirements are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third-party was the first to invent the claimed invention. A third party that files a patent application in the USPTO after March 2013, but before we file an application covering the same invention, could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by such third party. This will require us to be cognizant going forward of the time from invention to filing of a patent

application. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we or our licensors were the first to either (1) file any patent application related to our product candidates and other proprietary technologies we may develop or (2) invent any of the inventions claimed in our or our licensor's patents or patent applications. Even where we have a valid and enforceable patent, we may not be able to exclude others from practicing the claimed invention where the other party can show that they used the invention in commerce before our filing date or the other party benefits from a compulsory license. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained. Depending on decisions by Congress, the federal courts, the USPTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. For example, in a series of cases, the U.S. Supreme Court held that certain claims do not present patentable subject matter (*Mayo Collaborative Services v. Prometheus Laboratories, Inc.* (2012); *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.* (2013); *Alice Corp. v. CLS Bank International* (2014)). For example, the U.S. Supreme Court held that certain claims covering a genus of antibodies do not satisfy the enablement requirement of the Patent Act (Amgen Inc. et al. v. Sanofi et al. (2023)). Although we do not believe that any of the patents owned or licensed by us will be found invalid based on these decisions, we cannot predict how their interpretation and future decisions by Congress, the federal courts or the USPTO may impact the value of our patents and may diminish our ability to protect our inventions, maintain and enforce our intellectual property rights; and, more generally, may affect the value of our intellectual property, including the narrowing of the scope of our patents and any that we may license. Similarly, changes in patent laws and regulations in other countries or jurisdictions or changes in the governmental bodies that enforce them or changes in how the relevant governmental authority enforces patent laws or regulations may weaken our ability to obtain new patents or to enforce patents that we have licensed or that we may obtain in the future. For example, the complexity and uncertainty of European patent laws have increased in recent years. In Europe, a new unitary patent system took effect June 1, 2023, which will significantly impact European patents, including those granted before the introduction of such a system. Under the unitary patent system, European applications have the option, upon grant of a patent, of becoming a Unitary Patent which will be subject to the jurisdiction of the Unitary Patent Court (the UPC). As the UPC is a new court system, there is no precedent for the court, increasing the uncertainty of any litigation. Patents granted before the implementation of the UPC have the option of opting out of the jurisdiction of the UPC over the first seven years of the court's existence and remaining as national patents in the UPC countries. Patents that remain under the jurisdiction of the UPC will be potentially vulnerable to a single UPC-based revocation challenge that, if successful, could invalidate the patent in all countries who are signatories to the UPC. We cannot predict with certainty the long-term effects of any potential changes.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions

during the patent application process. Noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In any such event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

The lives of our patents may not be sufficient to effectively protect our products and business.

Patents have a limited lifespan. In the United States, if all maintenance fees are paid timely, the natural expiration of a patent is generally 20 years after its first effective filing date. Although various extensions may be available, the life of a patent, and the protection it affords, is limited. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such product candidates are commercialized. Even if patents covering our product candidates are obtained, once the patent life has expired for a product, we may be open to competition from biosimilar or generic medications. The launch of a generic version of one of our products in particular would be likely to result in an immediate and substantial reduction in the demand for that product, which could have a material adverse effect on our business, financial condition, results of operations and prospects. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing product candidates similar or identical to ours. In addition, although upon issuance in the United States a patent's life can be increased based on certain delays caused by the USPTO, this increase can be reduced or eliminated based on certain delays caused by the patent applicant during patent prosecution.

A patent term extension based on regulatory delay may be available in the United States. However, only a single patent can be extended for each regulatory approval, and any patent can be extended only once, for a single product. Patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, or 5 years from the expiration date of the patent to be extended. Moreover, the scope of protection during the period of the patent term extension does not extend to the full scope of the claim, but instead only to the scope of the product as approved. Laws governing analogous patent term extensions in foreign jurisdictions vary widely, as do laws governing the ability to obtain multiple patents from a single patent family. Additionally, if we do not obtain patent term extension and data exclusivity for any of our current or future product candidates, our business may be materially harmed. We may not receive an extension if we fail to exercise due diligence during the testing phase or regulatory review process, apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. If we are unable to obtain patent term extension or restoration, or the term of any such extension is less than we request, the period during which we will have the right to exclusively market our product will be shortened and our competitors may obtain approval of competing products following our patent expiration and may take advantage of our investment in development and clinical trials by referencing our clinical and preclinical data to launch their product earlier than might otherwise be the case, and our revenue could be reduced, possibly materially. If we do not have sufficient patent life to protect our products, our business and results of operations will be adversely affected.

Our use of open source software could impose limitations on our ability to commercialize our product candidates.

Our use of open source software could impose limitations on our ability to commercialize our product candidates. Our technology may use open source software that contains modules licensed for use from third-party authors under open source licenses. Some of the software may be provided under license arrangements that allow use of the software for research or other non-commercial purposes. As a result, in the future, as we seek to use our platform in connection with commercially available products, we may be required to license

that software under different license terms, which may not be possible on commercially reasonable terms, if at all. If we are unable to license software components on terms that permit its use for commercial purposes, we may be required to replace those software components, which could result in delays, additional cost and/or additional regulatory approvals.

Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the software code. Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use. If we combine our proprietary software with open source software in a certain manner, we could, under certain of the open source licenses, be required to release the source code of our proprietary software to the public. This could allow our competitors to create similar products with lower development effort and time, and ultimately could result in a loss of product sales for us. Although we monitor our use of open source software, the terms of many open source licenses have not been interpreted by U.S. courts, and there is a risk that those licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our product candidates. We could be required to seek licenses from third parties in order to continue offering our product candidates, to re-engineer our product candidates or to discontinue the sale of our product candidates in the event re-engineering cannot be accomplished on a timely basis, any of which could materially and adversely affect our business, financial condition, results of operations and prospects.

We may be subject to claims challenging the inventorship or ownership of our patents and other intellectual property.

We may be subject to claims that former employees, collaborators or other third parties have an interest in our patents or other intellectual property as an inventor or co-inventor. The failure to name the proper inventors on a patent application can result in the patents issuing thereon being unenforceable. Inventorship disputes may arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third parties involved in developing our product candidates or as a result of questions regarding co-ownership of potential joint inventions. For example, we may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing our product candidates. Alternatively, or additionally, we may enter into agreements to clarify the scope of our rights in such intellectual property. Litigation may be necessary to defend against these and other claims challenging inventorship. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

We or our licensors may have relied on third-party consultants or collaborators or on funds from third parties, such as the U.S. government, such that we or our licensors are not the sole and exclusive owners of the patents we in-licensed. If other third parties have ownership rights or other rights to our patents, including in-licensed patents, they may be able to license such patents to our competitors, and our competitors could market competing products and technology. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or

develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could have a material adverse effect on our business, financial condition, results of operations and prospects.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our current or future trademarks or trade names may be challenged, infringed, circumvented or declared generic or descriptive, or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. During trademark registration proceedings, we may receive rejections of our applications by the USPTO or in other foreign jurisdictions. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected. We may license our trademarks and trade names to third parties, such as distributors. Though these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and tradenames by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names.

Moreover, any name we have proposed to use with our product candidate in the United States must be approved by the FDA, regardless of whether we have registered it, or applied to register it, as a trademark. Similar requirements exist in Europe. The FDA typically conducts a review of proposed product names, including an evaluation of potential for confusion with other product names. If the FDA (or an equivalent administrative body in a foreign jurisdiction) objects to any of our proposed proprietary product names, it may be required to expend significant additional resources in an effort to identify a suitable substitute name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA. Furthermore, in many countries, owning and maintaining a trademark registration may not provide an adequate defense against a subsequent infringement claim asserted by the owner of a senior trademark. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. If we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

Risks related to this offering and ownership of our common stock

Our stock price may be volatile or may decline regardless of our operating performance, resulting in substantial losses for investors.

The trading price of our common stock may be highly volatile and may fluctuate substantially as a result of a variety of factors, some of which are related in complex ways. As a result of this volatility, investors may not be able to sell their common stock at or above the initial public offering price. The trading price of our common

stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including the factors listed below and other factors described in this “Risk factors” section:

- the commencement, enrollment or results of current and future clinical trials and preclinical studies we may conduct, or changes in the development status of our product candidates;
- adverse results or delays in clinical trials;
- unanticipated serious safety concerns related to the use of our product candidates;
- any delay in our regulatory filings for our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority’s review of such filings, including, without limitation, the issuance by the FDA of a “refusal to file” letter or a request for additional information;
- changes in laws or regulations in the United States or other countries, including, but not limited to, preclinical study or clinical trial requirements for approvals;
- changes in the structure of healthcare payment systems;
- successful or negative clinical outcomes or other adverse events related to product candidates being developed by others in the oncology or cell therapy fields;
- publication of research reports about us or our industry, or cell therapy programs in particular including, but not limited to, any publications Stanford University or NCI may make regarding the development of their CD22 programs, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- any changes to our relationship with manufacturers, suppliers, collaborators or other strategic partners;
- manufacturing or supply shortages;
- our failure to commercialize our product candidates;
- additions or departures of key scientific or management personnel;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- variations in our results of operations or those of companies that are perceived to be similar to us;
- our cash position;
- an inability to obtain additional funding;
- our failure to meet the estimates and projections of the investment community or that we may otherwise provide to the public;
- announcements made by us or our competitors of new product and service offerings, acquisitions, strategic relationships, joint ventures or capital commitments;
- our inability to establish collaborations, if needed;
- our ability to effectively manage our growth;
- changes in the market valuations of similar companies;
- press reports, whether or not true, about our business;
- sales or perceived potential sales of our common stock by us or our stockholders in the future;
- overall fluctuations in the equity markets;

- ineffectiveness of our internal controls;
- changes or developments in the global regulatory environment;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- announcement or expectation of additional financing efforts;
- expiration of market stand-off or lock-up agreements;
- general political and economic conditions;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares; and
- other events or factors, many of which are beyond our control.

In addition, the stock market in general and biotechnology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the trading price of our common stock, regardless of our actual operating performance. If the trading price of our common stock after this offering does not exceed the initial public offering price, you may not realize any return on, and may lose some or all of, your investment.

Our quarterly operating results may fluctuate significantly or may fall below the expectations of investors or securities analysts, each of which may cause our stock price to fluctuate or decline.

We expect our operating results to be subject to quarterly fluctuations. Our net loss and other operating results will be affected by numerous factors, including:

- timing and variations in the level of expense related to the current or future development of our programs;
- stock-based compensation estimates;
- our ability to enroll patients in clinical trials and timing and status of enrollment for our clinical trials;
- timing and results of clinical trials, or the addition or termination of clinical trials or funding support by us or potential future partners;
- the need to conduct unanticipated clinical trials or trials that are larger or more complex than anticipated;
- competition from products that compete with our product candidates, and changes in the competitive landscape of our industry, including consolidation among our competitors or partners;
- any delays in regulatory review or approval of our product candidates;
- our execution of any collaboration, licensing or similar arrangements and the timing of payments we may make or receive under potential future arrangements or the termination or modification of any such potential future arrangements;
- any intellectual property infringement, misappropriation or violation lawsuit or opposition, interference or cancellation proceeding in which we may become involved;
- additions and departures of key personnel;

- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- if any product candidate we may develop receive regulatory approval, the timing and terms of such approval and market acceptance and demand for such product candidates, which may be difficult to predict;
- the timing and cost to establish a sales, marketing and supply chain infrastructure to commercialize any products for which we may obtain regulatory approval and intend to commercialize on our own or jointly with current or future collaborators;
- the risk/benefit profile, cost and reimbursement policies with respect to our product candidates, if approved, and existing and potential future products that compete with any of our product candidates;
- our ability to commercialize our product candidates, if approved, inside and outside of the United States, either independently or working with third parties;
- our ability to establish and maintain collaborations, licensing or other arrangements;
- our ability to adequately support future growth;
- potential unforeseen business disruptions that increase our costs or expenses;
- future accounting pronouncements or changes in our accounting policies;
- regulatory developments affecting current or future product candidates or those of our competitors;
- impact from the COVID-19 pandemic on us or third parties with which we engage; and
- changes in general global market, political and economic conditions.

If our quarterly operating results fall below the expectations of investors or securities analysts, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated revenue or earnings guidance we may provide. Furthermore, any quarterly fluctuations in our operating results may, in turn, cause the price of our stock to fluctuate substantially. We believe that quarterly comparisons of our financial results are not necessarily meaningful and should not be relied upon as an indication of our future performance.

We have identified material weaknesses in our internal control over financial reporting. If our remediation of the material weaknesses is not effective, or if we experience additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

We have identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. In preparing the financial statements as of and for the year ended December 31, 2022, management has identified it had not fully maintained components of the COSO framework, a system for establishing internal controls, which constituted material weaknesses. Specifically, the control deficiencies related to: (i) an insufficient complement of personnel with an appropriate level of technical knowledge to create the proper environment for effective internal control over financial reporting, (ii) the lack of an effective risk assessment process, (iii) the lack of formalized processes and control activities to support the appropriate segregation of duties over the review of account reconciliations and journal entries and (iv) the lack of monitoring and communication of control processes and relevant accounting policies and procedures.

These material weaknesses resulted in adjustments to the financial statements.

To remediate these material weaknesses, we are in the process of implementing measures designed to improve our internal control over financial reporting, including the hiring of qualified supervisory resources, the engagement of technical accounting consulting resources and plans to hire additional finance department employees.

We cannot assure you that the measures we have taken to date, and are continuing to implement, will be sufficient to remediate the material weaknesses we have identified or avoid potential future material weaknesses. If the steps we take do not correct the material weaknesses in a timely manner, we will be unable to conclude that we maintain effective internal control over financial reporting. Accordingly, there could continue to be a reasonable possibility that a material misstatement of our financial statements would not be prevented or detected on a timely basis.

If we fail to remediate our existing material weaknesses or identify new material weaknesses in our internal controls over financial reporting, if we are unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, if we are unable to conclude that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting when we are no longer an emerging growth company, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. As a result of such failures, we could also become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, and become subject to litigation from investors and stockholders, which could harm our reputation and financial condition or divert financial and management resources from our regular business activities.

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

Prior to this offering, as of June 30, 2023, our executive officers, directors, holders of 5% or more of our capital stock and their respective affiliates owned approximately % of our outstanding voting stock and, upon the closing of this offering, that same group will own approximately % of our outstanding voting stock (assuming no exercise of the underwriters' option to purchase additional shares). Therefore, even after this offering, these stockholders will have the ability to influence us through this ownership position. These stockholders may be able to determine all matters requiring stockholder approval. For example, these stockholders may be able to control elections of directors, amendments of our organizational documents or approval of any merger, sale of assets or other major corporate transaction. In addition, certain of our principal stockholders, including Samsara, Perceptive, Third Rock Ventures and Red Tree Venture, have designated certain of our directors for election to the Board. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders.

Future sales of our common stock in the public market could cause our common stock price to fall.

Our common stock price could decline as a result of sales of a large number of shares of common stock after this offering or the perception that these sales could occur. These sales, or the possibility that these sales may occur, might also make it more difficult for us to sell equity securities in the future at a time and price that we deem appropriate.

Upon the completion of this offering, shares of common stock will be outstanding (shares if the underwriters exercise their option to purchase additional shares from us in full), based on the number of shares outstanding as of June 30, 2023.

All shares of common stock expected to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act unless held by our "affiliates" as defined in Rule 144 under the Securities Act. The resale of the remaining shares, or % of our outstanding shares of common stock following this offering, is currently prohibited or otherwise restricted, subject to certain limited exceptions, as a result of securities law provisions, market standoff agreements entered into by certain of our stockholders with us or lock-up agreements entered into by our stockholders with the underwriters in connection with this offering. However, subject to applicable securities law restrictions, these shares will be able to be sold in the public market beginning on the 181st day after the date of this prospectus. Shares issued upon the exercise of stock options outstanding under our equity incentive plans or pursuant to future awards granted under those plans will become available for sale in the public market to the extent permitted by the provisions of applicable vesting schedules, market stand-off agreements and/or lock-up agreements, as well as Rules 144 and 701 under the Securities Act. For more information, see the section titled "Shares eligible for future sale."

Upon the completion of this offering, the holders of approximately shares, or % of our outstanding shares following this offering, of our common stock will have rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or our other stockholders. We also intend to register the offer and sale of all shares of common stock that we may issue under our equity compensation plans. Once we register the offer and sale of shares for the holders of registration rights and shares that may be issued under our equity incentive plans, these shares will be able to be sold in the public market upon issuance, subject to the lock-up agreements described under "Underwriting."

In addition, in the future, we may issue additional shares of common stock, or other equity or convertible debt securities convertible into common stock, in connection with a financing, acquisition, employee arrangement or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and could cause the price of our common stock to decline.

Our management team has broad discretion to use the net proceeds from this offering and its investment of these proceeds may not yield a favorable return. They may invest the net proceeds from this offering in ways with which investors disagree.

Our management will have broad discretion over the use of net proceeds from this offering, and could spend the net proceeds in ways our stockholders may not agree with or that do not yield a favorable return, if at all. If we do not invest or apply the net proceeds from this offering in ways that improve our operating results, we may fail to achieve expected financial results, which could cause our stock price to decline. For additional details see the section titled "Use of proceeds."

If you purchase shares of our common stock in our initial public offering, you will experience substantial and immediate dilution.

The initial public offering price of our common stock is substantially higher than the net tangible book value per share of our outstanding common stock immediately following the completion of this offering. If you purchase shares of common stock in this offering, you will experience substantial and immediate dilution in the pro forma net tangible book value per share of $ per share as of June 30, 2023, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus. That is because the price that you pay will be substantially greater than the pro forma net tangible book value per share of the common stock that you acquire. This dilution is due in large part to the fact that our earlier investors paid substantially less than the assumed initial public offering price when they purchased their

shares of our capital stock. You will experience additional dilution when those holding stock options exercise their right to purchase common stock under our equity incentive plans or when we otherwise issue additional shares of common stock. For additional details see the section titled “Dilution.”

We do not currently intend to pay dividends on our common stock, so any returns will be limited to the value of our common stock.

We have never declared or paid cash dividends on our common stock. We currently intend to retain all available funds and any future earnings to support operations and to finance the growth and development of our business. We do not intend to declare or pay any cash dividends on our capital stock in the foreseeable future. As a result, any investment return on our common stock will depend upon increases in the value for our common stock. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which stockholders have purchased their shares.

Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws and Delaware law might discourage, delay or prevent a change in control of our company or changes in our management and, therefore, depress the trading price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws, each to be in effect immediately prior to the completion of this offering, will contain provisions that could depress the trading price of our common stock by acting to discourage, delay or prevent a change in control of our company or changes in our management that the stockholders of our company may deem advantageous. These provisions, among other things:

- establish a staggered Board divided into three classes serving staggered three-year terms, such that not all members of the Board will be elected at one time;
- authorize our Board to issue new series of preferred stock without stockholder approval and create, subject to applicable law, a series of preferred stock with preferential rights to dividends or our assets upon liquidation, or with superior voting rights to our existing common stock;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- eliminate the ability of our stockholders to fill vacancies on our Board;
- establish advance notice requirements for nominations for election to our Board or for proposing matters that can be acted upon by stockholders at our annual stockholder meetings;
- permit our Board to establish the number of directors;
- provide that our Board is expressly authorized to make, alter or repeal our amended bylaws;
- provide that stockholders can remove directors only for cause and only upon the approval of not less than 66-2/3% of all outstanding shares of our voting stock;
- require the approval of not less than 66-2/3% of all outstanding shares of our voting stock to amend our bylaws and specific provisions of our certificate of incorporation; and
- the jurisdictions in which certain stockholder litigation may be brought.

As a Delaware corporation, we will be subject to the anti-takeover provisions of Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in a business combination specified in the statute with an interested stockholder (as defined in the statute) for a period of three years after the date of the transaction in which the person first becomes an interested stockholder, unless the

business combination is approved in advance by a majority of the independent directors or by the holders of at least two-thirds of the outstanding disinterested shares. The application of Section 203 of the Delaware General Corporation Law could also have the effect of delaying or preventing a change of control of our company.

Our amended and restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders and that the federal district courts shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees or the underwriters or any offering giving rise to such claim.

Our amended and restated certificate of incorporation to be in effect upon the completion of this offering will provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum, to the fullest extent permitted by law, for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a breach of a fiduciary duty owed by any director, officer or other employee to us or our stockholders, (3) any action asserting a claim against us or any director, officer or other employee arising pursuant to the Delaware General Corporation Law, (4) any action to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or amended and restated bylaws or (5) any other action asserting a claim that is governed by the internal affairs doctrine, shall be the Court of Chancery of the State of Delaware (or another state court or the federal court located within the State of Delaware if the Court of Chancery does not have or declines to accept jurisdiction), in all cases subject to the court's having jurisdiction over indispensable parties named as defendants. In addition, our amended and restated certificate of incorporation will provide that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act but that the forum selection provision will not apply to claims brought to enforce a duty or liability created by the Exchange Act.

Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may result in increased costs to stockholders to bring a claim for any such dispute and may have the effect of discouraging lawsuits against us or our directors and officers. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition and operating results. For example, under the Securities Act, federal courts have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring any interest in our shares of capital stock shall be deemed to have notice of and consented to this exclusive forum provision, but will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

Our ability to use our net operating loss carryforwards and other tax attributes may be limited.

We have incurred substantial losses during our history, do not expect to become profitable in the near future, and we may not achieve profitability. As of December 31, 2022, we had U.S. federal and state net operating loss carryforwards (NOLs) of $5.9 million and $2.3 million, respectively. Our federal NOL carryforwards of $5.9 million carry forward indefinitely. The state NOL carryforwards of $2.3 million begin to expire in 2040. In addition, as of December 31, 2022, we have U.S. federal and state research and development tax credits of $1.8 million and $1.7 million, respectively. The federal research and development tax credits of $1.8 million begin to expire in 2042. The state research and development tax credits of $1.7 million carry forward indefinitely.

Changes in tax laws or regulations may adversely impact our ability to utilize all, or any, of our NOL carryforwards. For example, legislation enacted in 2017, informally titled the Tax Cuts and Jobs Act (the TCJA), significantly revised the Internal Revenue Code of 1986 (the Code), as amended. Future guidance from the Internal Revenue Service and other tax authorities with respect to the TCJA may affect us, and certain aspects of the TCJA could be repealed or modified in future legislation. For example, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) modified certain provisions of the TCJA. Under the TCJA, as modified by the CARES Act, unused losses generated in taxable years ending after December 31, 2017 will not expire and may be carried forward indefinitely, but the deductibility of such NOLs in tax years beginning after December 31, 2020, is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to the to the TCJA or the CARES Act.

Under Sections 382 and 383 of the Code, if a corporation undergoes an “ownership change,” generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three-year period, the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes (such as research and development tax credits) to offset its post-change income or taxes may be limited. We may have experienced ownership changes in the past and may experience ownership changes as a result of our acquisitions of assets and as a result of this offering and/or subsequent shifts in our stock ownership (some of which are outside our control). As a result, our ability to use our pre-change NOLs and tax credits to offset future taxable income, if any, could be subject to limitations. Similar provisions of state tax law may also apply. As a result, even if we attain profitability, we may be unable to use a material portion of our NOLs and tax credits. As of December 31, 2022, we have a valuation allowance for the full amount of our net deferred tax assets as the realization of the net deferred tax assets is not determined to be more likely than not.

Participation in this offering by our existing stockholders and/or their affiliated entities may reduce the public float for our common stock.

To the extent certain of our existing stockholders and their affiliated entities participate in this offering, such purchases would reduce the non-affiliate public float of our shares, meaning the number of shares of our common stock that are not held by officers, directors and controlling stockholders. A reduction in the public float could reduce the number of shares that are available to be traded at any given time, thereby adversely impacting the liquidity of our common stock and depressing the price at which you may be able to sell shares of common stock purchased in this offering.

General Risk Factors

If securities or industry analysts either do not publish research about us or publish inaccurate or unfavorable research about us, our business or our market, or if they change their recommendations regarding our common stock adversely, the trading price or trading volume of our common stock could decline.

The trading market for our common stock will be influenced in part by the research and reports that securities or industry analysts may publish about us, our business, our market or our competitors. If one or more of these analysts initiate research with an unfavorable rating or downgrade our common stock, provide a more favorable recommendation about our competitors or publish inaccurate or unfavorable research about our business, our common stock price would likely decline. If any analyst who may cover us were to cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the trading price or trading volume of our common stock to decline.

There has been no prior public market for our common stock, and an active trading market may not develop or be sustained.

There has been no public market for our common stock prior to this offering. The initial public offering price for our common stock was determined through negotiations among the underwriters and us and may vary from the trading price of our common stock following this offering. An active or liquid market in our common stock may not develop upon closing of this offering or, if it does develop, it may not be sustainable. The lack of an active market may impair the value of your shares, your ability to sell your shares at the time you wish to sell them and the prices that you may obtain for your shares. An inactive market may also impair our ability to raise capital by selling our common stock and our ability to acquire other companies, products or technologies by using our common stock as consideration.

We are an emerging growth company and a smaller reporting company, and any decision on our part to comply only with certain reduced reporting and disclosure requirements applicable to emerging growth companies and smaller reporting companies could make our common stock less attractive to investors.

We are an “emerging growth company” as defined in the JOBS Act and, for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to emerging growth companies, including:

- not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act;
- reduced disclosure obligations regarding executive compensation in our periodic reports and annual report on Form 10-K; and
- exemptions from the requirements of holding non-binding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We could be an emerging growth company for up to five years following the completion of our initial public offering. Our status as an emerging growth company will end as soon as any of the following takes place:

- the last day of the fiscal year in which we have more than $1.235 billion in annual revenue;
- the date we qualify as a “large accelerated filer,” with at least $700 million of equity securities held by non-affiliates;
- the date on which we have issued, in any three-year period, more than $1.0 billion in non-convertible debt securities; or
- the last day of the fiscal year ending after the fifth anniversary of the completion of our initial public offering.

Even after we no longer qualify as an emerging growth company, we may continue to qualify as a smaller reporting company, which would allow us to take advantage of many of the same exemptions from disclosure requirements, including reduced disclosure obligations regarding executive compensation. In addition, if we are a smaller reporting company with less than $100 million in annual revenue, we would not be required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act (Section 404).

We cannot predict if investors will find our common stock less attractive if we choose to rely on any of the exemptions afforded to emerging growth companies and smaller reporting companies. If some investors find our common stock less attractive because we rely on any of these exemptions, there may be a less active trading market for our common stock and the trading price of our common stock may be more volatile.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this extended transition period for any new or revised accounting standards during the period in which we remain an emerging growth company; however, we may adopt certain new or revised accounting standards early. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

The requirements of being a public company may strain our resources, result in more litigation and divert management's attention.

As a public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), the listing requirements of Nasdaq and other applicable securities rules and regulations. Complying with these rules and regulations has increased and will increase our legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are required to disclose changes made in our internal control and procedures on a quarterly basis. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business and operating results. We may also need to hire additional employees or engage outside consultants to comply with these requirements, which will increase our costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected.

These new rules and regulations may make it more expensive for us to obtain director and officer liability insurance and, in the future, we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our Board, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

By disclosing information in this prospectus and in future filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If those claims are successful, our business could be seriously harmed. Even if the claims do not result in litigation or are resolved in our favor, the time and resources needed to resolve them could divert our management's resources and seriously harm our business.

Failure to comply with governmental laws and regulations could harm our business.

Our business is subject to regulation by various federal, state, local and foreign governments. Noncompliance with applicable regulations or requirements could subject us to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, injunctions or other collateral consequences. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, operating results, and financial condition could be materially adversely affected. In addition, responding to any action will likely result in a significant diversion of management's attention and resources and an increase in professional fees. Enforcement actions and sanctions could harm our business, reputation, operating results and financial condition.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Our operations could be subject to earthquakes, power shortages, telecommunications failures, water shortages, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics and other natural or manmade disasters or business interruptions, for which we are predominantly self-insured. We rely on third-party manufacturers to produce our product candidates. Our ability to obtain clinical supplies of our product candidates could be disrupted if the operations of these suppliers were affected by a man-made or natural disaster or other business interruption. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses.

Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and stock price.

From time to time, the global credit and financial markets have experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates and uncertainty about economic stability. There can be no assurance that future deterioration in credit and financial markets and confidence in economic conditions will not occur. Our general business strategy may be adversely affected by any such economic downturn, volatile business environment or continued unpredictable and unstable market conditions. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon clinical development plans. In addition, there is a risk that one or more of our current service providers, manufacturers and other partners may not survive an economic downturn, which could directly affect our ability to attain our operating goals on schedule and on budget.

If we fail to maintain proper and effective internal controls over financial reporting, our ability to produce accurate and timely financial statements could be impaired.

After this offering, we will be subject to Section 404 and the related rules of the SEC, which, subject to certain exceptions, generally require our management and independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting. Beginning with the second annual report that we will be required to file with the SEC, Section 404 requires an annual management assessment of the effectiveness of our internal control over financial reporting. In addition, once we are no longer an emerging growth company or, if prior to such date, we opt to no longer take advantage of the applicable exemption, we will be required to include an opinion from our independent registered public accounting firm on the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex, judgmental and

require significant documentation, testing and possible remediation. To comply with the requirements of being a reporting company under the Exchange Act, we will need to implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff. If we or, if required, our auditors are unable to conclude that our internal control over financial reporting is effective, investors may lose confidence in our financial reporting and the trading price of our common stock may decline.

We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if we and/or our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial statements, the trading price of our common stock could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

Upon the completion of this offering, we will become subject to the periodic reporting requirements of the Exchange Act. We must design our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. For example, our directors or executive officers could inadvertently fail to disclose a new relationship or arrangement causing us to fail to make a required related party transaction disclosure. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect or financial reporting standards or interpretations change, our results of operations could be adversely affected.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States (U.S. GAAP), requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. We base our estimates on historical experience, known trends and events and various other factors that we believe to be reasonable under the circumstances, as provided in “Management’s discussion and analysis of financial condition and results of operations—Critical accounting policies and estimates.” The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our financial statements include but are not limited to stock-based compensation and evaluation of acquisitions of assets and other similar transactions as well as clinical trial accruals. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our common stock.

Additionally, we regularly monitor our compliance with applicable financial reporting standards and review new pronouncements and drafts thereof that are relevant to us. As a result of new standards, changes to existing standards and changes in their interpretation, we might be required to change our accounting policies, alter our operational policies and implement new or enhance existing systems so that they reflect new or amended financial reporting standards, or we may be required to restate our audited or unaudited financial statements and related notes. Such changes to existing standards or changes in their interpretation may also have an adverse effect on our reputation, business, financial position and profit.

We could be subject to changes in tax rates, the adoption of new tax legislation or could otherwise have exposure to additional tax liabilities, which could harm our business.

Changes to tax laws or regulations in the jurisdictions in which we operate, or in the interpretation of such laws or regulations, could significantly increase our effective tax rate, and otherwise have a material adverse effect on our financial condition. In addition, other factors or events, including business combinations and investment transactions, changes in stock-based compensation, changes in the valuation of our deferred tax assets and liabilities, adjustments to taxes upon finalization of various tax returns or as a result of deficiencies asserted by taxing authorities, increases in expenses not deductible for tax purposes, changes in available tax credits, changes in transfer pricing methodologies, other changes in the apportionment of our income and other activities among tax jurisdictions and changes in tax rates, could also increase our effective tax rate. Our tax filings are subject to review or audit by the U.S. Internal Revenue Service (the IRS) and state, local and foreign taxing authorities. We may also be liable for taxes in connection with businesses we acquire. Our determinations are not binding on the IRS or any other taxing authorities, and accordingly the final determination in an audit or other proceeding may be materially different than the treatment reflected in our tax provisions, accruals and returns. An assessment of additional taxes because of an audit could harm our business.

We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties.

We have received confidential and proprietary information from third parties. In addition, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies. Although we try to ensure that individuals working for or collaborating with us do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed confidential information proprietary to these third parties or our employees' former employers, or that we caused an employee to breach the terms of his or her non-competition or non-solicitation agreement. We may be subject to claims that patents and applications we have filed to protect inventions of our employees, consultants, advisors or other third parties, even those related to one or more of our product candidates, are rightfully owned by their former or concurrent employer. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial cost and be a distraction to our management and employees. If our defenses to these claims fail, in addition to requiring us to pay monetary damages, a court could prohibit us from using technologies or features that are essential to our product candidates, if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. Moreover, any such litigation or the threat thereof may adversely affect our reputation, our ability to form strategic alliances or sublicense our rights to collaborators, engage with scientific advisors or hire employees or consultants, each of which would have an adverse effect on our business, results of operations and financial condition. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

We could be subject to securities class action litigation.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in the trading price of a company's securities. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which would harm our business, operating results or financial condition. Additionally, the dramatic increase in the cost of directors' and officers' liability insurance may cause us to opt for lower overall policy limits or to forgo insurance that we may otherwise rely on to cover significant defense costs, settlements and damages awarded to plaintiffs.

We are subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws and anti-money laundering laws and regulations. Compliance with these legal standards could impair our ability to compete in domestic and international markets. We can face criminal liability and other serious consequences for violations, which can harm our business.

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls, the U.S. Foreign Corrupt Practices Act of 1977, as amended (FCPA), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act and other state and national anti-bribery and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, contractors and other collaborators from authorizing, promising, offering or providing, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. We may engage third parties to sell our products outside the United States, to conduct clinical trials and/or to obtain necessary permits, licenses, patent registrations and other regulatory approvals. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities and other organizations. We can be held liable for the corrupt or other illegal activities of our employees, agents, contractors and other collaborators, even if we do not explicitly authorize or have actual knowledge of such activities. Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm and other consequences.

Special note regarding forward-looking statements

This prospectus contains forward-looking statements, particularly in the sections titled “Prospectus summary,” “Risk factors,” “Management’s discussion and analysis of financial condition and results of operations” and “Business.” In some cases, you can identify these statements by forward-looking words such as “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “should,” “would” or “will,” the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, include, but are not limited to, statements about:

- the potential for adverse events, undesirable side effects or unexpected characteristics associated with any of our product candidates;
- the timing of achieving our scientific, clinical, manufacturing, regulatory and/or other product development objectives;
- the timing of our planned IND submissions to the FDA for our product candidates, including CRG-022;
- our expectations regarding the potential market size and size of the potential patient populations for our product candidates and any future product candidates, if approved for commercial use;
- our clinical and regulatory development plans;
- our expectations with regard to the results of our clinical studies, preclinical studies and research and development programs, including the timing and availability of data from such studies;
- the number, size and design of our planned clinical trials, and what regulatory authorities may require to obtain full marketing approval;
- our plans to research, develop and commercialize our product candidates, including CRG-022 and CRG-023;
- the timing of commencement of future nonclinical studies and clinical trials and research and development programs;
- our ability to acquire, discover, develop and advance product candidates into, and successfully complete, clinical trials;
- our ability to obtain designation as a breakthrough therapy for one or more of our product candidates;
- a requirement to obtain approval of a companion diagnostic in connection with the approval of any of our product candidates;
- our intentions and our ability to establish collaborations and/or partnerships;
- the discovery of previously unknown or unexpected problems with our product candidates or any future product candidates or with the facilities where such product candidates are or will be manufactured;
- the timing or likelihood of regulatory filings and approvals for our product candidates, including the potential requirement to adopt a REMs;
- our commercialization, marketing and manufacturing, including the buildout of our own manufacturing facility, capabilities and expectations;
- the rate and degree of market acceptance of our product candidates;
- the success of competing products or platform technologies that are or may become available;

- impact from future regulatory, judicial, and legislative changes or developments in the United States and foreign countries;
- our intentions with respect to the commercialization of our product candidates;
- the size and growth potential of the markets for our product candidates, if approved for commercial use, and our ability to serve those markets
- the pricing and reimbursement of our product candidates, if approved;
- future agreements with third parties in connection with the commercialization of our product candidates;
- the potential effects of public health crises, such as the COVID-19 pandemic, on our preclinical and clinical programs and business;
- the implementation of our business model and strategic plans for our business and product candidates, including additional indications for which we may pursue;
- our ability to effectively manage our growth, including our ability to attract and retain key scientific and management personnel, and maintain our culture;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates, including the projected terms of patent protection;
- potential claims relating to our intellectual property and third-party intellectual property;
- estimates of our expenses, future revenue, capital requirements, our needs for additional financing and our ability to obtain additional capital;
- our ability to contract with third-party suppliers and manufacturers and their ability to perform adequately;
- our future financial performance;
- our expectations regarding the time during which we will be an emerging growth company under the JOBS Act and a smaller reporting company as defined in Rule 12b-2 of the Exchange Act;
- developments and projections relating to our competitors and our industry, including competing products;
- our expectations regarding the use of proceeds from this offering and our existing cash and cash equivalents; and
- other risks and uncertainties, including those listed under the caption “Risk factors” in this prospectus.

We have based these forward-looking statements largely on our current expectations, estimates, forecasts and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. In light of the significant uncertainties in these forward-looking statements, you should not rely upon forward-looking statements as predictions of future events. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur at all. You should refer to the section titled “Risk factors” for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. Except as required by law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. The Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act do not protect any forward-looking statements that we make in connection with this offering.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of the forward-looking statements in this prospectus by these cautionary statements.

Industry and market data

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market size, is based on information from various sources, on assumptions that we have made based on such information and other, similar sources and on our knowledge of, and expectations about, the markets for our products. In some cases, we do not expressly refer to the sources from which this data is derived. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including but not limited to those described in the section titled “Risk factors” and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by independent third parties and by us.

Use of proceeds

We estimate that the net proceeds from this offering will be approximately $ million (or approximately $ million if the underwriters exercise their option to purchase additional shares in full), assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase or decrease in the initial public offering price per share would increase or decrease, as applicable, our net proceeds, after deducting estimated underwriting discounts and commissions, by approximately $ million (assuming no exercise of the underwriters' option to purchase additional shares). Similarly, each increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, our net proceeds by approximately $ million, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We currently intend to use the net proceeds from this offering, together with our existing cash and cash equivalents, as follows:

- approximately $ million to fund the planned Phase 2 clinical trials of CRG-022;
- approximately $ million to fund our internal research and development capabilities to advance new product candidates; and
- the remainder for working capital and other general corporate purposes, including the additional costs associated with being a public company.

We may also use a portion of the net proceeds to in-license, acquire or invest in complementary technologies, assets or intellectual property. We regularly evaluate strategic opportunities; however, we have no current commitments to enter into any such license arrangements or acquisition agreements or to make any such investments.

Based on our current operating plan, we believe that our existing cash and cash equivalents, together with the net proceeds from this offering, will be sufficient to meet our working capital and capital expenditure needs for at least the next months. Our expected use of net proceeds from this offering represents our current intentions based upon present plans and business conditions.

The net proceeds from this offering, together with our existing cash and cash equivalents, will not be sufficient to fund any of our product candidates through regulatory approval, and we anticipate needing to raise additional capital to complete the development of and commercialize our product candidates. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of this offering, or the amounts that we will actually spend on the uses set forth above. The amounts and timing of any expenditures will vary depending on numerous factors, including the progress of our ongoing and planned clinical studies, the amount of cash used by our operations, competitive, scientific and data science developments, the rate of growth, if any, of our business, and other factors described in the section titled "Risk factors." Accordingly, our management will have significant discretion and flexibility in applying the net proceeds from this offering, and investors will be relying on the judgment of our management regarding the application of these net proceeds. Due to the many inherent uncertainties in the development of our product candidates, the amounts and timing of our actual expenditures may vary significantly depending on numerous factors, including the progress of our research and development, our ability to obtain additional

financing, the cost and results of our preclinical activities, the timing of clinical studies we may commence in the future, the timing of regulatory submissions, any collaborations that we may enter into with third parties for our product candidates or strategic opportunities that become available to us, and any unforeseen cash needs.

Pending the uses described above, we intend to invest the net proceeds from this offering in interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government.

Dividend policy

We have never declared or paid any cash dividends on our capital stock and do not anticipate paying any cash dividends in the foreseeable future. We currently anticipate that we will retain all available funds for use in the operation and expansion of our business. Any future determination as to the declaration or payment of dividends on our common stock will be made at the discretion of our board of directors and will depend upon, among other factors, our financial condition, results from operations, current and anticipated cash needs, plans for expansion and other factors that our board of directors may deem relevant.

Capitalization

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2023:

- on an actual basis;
- on a pro forma basis to reflect the following immediately prior to the completion of this offering: (i) the automatic conversion of all of our outstanding shares of our convertible preferred stock into an aggregate of shares of our common stock and the related reclassification of the carrying value of the convertible preferred stock to permanent equity immediately prior to the completion of this offering and (ii) the filing and effectiveness of our amended and restated certificate of incorporation, which will be effective immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis to reflect: (i) the pro forma adjustments set forth above and (ii) the sale and issuance of shares of common stock by us in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information discussed below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. This table should be read in conjunction with the section titled “Management’s discussion and analysis of financial condition and results of operations” and our unaudited interim condensed financial statements and related notes included elsewhere in this prospectus.

	As of June 30, 2023		
(in thousands, except share and per share data)	**Actual**	**Pro forma**	**Pro forma as adjusted[1]**
		(unaudited)	
Cash and cash equivalents	$ 42,371	$	$
Convertible preferred stock, $0.001 par value per share; 255,584,255 shares authorized, 123,656,258 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	$106,166	$	$
Stockholders’ deficit:			
Preferred stock, $0.001 par value per share; no shares authorized, issued or outstanding, actual; shares authorized, no shares issued or outstanding, pro forma and pro forma as adjusted	—		
Common stock, $0.001 par value per share; 320,000,000 shares authorized, 14,735,360 shares issued and outstanding, actual; shares authorized and shares issued and outstanding, pro forma; shares authorized and shares issued and outstanding, pro forma as adjusted	15		
Additional paid-in capital	2,604		
Accumulated deficit	(77,598)		
Total stockholders’ deficit	(74,979)		
Total capitalization	$ 31,187	$	$

(1) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, each of our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders’ deficit and total capitalization by approximately $ million, assuming

that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares of common stock offered by us would increase or decrease, as applicable, each of our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' deficit and total capitalization by approximately $ million, assuming that the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The number of shares of our common stock to be outstanding after this offering on a pro forma and pro forma as adjusted basis is based on shares of common stock outstanding as of June 30, 2023 (after giving effect to the automatic conversion of all of our shares of our convertible preferred stock outstanding as of June 30, 2023 into an aggregate of shares of our common stock immediately prior to the completion of this offering), and excludes:

- shares of our common stock issuable upon the exercise of stock options outstanding under the 2021 Plan as of June 30, 2023, with a weighted-average exercise price of $ per share;
- shares of our common stock issuable upon the exercise of stock options granted under the 2021 Plan subsequent to June 30, 2023, with a weighted-average exercise price of $ per share;
- shares of our common stock reserved for future issuance under the 2021 Plan as of June 30, 2023, which shares will cease to be available for issuance at the time the 2023 Plan becomes effective;
- shares of our common stock reserved for future issuance under the 2023 Plan, which will become effective on the date immediately prior to the date our registration statement relating to this offering becomes effective, as well as any future increases in the number of shares of common stock reserved for issuance under the 2023 Plan; and
- shares of our common stock reserved for future issuance under the ESPP, which will become effective on the date immediately prior to the date our registration statement relating to this offering becomes effective, as well as any future increases in the number of shares of common stock reserved for issuance under the ESPP.

Dilution

If you purchase shares of our common stock in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock in this offering and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering.

As of June 30, 2023, we had a historical net tangible book value (deficit) of $(75.2) million, or $(5.10) per share of common stock, based on 14,735,360 shares of our common stock issued and outstanding as of such date. Our historical net tangible book value (deficit) represents our total tangible assets excluding deferred offering costs, less our total liabilities and convertible preferred stock, which is not included within stockholders' equity (deficit), divided by the total number of shares of our common stock outstanding as of June 30, 2023.

Our pro forma net tangible book value as of June 30, 2023, was $ million, or $ per share. Pro forma net tangible book value represents our total tangible assets excluding deferred offering costs, less our total liabilities, after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock as of June 30, 2023 into an aggregate of shares of our common stock and the related reclassification of the carrying value of the convertible preferred stock to permanent equity immediately prior to the completion of this offering. Pro forma net tangible book value per share represents pro forma net tangible book value divided by the total number of shares of common stock outstanding as of June 30, 2023, after giving effect to the conversion of our convertible preferred stock.

After giving further effect to the sale and issuance by us of the shares of our common stock in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2023 would be $ million, or $ per share. This represents an immediate increase in pro forma net tangible book value to our existing stockholders of $ per share and an immediate dilution to new investors of $ per share. Dilution per share to new investors represents the difference between the price per share to be paid by new investors for the shares of common stock sold in this offering and the pro forma as adjusted net tangible book value per share immediately after this offering.

The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share		$
Historical net tangible book value (deficit) per share as of June 30, 2023	$(75.2)	
Pro forma increase in historical net tangible book value (deficit) per share as of June 30, 2023 attributable to the pro forma adjustments described above		
Pro forma net tangible book value per share as of June 30, 2023		
Increase in pro forma net tangible book value per share attributable to new investors participating in this offering		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution per share to new investors participating in this offering		$

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, our pro forma as adjusted net

tangible book value per share to new investors by $, and would increase or decrease, as applicable, the dilution per share to new investors in this offering by $, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, our pro forma as adjusted net tangible book value by approximately $ per share and increase or decrease, as applicable, the dilution to new investors by $ per share, assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters' option to purchase additional shares is exercised in full, the pro forma as adjusted net tangible book value per share of our common stock would be $ per share, and the dilution in pro forma net tangible book value per share to new investors in this offering would be $ per share, in each case assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

The following table summarizes, as of June 30, 2023, on a pro forma as adjusted basis, the number of shares of common stock purchased from us, the total consideration paid, or to be paid, and the weighted-average price per share paid, or to be paid, by existing stockholders and by the new investors, at the assumed initial public offering price of $ per share, the midpoint of the estimated initial public offering range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and offering expenses payable by us:

	Shares purchased		Total consideration		Weighted-average price per share
(in thousands, except share, per share and percent data)	**Number**	**Percent**	**Amount**	**Percent**	
Existing stockholders		%	$	%	$
New investors					$
Total		100.0%	$	100.0%	

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, our pro forma as adjusted net tangible book value by approximately $ per share and increase or decrease, as applicable, the dilution to new investors by $ per share, assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The above table assumes no exercise of the underwriters' option to purchase additional shares. If the underwriters' option to purchase additional shares were exercised in full, our existing stockholders would own % and our new investors would own % of the total number of shares of our common stock outstanding upon completion of this offering.

To the extent that stock options are exercised, new stock options are issued under our equity incentive plan or we issue additional shares of common stock in the future, there will be further dilution to investors

participating in this offering. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

The foregoing tables and calculations (other than historical net tangible book value) are based on shares of common stock outstanding as of June 30, 2023 (after giving effect to the automatic conversion of all of our shares of convertible preferred stock outstanding as of June 30, 2023 into an aggregate of shares of our common stock immediately prior to the completion of this offering), and excludes:

- shares of our common stock issuable upon the exercise of stock options outstanding under the 2021 Plan as of June 30, 2023, with a weighted-average exercise price of $ per share;
- shares of our common stock issuable upon the exercise of stock options granted under the 2021 Plan subsequent to June 30, 2023, with a weighted-average exercise price of $ per share;
- shares of our common stock reserved for future issuance under the 2021 Plan as of June 30, 2023, which shares will cease to be available for issuance at the time the 2023 Plan becomes effective;
- shares of our common stock reserved for future issuance under the 2023 Plan, which will become effective on the date immediately prior to the date our registration statement relating to this offering becomes effective, as well as any future increases in the number of shares of common stock reserved for issuance under the 2023 Plan; and
- shares of our common stock reserved for future issuance under the ESPP, which will become effective on the date immediately prior to the date our registration statement relating to this offering becomes effective, as well as any future increases in the number of shares of common stock reserved for issuance under the ESPP.

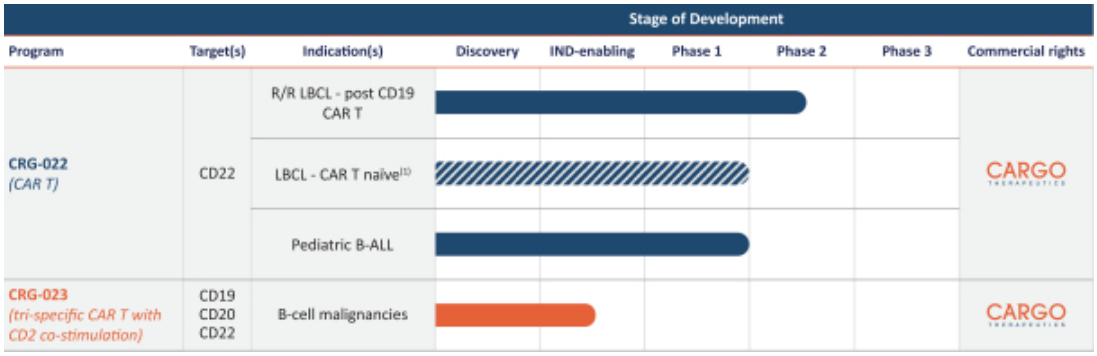
To the extent any outstanding options or other rights are exercised, or we issue additional equity or convertible securities in the future, there will be further dilution to new investors.

Management's discussion and analysis of financial condition and results of operations

You should read the following discussion of our financial condition and results of operations in conjunction with the section titled "Prospectus summary—Summary financial data" and our historical audited financial statements and our unaudited interim condensed financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements based upon current beliefs, plans and expectations related to future events and our future financial performance that involve risks, uncertainties and assumptions. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this prospectus, particularly in the section titled "Risk Factors."

Overview

We are a clinical-stage biotechnology company uniquely positioned to advance next generation, potentially curative cell therapies for cancer patients. Our programs, platform technologies, and manufacturing strategy are designed to directly address the limitations of approved cell therapies, including limited durability of effect, safety concerns and unreliable supply. Our lead program, CRG-022, an autologous CD22 chimeric antigen receptor (CAR) T-cell product candidate, is being studied by Stanford in a Phase 1 clinical trial in patients with large B-cell lymphoma (LBCL) whose disease relapsed or was refractory (R/R) to CD19 CAR T-cell therapy. Treatment with CRG-022 led to high complete response (CR) rates with 17 of the 20 patients in CR not relapsing despite a median follow-up period of almost two years. In addition, CRG-022 was generally well-tolerated with a low rate of high-grade CAR T-related adverse events. On the basis of these breakthrough results, we are evaluating CRG-022 in a potentially pivotal Phase 2 clinical trial in patients with LBCL whose disease is R/R to CD19 CAR T-cell therapy. We also plan to evaluate CRG-022 in patients at earlier stages of disease, including LBCL and other hematologic malignancies. Beyond our lead program, we are leveraging our proprietary cell engineering platform technologies to develop a pipeline of programs that incorporate multiple transgene therapeutic "cargo" designed to enhance CAR T-cell persistence and trafficking to tumor lesions, as well as to help safeguard against tumor resistance and T-cell exhaustion. Our founders are pioneers and world-class experts in CAR T-cell therapy, and our team has significant experience and success developing, manufacturing, launching and commercializing oncology and cell therapy products. We aim to become a fully integrated, leading cell therapy company. Together, we are united in our mission to outsmart cancer and deliver more cures for patients.



(1) Based on data from the Phase 1 clinical trial conducted by Stanford and pending data from our ongoing Phase 2 clinical trial in R/R LBCL – post CD19 CAR T, we intend to discuss with the FDA initiation of a Phase 2 program in LBCL – CAR T nalve without completing earlier clinical trials in LBCL – CAR T-nave patients.

We have incurred significant operating losses and negative cash flows since our inception. Since our founding, we have devoted substantially all of our resources to organizing and staffing our company, business planning, raising capital, establishing licensing arrangements, building our proprietary platform technologies, discovering our product candidates, establishing our intellectual property portfolio, conducting research, preclinical studies, and clinical trials, establishing arrangements with third parties for the manufacture of our product candidates and related raw materials, and providing general and administrative support for these operations. Our net loss was $14.9 million and $30.6 million for the six months ended June 30, 2022 and 2023, respectively, and $5.9 million and $41.0 million for the years ended December 31, 2021 and 2022, respectively. As of June 30, 2023, we had an accumulated deficit of $77.6 million and cash and cash equivalents of $42.4 million. During the six months ended June 30, 2023, we issued convertible notes for an aggregate principal amount of $3.5 million and 68,832,003 shares of our Series A-1 redeemable convertible preferred stock for net proceeds of $68.1 million. In July 2023, we completed the second tranche closing of our Series A financing and issued 45,888,000 shares of Series A-1 redeemable convertible preferred stock for gross proceeds of $45.9 million. Based on our current operating plans, we estimate that our existing cash and cash equivalents, together with the net proceeds from this offering, will be sufficient to meet our working capital and capital expenditure needs for at least the next months. We have based this estimate on our current assumptions, which may prove to be wrong, and we may exhaust our available capital resources sooner than we expect.

We expect to continue to incur significant and increasing net operating losses for the foreseeable future as we:

- advance our product candidates through clinical and preclinical development;
- seek regulatory approval, prepare for and, if approved, proceed to commercialization of our product candidates;
- continue our research and development efforts and expand our pipeline of product candidates;
- attract, hire and retain additional personnel;
- maintain, expand and protect our intellectual property portfolio;
- operate as a public company;
- implement operational, financial and management information systems;
- make royalty, milestone or other payments under current, and any future, license or collaboration agreements;
- potentially seek to identify, acquire or in-license new technologies or product candidates;
- establish a sales, marketing and distribution infrastructure to commercialize any product candidate for which we may obtain marketing approval;
- potentially experience any delays, challenges, or other issues associated with the clinical development of our product candidates, including with respect to our regulatory strategies; and
- develop manufacturing processes and methods and establish manufacturing capacity to supply for clinical trials in our pipeline and eventual for commercialization.

Our net losses may fluctuate significantly from period to period, depending upon the timing of our expenditures on other research and development activities. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our accounts payable and accrued research and development and other current liabilities.

To date, we have funded our operations primarily with the proceeds from the sale and issuance of our convertible preferred stock and convertible notes. We do not have any products approved for sale and have not generated any revenue from product sales since our inception. We do not expect to generate revenue from any product candidates that we develop until we obtain regulatory approval for one or more of such product candidates and commercialize our products or enter into collaboration agreements with third parties. Because of the numerous risks and uncertainties associated with therapeutic product development, we may never achieve or sustain profitability and, unless and until we are able to develop and commercialize our product candidates, we will need to continue to raise substantial additional capital. Until such time as we can generate significant revenue from sales of our product candidates, if ever, we expect to fund our operations through public or private equity offerings or debt financings, credit or loan facilities, potentially other capital sources, such as collaboration or licensing arrangements with third parties or other strategic transactions, or a combination of one or more of these funding sources. If we are unable to obtain adequate funding as and when needed, or on attractive terms, we could be required to significantly delay, reduce or eliminate some or all of our research and development activities, product portfolio expansion or commercialization efforts, out-license intellectual property rights to our product candidates, sell unsecured assets, or scale back or terminate our pursuit of new strategic arrangements and transactions, or a combination of the above, any of which may have a material adverse effect on our business, results of operations, financial condition and/or our ability to fund our scheduled obligations on a timely basis or at all.

We utilize third-party contract manufacturing organizations (CMOs), to manufacture and supply our preclinical and clinical materials during the development of our product candidates. We expect to use similar contract resources for the commercialization of our products, at least until our resources and operations are at a scale that justifies investment in internal manufacturing capabilities. The terms and conditions for each of the CMOs are defined in the respective manufacturing and supply agreements.

License agreements

The following is a summary of certain of the key terms of our license agreements. For additional details, see the section titled “Business—License agreements.”

Stanford license agreement

In August 2022, we entered into an exclusive license agreement with Stanford University pursuant to which Stanford University granted us the right to make, use and sell products covered by the licensed patent rights for CD-2 platform technology (Stanford License Agreement). The technology licensed under this agreement may be used in a future product candidate currently under development and is not used in our lead program, CRG-022.

As consideration for the license granted under the Stanford License Agreement, we incurred a one-time, non-refundable upfront fee of $50,000 and issued 917,376 shares of our common stock, of which 302,820 shares were issued to Stanford University, 367,717 shares were issued to two non-profit organizations that supported the research, and 246,839 shares were issued to various Stanford University inventors. In addition to annual license maintenance fees of up to $0.1 million per year, we may be required to pay up to $12.0 million in milestone payments upon achievement of specific intellectual property, clinical, regulatory and commercial milestones, and to pay earned royalties at a low single-digit percentage on net sales of a therapeutic product, subject to an anti-stacking provision. We are also obligated to pay Stanford a percentage of non-royalty revenue received from sub-licenses in the event we exercise our right to sublicense under the Stanford License Agreement.

Oxford license and supply agreement

In June 2022, we entered into a License and Supply Agreement (Oxford Agreement), with Oxford for the manufacture and supply of lentiviral vectors for clinical and potentially commercial purposes. Under the Oxford

Agreement, Oxford granted us a non-exclusive worldwide, royalty-bearing license under certain intellectual property rights for the purposes of research, development and commercialization of products transduced with the vectors.

As consideration for the license granted under the Oxford Agreement, we incurred an upfront fee of $0.2 million, and may be required to pay if certain development, regulatory and commercial milestones are achieved. Additionally, we are obligated to pay an earned royalty on net sales of products manufactured with the Oxford vector at a low single digit percentage.

National Cancer Institute

In March 2022, we entered into an exclusive license agreement (2022 NCI License Agreement) with the U.S. Department of Health and Human Services, as represented by The National Cancer Institute (NCI), pursuant to which we obtained an exclusive, worldwide, royalty-bearing license under certain patent rights to research, develop and commercialize products related to our CRG-022 program covered by such licensed patents.

We are required to pay NCI a non-refundable license fee of $0.6 million, of which $0.2 million was paid in 2022, and the remaining balance of $0.4 million is payable in three equal annual installments, beginning on the first anniversary of the effective date of the agreement. We accrued these non-refundable upfront fees on entering into the 2022 NCI License Agreement. We may be required to pay up to $18.0 million in milestone payments upon achievement of specific clinical and commercial milestones and an earned royalty on net sales of autologous cell therapy products covered by the licensed patent rights at a low single-digit percentage, depending on the amount of annual net sales. We are also required to make minimum annual royalty payments of $50,000 per year, which will be creditable against royalties due for sales in that year. We are obligated to pay the NCI a low double-digit percentage of non-royalty revenue in the event we choose to exercise our right to sublicense. Additionally, in the event we are granted a priority review voucher (PRV), we would be obligated to pay NCI a minimum of $5.0 million upon the sale, transfer or lease of the PRV or $0.5 million upon submission of the PRV for use by the Food and Drug Administration (FDA). We are also obligated to pay NCI a percentage of the fair market value (ranging from a low single-digit to a low double-digit percentage) of the fair market value of the consideration we receive for any assignment of the 2022 NCI License Agreement to a non-affiliate (upon NCI's prior written consent) or an allocated portion of the fair value of consideration received in connection with a change in control.

In February 2023, we entered into another exclusive license agreement (2023 NCI License Agreement) with NCI pursuant to which we obtained an exclusive, worldwide, royalty-bearing license under certain patent rights to research, develop and commercialize products related to our CRG-025 program covered by such licensed patents.

We are required to pay NCI a non-refundable license fee of $0.3 million in three annual installments. Additionally, we must reimburse NCI for $0.1 million in expenses incurred by NCI prior to January 1, 2022 related to the preparation, filing, prosecution, and maintenance of all patent applications and patents included in the license under the 2023 NCI License Agreement. We accrued these non-refundable upfront fees and patent reimbursement expenses upon entering into the 2023 NCI License Agreement on the balance sheet. We may be required to pay up to $17.8 million in milestone payments upon achievement of specific clinical and commercial milestones and low single-digit percentage royalties on net sales of products incorporating the licensed patent rights. The 2023 NCI License Agreement has similar terms as the 2022 NCI License Agreement for payments related to minimum annual royalties, non-royalty revenue, PRV and consideration from assignment of the 2023 NCI License Agreement or in connection with a change in control.

Components of operating results

Operating expenses

Our operating expenses consist of research and development expenses and general and administrative expenses.

Research and development expenses

Our research and development expenses consist of:

- direct costs, including:
    - costs related to the production of preclinical and clinical materials, including fees, milestones and royalties paid to contract manufacturers,
    - expenses incurred under agreements with consultants and third-party contract organizations that conduct research and development activities on our behalf,
    - laboratory supplies and materials used for internal research and development activities,
    - laboratory and vendor expenses related to the execution of preclinical studies and planned clinical trials,
    - health authority filing fees costs related to sponsored research service agreements, and
    - costs incurred in obtaining technology licenses or in-process research and development (IPR&D) assets through asset acquisitions if the technology or IPR&D has not reached technological feasibility and has no alternative future use.
- indirect costs, including:
    - personnel-related costs, such as salaries, benefits and stock-based compensation expenses for employees engaged in research and development functions, and
    - facilities-related costs, depreciation and other miscellaneous costs.

We expense all research and development costs in the periods in which such costs are incurred. Costs for certain research and development activities are recognized based on evaluating the progress to completion of specific tasks using information and data provided to us by our vendors and third-party service providers. Non-refundable advance payments for goods and services used over time for research and development are capitalized and recognized as goods are delivered or as the related services are performed. In-licensing fees and other costs to acquire technologies used in research and development that have not yet received regulatory approval and that are not expected to have an alternative future use are expensed when incurred. Because we are working on multiple research and development programs at any one time, we track our direct costs by the stage of program, clinical or preclinical. However, our indirect costs are not directly tied to any one program and are deployed across multiple programs. As such, we do not track indirect costs on a specific program basis.

As of the date of this prospectus, we cannot reasonably determine the nature, timing, and estimated costs of the efforts that will be necessary to complete the development of, and obtain regulatory approval for, any of our product candidates. Product candidates in later stages of development generally have higher development costs than those in earlier stages. We expect that our research and development expenses will increase substantially for the foreseeable future as we continue to invest in research and development activities related to developing our product candidates, as our product candidates advance into later stages of development, as we begin to conduct clinical trials, as we seek regulatory approvals for any product candidates that successfully

complete clinical trials, as we expand our product pipeline, as we maintain, expand, protect and enforce our intellectual property portfolio, and as we incur expenses associated with hiring additional personnel to support our research and development efforts.

The process of conducting the necessary clinical research to obtain regulatory approval is costly and time-consuming, and the successful development of our product candidates is highly uncertain. Our research and development expenses may vary significantly based on factors such as:

- the number and scope of preclinical and IND-enabling studies;
- the phases of development of our product candidates;
- the progress and results of our research and development activities;
- per subject trial costs;
- the number of trials required for regulatory approval;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- length of time required to enroll eligible subjects and initiate clinical trials;
- the number of subjects that participate in the trials;
- the drop-out and discontinuation rate of subjects;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of subject participation in the trials and follow-up;
- the cost and timing of manufacturing of our product candidates;
- the timing of licensing milestone payments related to development, regulatory and commercial events;
- manufacturing success with patient materials;
- the receipt of regulatory approvals from applicable regulatory authorities;
- mitigation/responses to potential health authority questions, inspections;
- the timing, receipt and terms of any marketing approvals from applicable regulatory authorities;
- the hiring and retention of research and development personnel;
- the degree to which we obtain, maintain, defend and enforce our intellectual property rights; and
- the extent to which we establish collaboration, licensing or similar arrangements and the performance of any related third parties.

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

General and administrative expenses

Our general and administrative expenses consist primarily of personnel-related costs, costs related to maintenance and filing of intellectual property and other expenses for outside professional services, including

legal, human resources, audit, and accounting services, as well as facilities-related costs not included in research and development expenses. Personnel-related costs consist of salaries, bonuses, benefits and stock-based compensation costs for our executive, finance, and general and administrative personnel. We expect that our general and administrative expenses will increase for the foreseeable future to support our expanding headcount and operations, and as we advance our product candidates through clinical development, which will also increase our general and administrative expenses. Following this offering, we also expect that our costs will increase related to legal, audit, accounting, regulatory and tax-related services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance costs, investor and public relations costs, and other expenses that we did not incur as a private company.

Interest expense

Interest expense primarily consists of accrued interest, amortization of debt discounts and issuance costs related to our convertible notes.

Net change in fair value of redeemable convertible preferred stock tranche obligations

The net change in fair value of redeemable convertible preferred stock tranche obligations consists of measurement gains or losses recorded on subsequent remeasurement of the redeemable convertible preferred stock tranche asset and liability related to our Series A-1 redeemable convertible preferred stock.

Change in fair value of derivative liabilities

The change in fair value of derivative liabilities consists of measurement losses recorded on subsequent remeasurement of derivative liabilities related to our convertible notes. We remeasured the fair value of the derivative liabilities until the underlying convertible notes were settled through conversion in February 2023.

Loss on extinguishment of convertible notes

The loss on extinguishment of convertible notes consists of the loss realized upon conversion of our convertible notes into Series A-2 redeemable convertible preferred stock in February 2023.

Other income (expense), net

Other income (expense), net consists primarily of federal research and development tax credits and interest income earned on our cash.

Results of operations

Comparison of the six months ended June 30, 2022 and 2023

Our results of operations for each of the periods indicated are summarized in the table below:

(in thousands) (unaudited)	Six months ended June 30, 2022	2023	Change amount
Operating expenses:			
Research and development	$ 11,673	$ 26,491	$ 14,818
General and administrative	2,044	6,552	4,508
Total operating expenses	13,717	33,043	19,326
Loss from operations	(13,717)	(33,043)	(19,326)
Interest expense	(776)	(1,604)	(828)
Net change in fair value of redeemable convertible preferred stock tranche obligations	—	(692)	(692)
Change in fair value of derivative liabilities	(407)	6,453	6,860
Loss on extinguishment of convertible notes	—	(2,316)	(2,316)
Other income (expense), net	(17)	603	620
Net loss and comprehensive loss	$ (14,917)	$ (30,599)	$(15,682)

Research and development expenses

Our research and development expenses for each of the periods indicated are summarized by class in the table below:

(in thousands) (unaudited)	Six months ended June 30, 2022	2023	Change amount
Direct costs:			
Contract manufacturing	$ 3,441	$ 10,354	$ 6,913
Preclinical and clinical outside services	259	2,468	2,209
Consulting and professional services	1,539	342	(1,197)
Laboratory supplies and materials	1,528	2,677	1,149
Acquired in-process research and development	850	466	(384)
Indirect costs:			
Personnel-related costs including stock-based compensation	2,923	7,391	4,468
Facilities-related and other	1,133	2,793	1,660
Total research and development expenses	$ 11,673	$ 26,491	$14,818

Research and development expenses increased by $14.8 million to $26.5 million in the six months ended June 30, 2023 compared to $11.7 million in the six months ended June 30, 2022. This increase was primarily driven by an increase of $6.9 million in contract manufacturing costs, as well as increases in personnel-related costs of $4.5 million, preclinical and clinical outside services of $2.2 million, and laboratory supplies and materials of $1.1 million as we progressed CRG-022 and continued the development of our manufacturing process in preparation for our Phase 2 clinical trial starting in the third quarter of 2023 and increased headcount on our research and development teams to support our development efforts. Facilities-related and other expenses increased by $1.7 million related to our new facilities lease entered into in February 2023.

Consulting and professional services decreased by $1.2 million primarily due to a $0.5 million decrease in recruiting costs and a $0.7 million decrease in consulting expenses due to reduced reliance on external consultants and professional services to support clinical development and technical operations activities as we increased headcount on our research and development teams.

General and administrative expenses

Our general and administrative expenses for each of the periods indicated are summarized by class in the table below:

(in thousands) (unaudited)	Six months ended June 30, 2022	Six months ended June 30, 2023	Change amount
Personnel-related costs, including stock-based compensation	$ 839	$ 2,355	$ 1,516
Professional services	1,028	3,921	2,893
Facilities-related and other	177	276	99
Total general and administrative expenses	$ 2,044	$ 6,552	$ 4,508

General and administrative expenses increased by $4.5 million to $6.5 million in the six months ended June 30, 2023 compared to $2.0 million in the six months ended June 30, 2022. This increase was primarily driven by an increase of $2.9 million in professional services related to accounting and audit costs, as well as an increase in outsourced human resource services, and an increase of $1.5 million in personnel-related costs due to a higher headcount in our finance and administrative personnel.

Interest expense

Interest expense increased by $0.8 million to $1.6 million in the six months ended June 30, 2023 compared to $0.8 million in the six months ended June 30, 2022. This increase was attributable to additional issuances of convertible notes. The outstanding balance of our convertible notes increased from $8.1 million as of June 30, 2022 to $24.9 million prior to the conversion of the convertible notes into shares of our Series A-2 redeemable convertible preferred stock in February 2023.

Net change in fair value of redeemable convertible preferred stock tranche obligations

The net change in fair value of redeemable convertible preferred stock tranche obligations was a net loss of $0.7 million in the six months ended June 30, 2023 primarily due to an estimated increase in the fair value of the underlying shares of our Series A-1 redeemable convertible preferred stock at the expected settlement dates. There were no redeemable convertible preferred stock tranche obligations in the six months ended June 30, 2022.

Change in fair value of derivative liabilities

The change in fair value of derivative liabilities associated with our convertible notes was a gain of $6.5 million in the six months ended June 30, 2023 compared to a loss of $0.4 million in the six months ended June 30, 2022. This change was primarily due to a decrease in the expected term of the triggering event as a result of the conversion of the convertible notes into shares of our Series A-2 redeemable convertible preferred stock in February 2023, which decreased the fair value of the embedded derivatives.

Loss on extinguishment of convertible notes

The loss on extinguishment of convertible notes was $2.3 million in the six months ended June 30, 2023. The terms of the convertible notes were amended in February 2023 to convert the notes into shares of our Series A-2 convertible preferred stock at a conversion price of $0.75 per share, which exceeded the carrying value of the convertible notes and embedded derivative liabilities at the time, and resulted in a loss upon extinguishment.

Comparison of the years ended December 31, 2021 and 2022

Our results of operations for each of the periods indicated are summarized in the table below:

(in thousands)	Year ended December 31, 2021	2022	Change amount
Operating expenses:			
Research and development	$ 4,461	$ 29,373	$ 24,912
General and administrative	1,516	5,398	3,882
Total operating expenses	5,977	34,771	28,794
Loss from operations	(5,977)	(34,771)	(28,794)
Interest expense	—	(4,942)	(4,942)
Change in fair value of derivative liabilities	—	(1,216)	(1,216)
Other income (expense), net	127	(22)	(149)
Net loss and comprehensive loss	$ (5,850)	$ (40,951)	$(35,101)

Research and development expenses

Our research and development expenses for each of the periods indicated are summarized by class in the table below:

(in thousands)	Year ended December 31, 2021	2022	Change amount
Direct costs:			
Contract manufacturing	$ 1,391	$ 10,413	$ 9,022
Consulting and professional services	1,804	2,058	254
Laboratory supplies and materials	39	3,270	3,231
Preclinical and clinical outside services	33	2,063	2,030
Acquired in-process research and development	—	1,013	1,013
Indirect costs:			
Personnel-related costs including stock-based compensation	927	8,307	7,380
Facilities-related and other	267	2,249	1,982
Total research and development expenses	$ 4,461	$ 29,373	$24,912

Research and development increased by $24.9 million in 2022 compared to 2021. This increase was primarily driven by an increase of $9.0 million in contract manufacturing expenses, as well as increases in personnel-related costs of $7.4 million, laboratory supplies and materials of $3.2 million, and preclinical and clinical outside services of $2.0 million as we increased our investments in research and development as we progressed CRG-022 and continued the development of our manufacturing process in preparation for our Phase 2 clinical

trial starting in the third quarter of 2023 and increased headcount to support these investments. Facilities-related and other expenses increased by $2.0 million primarily due to expenses related to our new facility lease entered into in November 2021. Acquired in-process research and development increased by $1.0 million primarily due to upfront fees paid on license arrangements entered into with Stanford University, Oxford and the NCI.

General and administrative expenses

Our general and administrative expenses for each of the periods indicated are summarized by class in the table below:

(in thousands)	Year ended December 31, 2021	2022	Change amount
Personnel-related costs including stock-based compensation	$ 812	$ 2,275	$ 1,463
Professional services	614	2,745	2,131
Facilities-related and other	90	378	288
Total general and administrative expenses	$ 1,516	$ 5,398	$ 3,882

General and administrative expenses increased by $3.9 million in 2022 compared to 2021. This increase was primarily driven by a $2.1 million increase in professional services primarily due to an increase in legal fees, as well as outside accounting and corporate services, a $1.5 million increase in personnel-related costs due to higher headcount in our finance and administrative personnel, and a $0.3 million increase in facilities-related and other expenses primarily due to expenses related to our facility lease entered into in November 2021.

Interest expense

Interest expense of $4.9 million for the year ended December 31, 2022 was related to the issuance of convertible notes in 2022. There were no convertible notes issued or outstanding in 2021.

Change in fair value of derivative liabilities

The change in fair value of derivative liabilities associated with our convertible notes was $1.2 million in 2022. There were no derivative liabilities in 2021 as we did not issue any convertible notes during the year.

Liquidity and capital resources

Since our inception, we have funded our operations primarily with the proceeds from the sale and issuance of our convertible preferred stock and from convertible notes. During the six months ended June 30, 2023, we raised aggregate net cash proceeds of $71.6 million from the sale and issuance of our convertible preferred stock and convertible notes, net of issuance costs. To date, we have incurred significant losses and negative cash flows from operations. As of June 30, 2023, we had available cash and cash equivalents of $42.4 million, which is available to fund operations, and an accumulated deficit of $77.6 million.

We expect to continue to incur significant operating losses in the foreseeable future to support our planned continued development of one or more of our product candidates. Our existing cash as of June 30, 2023 and the proceeds of $45.9 million from the issuance of our Series A-1 redeemable convertible preferred stock in July 2023 will not be sufficient to fund our operations for at least one year from the issuance date of our financial statements. These factors individually and collectively raise substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments or classifications that may result from our possible inability to continue as a going concern. However, based on our current operating plans, we

estimate that our existing cash and cash equivalents, together with the net proceeds from this offering, will be sufficient to meet our working capital and capital expenditure needs for at least the next months. We have based this estimate on our current assumptions, which may prove to be wrong, and we may exhaust our available capital resources sooner than we expect.

Convertible notes

In April and October 2022, we executed convertible note purchase agreements for total gross proceeds of $25.0 million and $12.0 million, respectively. Each note purchase agreement included three separate tranches of funding, one upon execution of the agreement and an additional two tranches upon achievement of certain milestones. We issued the three tranches under the April 2022 note purchase agreement in April, August and October 2022 for aggregate net proceeds of $19.9 million. We issued the first and second tranches under the October 2022 note purchase agreement in October and December 2022, respectively, for aggregate net proceeds of $8.5 million, and the third tranche in January 2023 for net proceeds of $3.5 million. The convertible notes issued pursuant to the note purchase agreement bore interest at 6.0% per annum and were issued with maturity dates of April 2023 and October 2023. In February 2023, concurrently with our Series A redeemable convertible preferred stock financing, the convertible notes issued pursuant to the note purchase agreement were amended to convert into shares of our Series A-2 redeemable convertible preferred stock at a conversion price of $0.75 per share. The notes automatically converted into 43,824,255 shares of our Series A-2 redeemable convertible preferred stock in February 2023 when we completed the initial closing of the sale of our Series A-1 redeemable convertible preferred stock.

Series A-1 redeemable convertible preferred stock

In February 2023, we executed the Series A Preferred Stock Purchase Agreement (Series A SPA) and issued and sold 68,832,003 shares of our Series A-1 redeemable convertible preferred stock for aggregate net proceeds of $68.1 million as part of the initial closing. Our outstanding convertible notes were also converted into 43,824,255 shares of our Series A-2 redeemable convertible preferred stock. The Series A SPA includes two additional tranche closings for 45,888,000 shares and 86,039,997 shares, respectively, at a purchase price of $1.00 per share. We completed the second tranche closing in July 2023 for gross proceeds of $45.9 million.

Future funding requirements

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

- the scope, progress, results and costs of researching, developing and manufacturing our product candidates or any future product candidates, and conducting preclinical studies;
- manufacturing success;
- the timing of, and the costs involved in, obtaining regulatory approvals or clearances for our product candidates or any future product candidates;
- the number and characteristics of any additional product candidates we develop or acquire;
- the cost of any future product candidates and any products we successfully commercialize;
- our ability to establish and maintain strategic collaborations, licensing or other arrangements and the financial terms of any such agreements that we may enter into, including the timing and amount of any future milestone, royalty or other payments due under any such agreement;

- the expenses needed to attract and retain skilled personnel; and
- the timing, receipt and amount of sales of any future approved or cleared products, if any.

We do not have any products approved for sale and have not generated any revenue from product sales since our inception. We do not expect to generate revenue from any product candidates that we develop until we obtain regulatory approval for one or more of such product candidates and commercialize our products or enter into collaboration agreements with third parties. Because of the numerous risks and uncertainties associated with product development, we may never achieve or sustain profitability and, unless and until we are able to develop and commercialize our product candidates, we will need to continue to raise substantial additional capital. Until such time as we can generate significant product revenue, if ever, we expect to fund our operations through public or private equity offerings or debt financings, credit or loan facilities, potentially other capital sources, such as collaborations or licensing arrangements with third parties or other strategic transactions, or a combination of one or more of these funding sources. If we raise additional capital through debt or preferred equity financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as restricting our operations and limiting our ability to incur liens, issue additional debt, pay dividends, repurchase our common stock, make certain investments, or engage in merger, consolidation, licensing or asset sale transactions. If we raise funds through collaborations, license agreements, strategic transactions or other similar arrangements with third parties, we may be required to grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves. There are no assurances that we will be successful in obtaining an adequate level of financing to support our business plans when needed on acceptable terms, or at all. If we are unable to obtain adequate funding as and when needed, or on attractive terms , we could be required to significantly delay, reduce or eliminate some or all of our research and development activities, product portfolio expansion or commercialization efforts, out-license intellectual property rights to our product candidates, sell unsecured assets, or scale back or terminate our pursuit of new strategic arrangements and transactions, or a combination of the above, any of which may have a material adverse effect on our business, results of operations, financial condition and/or our ability to fund our scheduled obligations on a timely basis or at all. Our ability to continue as a going concern is dependent upon our ability to successfully accomplish these plans and secure sources of financing and ultimately attain profitable operations.

Cash flows

Our cash flows for each of the periods indicated are summarized in the table below:

	Six months ended June 30,		Year ended December 31,	
(in thousands) (unaudited)	**2022**	**2023**	**2021**	**2022**
Cash used in operating activities	$ (9,246)	$ (28,965)	$ (4,942)	$ (29,072)
Cash used in investing activities	(1,442)	(2,113)	(442)	(3,282)
Cash provided by financing activities	17,490	71,577	5,414	34,185
Net increase in cash and cash equivalents	$ 6,802	$ 40,499	$ 30	$ 1,831

Operating activities

Cash used in operating activities of $29.0 million for the six months ended June 30, 2023 was primarily attributable to our net loss of $30.6 million, partially offset by a $0.9 million decrease in our working capital and $0.7 million in non-cash adjustments. Non-cash adjustments consisted primarily of a $2.3 million loss on extinguishment related to an amendment and conversion of our outstanding convertible notes into shares of our Series A-2 redeemable preferred stock in February 2023, $1.6 million in noncash interest expense primarily

related to additional issuances of our convertible notes, $1.0 million in amortization of right-of-use asset, $0.7 million related to the net change in fair value of tranche obligations related to our Series A-1 redeemable convertible preferred stock, $0.6 million in stock-based compensation, $0.5 million in acquisition of in-process research and development primarily related to upfront fees accrued upon entering into the 2023 NCI License Agreement and $0.5 million in depreciation, partially offset by a $6.5 million gain from the change in fair value of derivative liabilities related to our convertible notes. The $0.9 million decrease in working capital is primarily due to a $5.9 million increase in accounts payable, accrued clinical and research and development expenses, and accrued expenses and other current liabilities driven by increased research and development expenses mainly related to contract manufacturing services, preclinical and clinical outside services and personnel expenses, partially offset by a $3.8 million increase in other assets primarily related to a deposit paid for clinical trial services, a $0.9 million decrease in operating lease liability and a $0.3 million increase in prepaid expenses and other current assets.

Cash used in operating activities of $9.2 million for the six months ended June 30, 2022 was primarily attributable to our net loss of $14.9 million, partially offset by $2.9 million in non-cash adjustments and a $2.8 million decrease in our working capital. Non-cash adjustments consisted primarily of $0.8 million in noncash interest expense and $0.4 million in change in fair value of derivative liabilities related to our convertible notes, $0.5 million in amortization of right-of-use asset, $0.9 million in acquisition of in-process research and development primarily related to upfront fees incurred upon entering into the 2022 NCI License Agreement and the Oxford Agreement, $0.1 million in depreciation and $0.2 million in stock-based compensation. The $2.8 million decrease in working capital is primarily due to a $4.6 million increase in accounts payable, accrued clinical and research and development expenses, and accrued expenses and other current liabilities driven by increased research and development expenses mainly related to contract manufacturing services, partially offset by a $1.2 million increase in prepaid expenses and other current assets primarily related to prepayments for the anticipated manufacturing activities, $0.1 million increase in other assets and a $0.5 million decrease in operating lease liability.

Cash used in operating activities of $29.1 million for the year ended December 31, 2022 was primarily attributable to our net loss of $41.0 million, partially offset by $8.9 million in non-cash adjustments and a $3.0 million decrease in our working capital. Non-cash adjustments consisted primarily of $4.9 million in noncash interest expense and $1.2 million in change in fair value of derivative liabilities related to our convertible notes, $1.1 million in amortization of right-of-use asset, $1.0 million in acquisition of in-process research and development primarily related to upfront fees incurred upon entering into the 2022 NCI License Agreement, the Oxford Agreement and the Stanford License Agreement, $0.4 million in depreciation primarily related to the purchases of equipment for research and development activities and $0.3 million in stock-based compensation. The $3.0 million decrease in working capital was primarily due to a $6.3 million increase in accounts payable, accrued clinical and research and development expenses, accrued expenses and other current liabilities driven by increased research and development expenses, including contract manufacturing spending and accrued compensation and benefits driven by increased headcount, partially offset by a $1.9 million increase in prepaid expenses and other current assets primarily related to upfront payments for contract manufacturing and research services, a $1.1 million decrease in operating lease liability and a $0.3 million increase in other non-current assets related to deposits paid for our operating lease.

Cash used in operating activities of $4.9 million for the year ended December 31, 2021 was primarily attributable to our net loss of $5.9 million, partially offset by $0.7 million in non-cash adjustments and a $0.3 million decrease in our working capital. Non-cash adjustments consisted primarily of $0.5 million in stock-based compensation and $0.1 million in amortization of right-of-use asset. The decrease in working capital was primarily due to a $1.0 million increase in accounts payable, accrued clinical and research and development costs, and accrued expenses and other current liabilities driven by increased research and development

expenses, partially offset by a $0.4 million increase in other non-current assets related to payroll tax credit and a deposit paid upon execution of our lease in San Mateo, California, a $0.2 million decrease in operating lease liability and a $0.1 million increase in prepaid expenses and other assets.

Investing activities

Cash used in investing activities of $2.1 million for the six months ended June 30, 2023 consisted of $2.0 million in purchases of equipment for our research and development activities and $0.1 million from the purchase of in process research and development comprised of upfront fees paid upon entering into the 2023 NCI License Agreement.

Cash used in investing activities of $1.4 million for the six months ended June 30, 2022 consisted of $1.1 million in purchases of equipment for our research and development activities and $0.3 million from the purchase of in process research and development comprised of upfront fees paid upon entering into the 2022 NCI License Agreement and the Oxford Agreement.

Cash used in investing activities of $3.3 million for the year ended December 31, 2022 consisted of $2.7 million in purchases of equipment for our research and development activities and $0.6 million from the purchase of in process research and development comprised of upfront fees paid upon entering into the 2022 NCI License Agreement, the Oxford Agreement and the Stanford License Agreement.

Cash used in investing activities of $0.4 million for the year ended December 31, 2021 consisted of $0.4 million in purchases of equipment for our research and development activities.

Financing activities

Cash provided by financing activities of $71.6 million for the six months ended June 30, 2023 primarily consisted of $68.1 million in net proceeds from issuance of redeemable convertible preferred stock and $3.5 million in net proceeds from issuance of convertible notes payable, of which $2.2 million was from related parties.

Cash provided by financing activities of $17.5 million for the six months ended June 30, 2022 primarily consisted of $12.0 million in net proceeds from issuance of convertible notes, of which $6.4 million was from related parties, and $5.5 million in net proceeds from issuance of convertible preferred stock.

Cash provided by financing activities of $34.2 million for the year ended December 31, 2022 consisted of $28.5 million in net proceeds from issuance of convertible notes, of which $15.9 million was from related parties, $5.5 million in net proceeds from sale and issuance of shares of our Series Seed convertible preferred stock, and $0.2 million from the sale and issuance of restricted stock awards.

Cash provided by financing activities of $5.4 million for the year ended December 31, 2021 consisted of $5.4 million in net proceeds from sale and issuance of shares of our Series Seed convertible preferred stock.

Off-balance sheet arrangements

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

Contractual obligations and commitments

Leases

We have entered into lease arrangements, including amendments, for a certain facility, which comprises office and laboratory space, through November 2024. As of June 30, 2023, our fixed lease payment obligations are $3.8 million, with $2.8 million payable within 12 months.

License agreements

Our contractual obligations are expected to affect our liquidity and cash flows in future periods. Under our license agreements with our research institution partners, we are required to make payments upon successful completion and achievement of certain milestones as well as royalty payments upon sales of products covered by such licenses. The payment obligations under the license fees are recorded in accrued liabilities as such payments are not contingent on future events. The remaining payment obligations under the license agreements are contingent upon future events such as our achievement of specified development, clinical, regulatory, and commercial milestones. To the extent that the timing of these future milestone payments are not known, we have not included these fees in our balance sheets as of June 30, 2023. For a more detailed description of these agreements, see the section titled “Business—License agreements.”

Critical accounting policies and significant judgments and estimates

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 U.S. generally accepted accounting principles (GAAP). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions and any such differences may be material.

While our significant accounting policies are described in Note 2 to our audited financial statements and Note 2 to our unaudited interim condensed financial statements appearing elsewhere in this prospectus, we believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations.

Research and development expenses and accruals

We record research and development expenses to operations as incurred. Research and development expenses represent costs incurred by us for the discovery and development of our product candidates and the development of our technology and include employee salaries, benefits and stock-based compensation, third-party research and development expenses, including contract manufacturing and research services, consulting expenses, laboratory supplies, and certain allocated expenses, as well as amounts incurred under license agreements.

As part of preparing our financial statements, we are required to estimate and accrue expenses. We estimate preclinical study and clinical trial and other research and development expenses based on the services performed, pursuant to contracts with research institutions and third-party service providers that conduct and manage preclinical studies and clinical trials and research services on our behalf. We record the costs of research and development activities based upon the estimated services provided but not yet invoiced and include these costs in accrued expenses and other current liabilities in our balance sheets and in research and development expense in our statements of operations. We make significant judgments and estimates in determining the accrued balance in each reporting period. As actual costs become known, we adjust our accrued estimates. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed may vary from our estimates and

could result in us reporting amounts that are too high or too low in any particular period. Our accrued expenses are dependent, in part, upon the receipt of timely and accurate reporting from external third-party service providers. Amounts ultimately incurred in relation to amounts accrued for these services at a reporting date may be substantially higher or lower than our estimates. Contingent milestone payments, if any, are expensed when the milestone results are probable and estimable, which is generally upon the achievement of the milestone.

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 provided and efforts expended pursuant to contracts with multiple research institutions and contract research organizations that may be used to 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. If timelines or contracts are modified based upon changes in the clinical trial protocol or scope of work to be performed, we modify our estimates of accrued expenses accordingly on a prospective basis.

Derivative liabilities

Our convertible notes contain certain embedded redemption features that are not clearly and closely related to the debt host instruments. These features are bifurcated from the host instruments and recognized as derivative liabilities recorded at fair value on the date of issuance in accordance with Accounting Standards Codification (ASC) 815-15, *Derivatives and Hedging—Embedded Derivatives*. The fair value of the derivative liabilities was estimated using a "with-and-without" method which involves valuing the whole instrument on an as-is basis and then valuing the instrument without the embedded derivative. The difference between the entire instrument with the embedded derivatives compared to the instrument without the embedded derivatives is the fair value of the derivative liabilities. The estimated probability and timing of underlying events triggering the exercisability of the put option and conversion features contained within the convertible notes, forecasted cash flows and the discount rate were significant unobservable inputs used to determine the estimated fair value of the entire instrument with the embedded derivative. The derivative liabilities were remeasured to fair value at each reporting period until their extinguishment in February 2023, with changes in the fair value recorded as a change in fair value of derivative liabilities on the statement of operations and comprehensive loss.

Redeemable convertible preferred stock tranche obligations

The obligations to issue additional shares of our Series A-1 redeemable convertible preferred stock in two tranches at a fixed price at future dates were determined to be freestanding instruments within the scope of ASC 480, *Distinguishing Liabilities From Equity*. On issuance, we recorded the redeemable convertible preferred stock tranche asset and liability on the balance sheet at their estimated fair value. The fair value of our redeemable convertible preferred stock tranche asset and liability was calculated using a standard forward pricing model. The estimated probability and timing of achievement of underlying milestone event and the discount rate were significant unobservable inputs used to determine the estimated fair value of the entire instrument.

Stock-based compensation

We recognize compensation costs related to stock-based awards to employees and non-employees based on the estimated fair value of the awards on the date of grant. We estimate the grant date fair value, and the resulting stock-based compensation expense, using the Black-Scholes option pricing model. The grant date fair value of the stock-based awards is generally recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the respective awards. The Black-Scholes option pricing model requires the use of subjective assumptions to determine the fair value of stock-based awards including:

- *Fair Value of Common Stock* – See the subsection titled "–*Common stock valuations*" below.

- *Expected Term* – The expected term assumption represents the weighted-average period that our share-based awards are expected to be outstanding. We have opted to use the "simplified method" for estimating the expected term of the options, whereby the expected term equals the arithmetic average of the vesting term and the original contractual term of the option. The expected term of restricted stock awards was determined using the vesting term of the award.
- *Expected Volatility* – For all stock options granted to date, the volatility data was estimated based on a study of publicly traded industry peer companies. For purposes of identifying these peer companies, we considered the industry, stage of development, size, and financial leverage of potential comparable companies.
- *Expected Dividend* – The Black-Scholes option pricing model calls for a single expected dividend yield as an input. We currently have no history or expectation of paying cash dividends on our common stock.
- *Risk-Free Interest Rate* – The risk-free interest rate is based on the yield available on U.S. Treasury zero-coupon issues similar in duration to the expected term of the equity-settled award.

We will continue to use judgment in evaluating the assumptions utilized for our stock-based compensation expense calculations on a prospective basis. In addition to the assumptions used in the Black-Scholes option pricing model, the amount of stock-based compensation expense we recognize in our financial statements includes stock option forfeitures as they occur. Such assumptions involve inherent uncertainties and the application of significant judgment. As a result, if factors or expected outcomes change and we use significantly different assumptions or estimates, our stock-based compensation expenses could be materially different.

Stock-based compensation expenses were $0.5 million and $0.3 million for the years ended December 31, 2021 and 2022, respectively, and $0.2 million and $0.6 million for the six months ended June 30, 2022 and 2023, respectively. As of June 30, 2023, we had $6.9 million of total unrecognized stock-based compensation expense related to stock options, which we expect to recognize over a weighted-average period of 2.7 years. As of June 30, 2023, we had $0.1 million of total unrecognized stock-based compensation expense related to outstanding restricted stock awards, which we expect to recognize over a weighted-average period of 2.6 years.

The intrinsic value of all outstanding options as of , 2023, was approximately $ million, based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus, of which approximately $ million was related to vested options and approximately $ million was related to unvested options.

Common stock valuations

As there has been no public market for our common stock to date, the estimated fair value of our common stock underlying our share-based awards were estimated on each grant date by our management and approved by our board of directors. Our board of directors exercised reasonable judgment and considered a number of objective and subjective factors to determine the best estimate of the fair value of our common stock, including our stage of development, the rights, preferences and privileges of our convertible preferred stock relative to those of our common stock, our financial condition and operating results, the conditions in the biotechnology industry and the economy in general, the stock price performance and volatility of comparable public companies, and the lack of marketability of our common stock. Valuations of our common stock were prepared by an unrelated third-party valuation firm in accordance with the guidance provided by the American Institute of Certified Public Accountants' Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* (the Practice Aid).

For our valuations performed prior to April 21, 2023, our board of directors determined the market approach and option pricing method (OPM) were the most appropriate methods for allocating our enterprise value. Under the market approach, we estimated the value based upon our prior sales of preferred stock to unrelated third parties. We then applied these derived multiples or values to our financial metrics to estimate our market value.

The allocation of these enterprise values to each part of our capital structure, including our common stock and convertible preferred stock, was done utilizing the OPM. The OPM treats the rights of the holders of preferred and common stock as equivalent to call options on any value of the enterprise above certain break points of value based upon the liquidation preferences of the holders of preferred stock, as well as their rights to participation and conversion. Thus, the estimated value of the common stock can be determined by estimating the value of its portion of each of these call option rights. The OPM derives the implied equity value of a company from a recent transaction involving our own securities issued on an arms-length basis.

For our valuations performed since April 21, 2023, our board of directors determined the hybrid method was the most appropriate method for determining the fair value of our common stock. The hybrid method is a hybrid between the probability-weighted expected returns method (PWERM) and the OPM. Using the PWERM, the enterprise value under various exit scenarios including an initial public offering (IPO) and staying private that considered our estimate of the timing of each scenario and were weighted based on our estimate of the probability of each event occurring. Our equity value under the IPO scenario was estimated using the market approach based on recent IPO values of comparable companies. The equity value under the IPO scenarios was allocated to our capital stock using an IPO scenario analysis that contemplates the timing, size, valuation, and probability of an IPO event in the future. The stay private scenario estimated our equity value using a market approach based on the second tranche closing of our Series A redeemable convertible preferred stock. The equity value was then allocated to our capital stock based on the OPM. The equity value under all scenarios was reduced by a discount for lack of marketability.

For valuations after the completion of this offering, the fair value of each share of underlying common stock will be based on the closing price of our common stock as reported on the date of grant on the primary stock exchange on which our common stock is traded.

Emerging growth company and smaller reporting company status

We expect to be an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

We are also a “smaller reporting company” as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as the market value of our voting and non-voting common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our voting and non-voting common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter.

Recent accounting pronouncements

See Note 2 to our audited financial statements and Note 2 to our unaudited interim condensed financial statements included elsewhere in this prospectus for more information about recent accounting pronouncements, the timing of their adoption, and our assessment, to the extent we have made one yet, of their potential impact on our financial condition of results of operations.

Quantitative and qualitative disclosures about market risk

Market risk represents the risk of loss that may impact our financial position because of adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of exposure resulting from potential changes in interest rates, exchange rates or inflation. We do not hold financial instruments for trading purposes.

Interest rate risk

Our cash and cash equivalents consist of cash held in readily available checking and money market accounts. As of June 30, 2023, we did not hold any financial instruments for trading purposes. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates.

Foreign currency

We contract with vendors in foreign countries, primarily in the United Kingdom. We are therefore subject to fluctuations in foreign currency rates in connection with these agreements. We do not hedge our foreign currency exchange rate risk.

Net realized and unrealized gains and losses from foreign currency transactions are reported in other income (expense), net, in the statements of operations and comprehensive loss. The impact of foreign currency costs on our operations has been negligible for all periods presented.

Inflation risk

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation has had a material effect on our results of operations during the periods presented.

Business

Overview

We are a clinical-stage biotechnology company uniquely positioned to advance next generation, potentially curative cell therapies for cancer patients. Our programs, platform technologies, and manufacturing strategy are designed to directly address the limitations of approved cell therapies, including limited durability of effect, safety concerns and unreliable supply. Our lead program, CRG-022, an autologous CD22 chimeric antigen receptor (CAR) T-cell product candidate, is being studied by Stanford University (Stanford) in a Phase 1 clinical trial in patients with large B-cell lymphoma (LBCL) whose disease relapsed or was refractory (R/R) to CD19 CAR T-cell therapy. Treatment with CRG-022 led to high complete response (CR) rates with 17 of the 20 patients in CR not relapsing despite a median follow-up period of almost two years. In addition, CRG-022 was generally well-tolerated with a low rate of high-grade CAR T-related adverse events. On the basis of these breakthrough results, we are evaluating CRG-022 in a potentially pivotal Phase 2 clinical trial in patients with LBCL whose disease is R/R to CD19 CAR T-cell therapy. We also plan to evaluate CRG-022 in patients at earlier stages of disease, including LBCL and other hematologic malignancies. Beyond our lead program, we are leveraging our proprietary cell engineering platform technologies to develop a pipeline of programs that incorporate multiple transgene therapeutic “cargo” designed to enhance CAR T-cell persistence and trafficking to tumor lesions, as well as to help safeguard against tumor resistance and T-cell exhaustion. Our founders are pioneers and world-class experts in CAR T-cell therapy, and our team has significant experience and success developing, manufacturing, launching and commercializing oncology and cell therapy products. We aim to become a fully integrated, leading cell therapy company. Together, we are united in our mission to outsmart cancer and deliver more cures for patients.

Transformative advances have been made by commercially available CAR T-cell therapies, however resistance mechanisms in hematologic malignancies can limit the strength and quality of T-cell response and contribute to disease progression, including loss or down-regulation of target antigen expression, loss of costimulation and limited CAR T-cell persistence. For example, as shown in the ZUMA-1 clinical trial for Yescarta in LBCL patients with two or more prior lines of therapy, approximately 60% of LBCL patients treated with Yescarta had their disease relapse or progress within 24 months. As CD19 CAR T-cell therapies continue to expand into earlier lines of therapy and additional geographies, there is a large growing unmet need for the majority of patients who do not experience a durable response. According to our estimates, we expect by 2030 approximately 7,600 patients annually may need treatment post CD19 CAR T-cell therapy within the United States as well as France, Germany, Italy, Spain and the United Kingdom (EU4/UK).

Our lead program, CRG-022, is a novel CAR T-cell product candidate designed to address resistance mechanisms by targeting CD22, an alternate tumor antigen that is expressed in a vast majority of B-cell malignancies. Stanford is conducting a Phase 1 clinical trial of CRG-022, which enrolled 41 patients with R/R LBCL, 38 of whom received CRG-022. As of the most recent data cutoff date (May 3, 2023), the following encouraging results were reported:

- CR rate of 53% (20 of 38 patients);
- responses were durable with 85% of patients (17 of 20 patients) that achieved a CR maintained their response with a median follow up time of 23 months and a maximum of 43 months;
- overall response rate (ORR) of 68% (26 of 38 patients);
- median overall survival (OS) of 14.1 months;
- only 1 patient experienced Grade 3 or higher cytokine release syndrome (CRS);
- no patients experienced Grade 3 or higher immune effector cell-associated neuropathy (ICANS); and

- reliable supply with 95% successful manufacturing rate and median turnaround time of 18 days.

On the basis of these results, Stanford received Breakthrough Therapy Designation from the FDA for the treatment of adult LBCL patients whose disease is R/R after CD19-directed CAR T-cell therapy in connection with Stanford's Investigational New Drug (IND) application, which designation is intended to expedite the development and review of product candidates treating a serious condition and where preliminary clinical evidence indicates that the product candidate may demonstrate substantial improvement over available therapy. In August 2023, we initiated a potentially pivotal multi-center Phase 2 clinical trial to evaluate the safety and efficacy of CRG-022 in patients with LBCL whose disease is R/R to CD19 CAR T-cell therapy. In this growing patient population with significant unmet need, CRG-022 may provide another option and opportunity to achieve a complete and durable response. We expect interim results from this Phase 2 clinical trial in 2025. Beyond our initial focus on R/R LBCL post CD19 CAR T-cell therapy, we plan to evaluate CRG-022 in additional indications, including patients with LBCL who are CAR T naïve, as well as B-cell acute lymphocytic leukemia (B-ALL).

We are building upon the development of CRG-022 by leveraging our proprietary platform technologies, including our CD2 and STASH platforms, to enable the development of multi-specific and multi-functional cancer product candidates designed to improve outcomes and survival by addressing multiple mechanisms of resistance and other unmet needs. Our most advanced preclinical program, CRG-023, incorporates a tri-specific CAR to address either tumor antigen loss (e.g., CD19) or low-density antigen expression, loss of costimulation (e.g., CD58) and lack of T-cell persistence. CRG-023 is designed to target tumor cells with three B-cell antigen targets, CD19, CD20 and CD22. This product candidate also integrates a CD2 costimulatory domain into the tri-specific CAR T cell to counter a target-independent mechanism, the downregulation of CD58 (the ligand of the CD2 costimulatory receptor), that leads to resistance to CAR T cells and other immune therapies.

The strength and quality of a T-cell response is dependent not only on cognate antigen recognition, but also on costimulation, which involves interaction of one or more costimulatory receptors on T cells, such as CD2, with their cognate ligands expressed on the surface of tumor cells, such as CD58. Tumor cells can escape CAR T-cell destruction by downregulating the expression of ligands for the costimulatory receptors. Alteration of CD58 expression is associated with poor prognosis in patients with LBCL and leads to lack of response to CD19 CAR T cells. Approximately 25% of LBCL patients that are eligible for CAR T-cell therapy have mutated or absent CD58 and up to 67% have decreased expression of CD58. In addition, a study published in June 2023 demonstrated that aberrant CD58 expression can also occur in a wide range of hematologic malignancies including Hodgkin and non-Hodgkin lymphomas (both B-cell and T-cell), including *de novo* disease, suggesting a potential utility for our CD2 platform technology to mitigate immune escape in future therapies. Our CD2 platform creates constructs that couple CD2 signaling directly to CAR activation, thereby engaging CD2 signaling even in the presence of tumor cells that have reduced aberrant CD58 expression. We leveraged this platform to uniquely differentiate CRG-023.

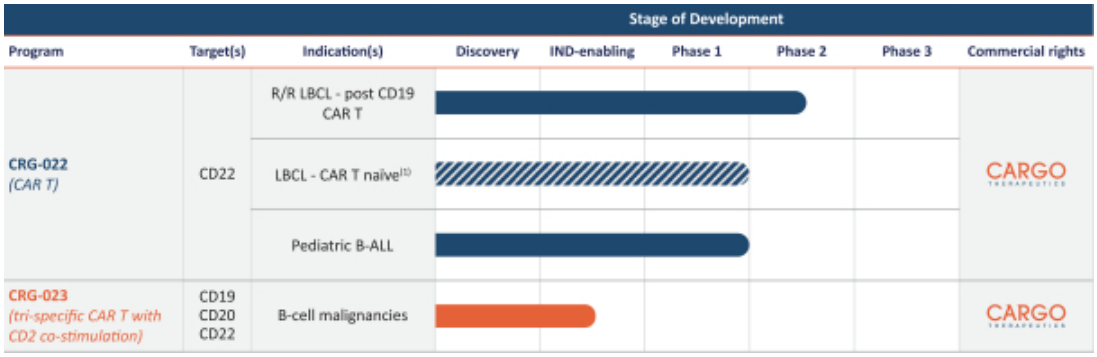
Our second platform technology, which we refer to as STASH, is designed to enable multiplex engineering of a variety of immune cell types. This platform allows us to incorporate multiple transgene therapeutic "cargo" designed to enhance CAR T-cell persistence and trafficking to tumor lesions, as well as to help safeguard against tumor resistance and T-cell exhaustion. Engineering a multifunctional cell requires the introduction of additional genetic elements that often do not fit within the payload capacity of a single lentiviral vector, requiring the use of multiple vectors. However, engineering cells with multiple vectors typically results in a heterogeneous cell product, and we are unaware of an efficient way to generate a homogenous CAR T-cell product using existing viral vector systems. Our STASH platform is designed to address this problem by employing a technology that selects only cells that possess all of the desired transgenes, which enables the production of a homogeneous population of CAR T cells produced using more than one delivery vector. We

believe this technology will allow us to efficiently incorporate more genetic elements into our CAR T cells with the goal of enhancing the potential for efficacy, persistence and safety.

Despite the curative potential of cell therapies, we believe these treatments are not readily available to many of the patients who could benefit from them due to manufacturing challenges, supply constraints, unpredictable turnaround time and other logistical challenges. With the goal of addressing these issues, our team developed the intended commercial manufacturing process and analytical control strategy for CRG-022, while demonstrating comparability of the final drug product to that produced by the process used in the Stanford Phase 1 clinical trial. Specifically, our CRG-022 IND application included our comprehensive data supporting the comparability of our intended commercial manufacturing process to the process used in the Stanford Phase 1 clinical trial, as well as qualified testing methods for the lentiviral vector and cell product, including a potency assay. We developed the intended commercial process prior to initiating our potentially pivotal Phase 2 clinical trial in order to potentially minimize the need for process or analytical changes post-pivotal clinical trial. In addition, we believe our strategy reduces the need for additional complex comparability studies post-pivotal clinical trial. Our process is designed to be readily transferrable, which we believe positions us to scale capacity if demand increases. The transferability of the process is enabled by the use of a single-cell processing device coupled with automated unit operations and a comparability framework.

Our programs

Our initial focus is to treat patients with high unmet need and poor survival outcomes who develop resistance to current guideline recommended cancer therapies. In the future, we aim to treat patients at earlier stages of disease to help prevent resistance from emerging in order to extend the durability of response. The figure below summarizes our pipeline of wholly owned CAR T-cell therapies designed to address key mechanisms of resistance for the treatment of a variety of cancers.



(1) Based on data from the Phase 1 clinical trial conducted by Stanford and pending data from our ongoing Phase 2 clinical trial in R/R LBCL – post CD19 CAR T, we intend to discuss with the FDA initiation of a Phase 2 program in LBCL – CAR T naïve without completing earlier clinical trials in LBCL – CAR T-naïve patients.

Our lead program, CRG-022

CRG-022 is an autologous CAR T-cell product candidate that targets CD22, a B-cell specific antigen that has been reported to be expressed in 81% to 100% of diffuse large B-cell lymphoma (DLBCL) patients. Importantly, CD22 expression is usually retained following loss of CD19 antigen expression in patients who become resistant to CD19 CAR T-cell therapy. Beyond targeting CD22, CRG-022 is also designed to incorporate several key features including its short linker, a single-chain variable fragment (scFv) targeting a membrane-proximal epitope on CD22 and its fully human composition, which, respectively, are designed to improve efficacy by increasing

dimerization, minimizing resistance and reducing immunogenicity. Additionally, the CAR incorporates the 4-1BB costimulatory domain, which has been shown to improve long-term persistence.

We are initially focused on developing CRG-022 to treat patients with LBCL whose disease is R/R following CD19 CAR T-cell therapy. LBCL is a composite of different subtypes and includes DLBCL, high-grade B-cell lymphomas, primary mediastinal B-cell lymphoma (PMBCL) and grade 3B or transformed follicular lymphoma (FL). LBCL is the most common aggressive lymphoid malignancy in the United States and Europe, accounting for approximately 30% to 40% of all non-Hodgkin lymphomas (NHL), a disease with over 80,000 new diagnoses a year. Many DLBCL patients (approximately 30% to 50%) do not respond to or relapse after initial treatments, and then become eligible for CAR T-cell therapy targeting CD19.

Since 2017, the FDA has approved three autologous CD19 CAR T-cell products for the treatment of LBCL, which generated $1.3 billion in sales in DLBCL in 2022 in the United States/EU4/UK alone and are projected to grow to $3.3 billion sales annually by 2030, according to data published by Clarivate Disease and Landscape Forecasting (NHL, CLL) 2023. CD19 CAR T-cell therapies can induce long-term remission in some patients, however, as shown in the ZUMA-1 clinical trial for Yescarta in LBCL patients with two or more prior lines of therapy, approximately 60% of LBCL patients treated with the CD19 CAR T-cell therapy had their disease relapse or progress within 24 months. As more patients receive these therapies, driven by recent approvals in earlier lines of therapy and geographic expansion, the unmet need for those who do not experience a durable response is growing. There is currently no broadly recognized standard of care for patients with LBCL whose disease does not respond to or relapses following treatment with CD19 CAR T-cell therapies. The prognosis for this patient population is poor with a median OS of approximately five to eight months.

To help address the significant unmet need in this patient population, we are developing CRG-022, of which the underlying autologously derived CAR we exclusively licensed from the NCI. This CAR has been included in CD22 CAR T-cell product candidates dosed in more than 120 patients in several clinical trials conducted by Stanford and the NCI. The Stanford Phase 1 clinical trial enrolled 41 patients with LBCL whose disease was R/R to CD19 CAR T-cell therapy, including one patient whose disease was CD19-negative and was CD19 CAR T naïve. One patient withdrew from the clinical trial prior to leukapheresis and two patients did not receive CRG-022 due to an inability to manufacture given limited patient T cells, resulting in a 95% successful manufacturing rate (38 of 40 patients) with a median turnaround time of 18 days. In the 38 LBCL patients who received CRG-022, an ORR and a CR rate of 68% and 53%, respectively, was achieved. The median OS was 14.1 months. As of the May 3, 2023 cutoff date, 17 of 20 patients that achieved a CR maintained their response with a median follow up time of 23 months and a maximum of 43 months, which we believe suggests favorable durability. CRG-022 was generally well-tolerated with only one patient experiencing Grade 3 or higher CRS and no patients experiencing Grade 3 or higher ICANS. Based on this data, we believe that CRG-022 may provide another option and opportunity to achieve a durable and complete response in the growing post CD19 CAR T-cell therapy patient population.

We have been actively engaged with the FDA in the design of our potentially pivotal multi-center Phase 2 clinical trial, which we initiated in August 2023, to evaluate the safety and efficacy of CRG-022 in patients with LBCL whose disease is R/R to CD19 CAR T-cell therapy. We expect interim results from this Phase 2 clinical trial in 2025.

In addition to our initial focus on R/R LBCL, we are also evaluating the development of CRG-022 in additional indications, including LBCL in patients who are CAR T naïve, as well as B-ALL. In a Phase 1 clinical trial conducted by the NCI in children and young adults with R/R B-ALL with CD22 expression, treatment with CD22 CAR T-cell therapy using the same CAR as CRG-022 led to a 70% CR rate.

***O**ur tri-specific program, CRG-023*

Our most advanced preclinical program, CRG-023, incorporates a tri-specific CAR designed to address tumor antigen loss and our CD2 platform technology to address loss of costimulatory CD58. CRG-023 is designed to target tumor cells with three B-cell antigen targets, CD19, CD20 and CD22. Leveraging our CD2 platform, CRG-023 integrates a CD2 costimulatory domain into the tri-specific CAR T to counter a target-independent mechanism, the downregulation of CD58 (the ligand of the CD2 costimulatory receptor), that leads to resistance to CAR T cells and other immune therapies. CD58 alteration is associated with poor prognosis in LBCL and leads to lack of response to CD19 CAR T cells. Approximately 25% of LBCL patients that are eligible for CAR T-cell therapy have mutated or absent CD58 and up to 67% have decreased expression of CD58. In addition, a study published in June 2023 demonstrated that aberrant CD58 expression can also occur in a wide range of hematologic malignancies including Hodgkin and non-Hodgkin lymphomas (both B-cell and T-cell), including *de novo* disease, suggesting a potential utility for our CD2 platform technology to mitigate immune escape in future therapies. Our CD2 platform creates constructs that couple CD2 signaling directly to CAR activation, thereby engaging CD2 signaling even in the presence of tumor cells that have reduced or eliminated CD58 expression. We leveraged this platform to uniquely differentiate our CRG-023 program. We are initiating IND-enabling studies with CRG-023.

Our history, team and investors

We were founded by pioneers and world experts in CAR T-cell therapy, and we have built a seasoned leadership team with experience and success developing, manufacturing, launching and commercializing oncology and cell therapy products.

Our founders include internationally recognized experts from Stanford and an acclaimed cancer advocate. Crystal Mackall, MD, Professor of Pediatrics and Internal Medicine at Stanford serves as Founding Director of the Stanford Center for Cancer Cell Therapy, Associate Director of Stanford Cancer Institute, Leader of the Cancer Immunology and Immunotherapy Program, and Director of the Parker Institute for Cancer Immunotherapy at Stanford. Dr. Mackall previously served as Chief of the Pediatric Oncology Branch at the NCI. Robbie Majzner, MD, is the Director of the Pediatric and Young Adult Cancer Cell Therapy Program within the Departments of Pediatric Oncology and Medical Oncology at Dana Farber Cancer Institute and the Division of Hematology/Oncology at Boston Children's Hospital. Dr. Majzner's laboratory is working to develop novel cellular immunotherapies for children with incurable cancers. Louai Labanieh, PhD is a Parker Scholar at Stanford School of Medicine and is a leader in engineering CAR T cells using synthetic biology. Nancy Goodman, JD, is the CEO of Kids v Cancer, a nonprofit organization dedicated to policy reform to attract biotech and pharmaceutical companies to pediatric cancer drug development.

Our management team has significant experience in both cell therapy and oncology. We have progressed products from research to clinical trials, and ultimately to regulatory approval and commercialization. Gina Chapman, our President and Chief Executive Officer, brings over 30 years of biopharmaceutical commercial and operational experience. She most recently served as Senior Vice President and Business Unit Head at Genentech, where she worked for more than 15 years. Michael Ports, PhD, our Chief Scientific Officer, has over 10 years of biopharmaceutical and cell-therapy drug development experience. He most recently served as Vice President and Head of Cell Therapy Discovery and Platforms at Janssen. Shishir Gadam, PhD, our Chief Technical Officer, most recently was Vice President of Global Cell Therapy Manufacturing Science and Technology at Bristol Myers Squibb (BMS). He played an instrumental role in the global licensure and launch of the CAR T-cell products Breyanzi and Abecma and built a global manufacturing science and technology organization responsible for product and process life-cycle management, technology transfers and manufacturing technology. Anup Radhakrishnan, our Chief Financial Officer and Chief Business Officer, brings over 20 years of experience in the biopharmaceutical sector providing strategic financial leadership across both

clinical and commercial stage organizations. He previously served as CFO at Dascena and worked at Genentech for over 11 years.

We are also supported by our board of directors, scientific advisory board and a leading syndicate of investors, which include our founding investors Samsara BioCapital, Red Tree Venture Capital and Emerson Collective, as well as Ally Bridge Group, Cormorant Asset Management, Janus Henderson Investors, Nextech, Perceptive Xontogeny Venture Fund, Piper Heartland, RTW Investments, Third Rock Ventures, accounts advised by T. Rowe Price Associates, and Wellington Management.

Our strategy

Our mission is to outsmart cancer by developing the next generation of transformational CAR T-cell therapies to impact patients worldwide with the aim of becoming a fully integrated, leading cell therapy company. Our strategy to achieve this goal is as follows:

- **Build a next generation CAR T-cell company focused on developing and delivering potentially curative therapies to more patients.** Our programs, platform technologies and manufacturing strategy are designed to address the problems of cancer resistance mechanisms and unreliable supply. We are developing technologies that incorporate multiple transgene therapeutic “cargo” to potentially extend persistence of our CAR T-cell therapy candidates with the goal of achieving durable responses that are curative for more cancer patients. We are also executing a comprehensive manufacturing strategy in an effort to address supply issues and increase availability to patients.
- **Advance CRG-022 through a potentially pivotal Phase 2 clinical trial for the treatment of patients with LBCL whose disease is R/R to CD19 CAR T-cell therapy.** Based on the results from the Phase 1 clinical trial being conducted by Stanford, we believe that CRG-022 has the potential to deliver durable anti-tumor responses in patients with LBCL whose disease is R/R to CD19 CAR T-cell therapy. In August 2023, we initiated a potentially pivotal multi-center Phase 2 clinical trial of CRG-022 in this patient population. We expect interim results from this Phase 2 clinical trial in 2025.
- **Expand development of CRG-022 to earlier lines of therapy and additional indications.** We believe CRG-022 could also be used to treat patients at earlier stages of disease. We anticipate evaluating CRG-022 for LBCL patients who are naïve to CD19 CAR T-cell therapy. In addition, a CD22 CAR T-cell therapy using the same CAR as CRG-022 demonstrated encouraging results in a Phase 1 clinical trial conducted by the NCI in pediatric B-ALL, for which we also plan to evaluate CRG-022.
- **Leverage our intended commercial and readily transferable manufacturing process to help mitigate regulatory hurdles and facilitate predictable and reliable supply for future patients.** We believe reliable and predictable supply remains a challenge for existing CAR T-cell therapies. In an effort to resolve this, we developed what we believe is a commercially suitable manufacturing process that uses an automated and closed platform that is designed to be readily transferrable to multiple manufacturing facilities. Our manufacturing process includes features that we believe are critical to long-term manufacturing success and supply reliability such as lentiviral vector from suspension platform and introduction of a cryopreservation step for the incoming apheresis material. We introduced these process features before the initiation of a potentially pivotal Phase 2 clinical trial with the goal of minimizing the need for complex post-pivotal comparability studies. We believe the ease of transferability of our manufacturing process will facilitate rapid scale out by onboarding new manufacturing sites to increase capacity as commercial demand grows.
- **Continue to leverage our platform technologies to advance additional CAR T-cell programs into clinical development.** We intend to leverage our platform technologies to engineer additional T-cell products with improved design features. These features include targeting cancer cells via multiple tumor antigens,

elements designed to enhance CAR T-cell persistence and trafficking to tumor lesions, as well as safeguarding against tumor resistance and T-cell exhaustion. We are initiating IND-enabling studies with CRG-023, our tri-specific program candidate targeting CD19, CD20 and CD22. This construct incorporates our CD2 costimulatory platform technology with the goal of counteracting potential tumor resistance that can emerge from loss or downregulation of CD58 expression. We intend to continue to invest in our platform technologies to develop multi-specific and multi-functional cancer therapies to address cancer resistance and other unmet needs.

- **Opportunistically pursue strategic partnerships and collaborations to maximize the value of our pipeline and platform technologies.** We currently have exclusive rights to develop and commercialize our product candidates, and to utilize our platform technologies. In the future, we may enter into other collaborations where we believe there is an opportunity to accelerate the development and commercialization of our product candidates while allowing us to retain meaningful rights in major markets. We may also seek to opportunistically acquire or in-license product candidates or technologies that are synergistic with our cell therapy discovery and development efforts.

CAR T cells – an emerging class of immunotherapy with curative potential

Chimeric antigen receptor (CAR) T cells are T cells engineered to express synthetic receptors capable of specifically recognizing tumor antigens and activating the T cell. Binding of a CAR to its cognate antigen results in stimulation of intracellular signals and activation of T cell activity. There have been six engineered T-cell therapies approved by the FDA for the treatment of cancer. Each of these therapies has been able to deliver therapeutic benefit to patients who have exhausted all other treatment options, and for some patients, these benefits can extend for years.

However, the number of cancers with effective CAR T-cell therapies is limited and the total number of patients who have received these therapies represents only a small fraction of potentially eligible cancer patients. Today, five years after CAR T cells were first approved to treat non-Hodgkin's lymphoma (NHL) and acute lymphocytic leukemia (ALL), over 40,000 U.S. patients may be eligible to be treated by CD19 CAR T-cell therapies, but fewer than 3,800 patients are expected to receive such treatment in 2023. Some patients are deemed ineligible to or do not receive these therapies due to associated toxicity risk, underlying comorbidities, the time needed to manufacture treatment or lack of access to specialized treatment centers. In patients who do manage to receive treatment, not all patients who are treated achieve durable results. For example, as shown in the ZUMA-1 clinical trial for Yescarta in LBCL patients with two or more prior lines of therapy, approximately 60% of LBCL patients treated with the CD19 CAR T-cell therapy had their disease relapse or progress within 24 months.

Barriers that limit the impact of approved CAR T-cell therapies

There are a number of barriers that limit the impact of existing CAR T-cell therapies including:

- ***Target-based resistance.*** A frequent cause of resistance to CD19 CAR T-cell therapies in patients with B-ALL and LBCL, is the low level of expression of CD19 or the loss of CD19 antigenicity on tumor cells. There are a number of mechanisms that can lead to loss of CD19 antigenicity, such as mutations, splicing variations, antigen glycosylation and antigen-masking, but the end result is the same: the lack of CD19 antigenicity allows tumor cells to escape targeting by CD19 CAR T cells.
- *Non-target-based resistance.* The strength and quality of a T-cell response is dependent not only on cognate antigen recognition, but also costimulation. Tumors evolve to escape CAR T-cell destruction through the downregulation of cognate ligands for costimulatory signaling molecules. For example, CD58 is the ligand of the CD2 costimulatory receptor. Approximately 25% of LBCL patients who are eligible for CAR T-cell therapy

have mutated or absent CD58 and up to 67% have decreased expression of CD58. In addition, a study published in June 2023 demonstrated that aberrant CD58 expression can also occur in a wide range of hematologic malignancies including Hodgkin and non-Hodgkin lymphomas (both B-cell and T-cell), including de novo disease. CD58 alteration and corresponding lack of CD2-mediated costimulation are associated with poor prognosis in LBCL and lead to decreased progression free survival (PFS) benefit to CD19 CAR T cells.

- *Immunogenicity of CAR constructs.* The majority of approved CAR T-cell therapies incorporate the scFv portion of murine antibodies as the antigen-recognition domain. These domains elicit both humoral and cellular immune responses in patients, which can lead to increased clearance of therapeutic CAR T cells, limiting cell expansion and persistence. This anti-murine immune response increases the likelihood of tumor relapse and can lower the efficacy of CAR T cells upon reinfusion.
- *Manufacturing challenges with autologous CAR T-cell therapies.* Autologous CAR T-cell therapies require one manufacturing batch per patient which creates unique supply, capacity and logistical challenges. Manufacturing capacity of the approved CAR T-cell products has struggled to meet the demand for these therapies, while also meeting the need for maintaining rapid turn-around-time. We anticipate that this issue will persist as more patients become candidates for CAR T-cell therapy and more complex CAR T cells containing multiple genetic constructs advance into clinical development.

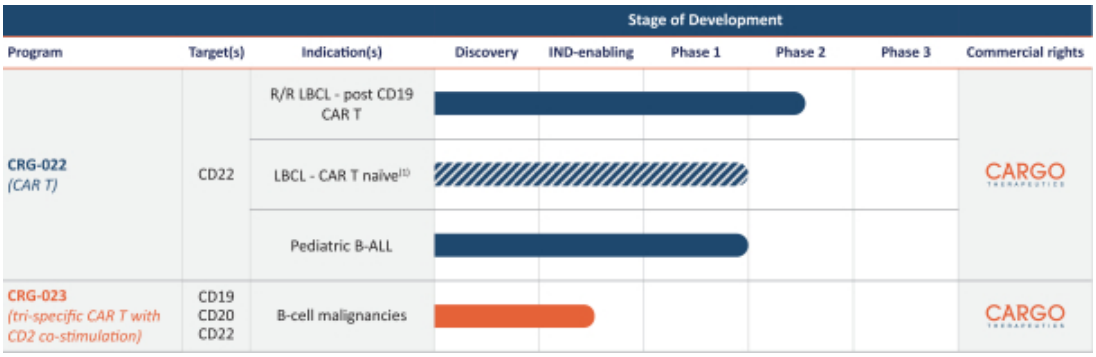
Our solution: next generation of potential CAR T-cell therapies

We are developing a portfolio of product candidates designed to expand the number of patients that can benefit from CAR T-cell therapies by addressing several of the limitations of currently approved CAR T-cell therapies. Our solution includes:

- ***Directing CAR T cells toward alternate targets.*** Therapies that target single tumor antigens, such as CD19, can be rendered ineffective by genetic or non-genetic changes that diminish the expression of these targets. Our most advanced product candidate, CRG-022, is designed to address an alternate target, CD22, that is nearly always expressed on cancerous B cells, to kill B-cell tumors, including those that have become resistant to CD19-based therapies. We are also developing multi-specific CAR T-cell product candidates, starting with CRG-023, that are designed to recognize tumors that express any of the CD19, CD20 and CD22 antigens, thereby limiting potential antigen loss as a mechanism of resistance.
- ***Addressing common mechanism of non-target-based resistance.*** In addition to antigen downregulation or loss, resistance to immune therapies, including CAR T cells, can develop through the loss of costimulatory signaling, such as tumor cells downregulating CD58 expression. Because these mechanisms are not antigen-specific, loss of costimulation can lead to broad suppression of immune therapies. We are working to address loss of costimulatory ligands such as CD58, by creating CAR T cells that can induce CD2 costimulatory signaling by a tumor antigen irrespective of potential CD58 downregulation or loss on tumor cells.
- ***Using fully-human binders to reduce anti-CAR immunogenicity.*** Our CAR T product candidates are all constructed with human binders, thereby reducing the risk for anti-CAR immune responses.
- ***Implementing robust manufacturing processes.*** Our team is applying its extensive experience in the field in an effort to implement manufacturing processes that are highly reliable and readily transferrable to expand capacity, reduce turnaround time and minimize costs of goods. We have also licensed and further developed technologies specifically designed towards the manufacturing and purification of CAR T cells containing multiple genetic inserts delivered by multiple vectors.

Our programs and platform technologies

Our programs, platform technologies, and manufacturing strategy are designed to directly address the key limitations of approved cell therapies, including limited durability of effect, suboptimal safety and unreliable supply. Our initial focus is to treat patients with high unmet need and poor survival outcomes who develop resistance to current guideline recommended cancer therapies, and in the future we aim to treat patients at earlier stages of disease to help prevent resistance from emerging in order to extend the durability of response. The figure below summarizes our pipeline of wholly owned CAR T-cell product candidates designed to address key mechanisms of resistance for the treatment of a variety of cancers. In addition to these product candidates, we are also advancing our proprietary platform technologies, including our CD2 and STASH platforms, to develop effective multi-specific and multi-functional cancer therapies.



(1) Based on data from the Phase 1 clinical trial conducted by Stanford and pending data from our ongoing Phase 2 clinical trial in R/R LBCL – post CD19 CAR T, we intend to discuss with the FDA initiation of a Phase 2 program in LBCL – CAR T naïve without completing earlier clinical trials in LBCL – CAR T-naïve patients.

CRG-022, an autologous CD22 CAR T cell product candidate

We are developing CRG-022, an autologous CD22 CAR T-cell therapy, to be a safe, effective and durable therapy with a manufacturing process designed to increase availability by providing consistent and reliable supply. CRG-022 is manufactured using a novel CAR designed to address resistance mechanisms by targeting CD22, an alternate antigen that is expressed in a vast majority of B-cell malignancies. Our initial focus is on developing CRG-022 for the treatment of patients whose disease is R/R to CD19 CAR T-cell therapies. In August 2023, we initiated a potentially pivotal multi-center Phase 2 clinical trial to evaluate the safety and efficacy of CRG-022 in patients with LBCL whose disease is R/R to CD19 CAR T-cell therapy. We expect interim results from this Phase 2 clinical trial in 2025.

LBCL disease background

Non-Hodgkin lymphoma (NHL) is the most common hematologic malignancy in adults accounting for a projected 80,550 cases and 4.1% of all new cancer cases in 2023 in the United States. An estimated 20,180 people in the United States will die from this disease in 2023 accounting for 3.3% of all cancer-related deaths. The majority of NHL cases are of B-cell origin and can be further subdivided into aggressive and indolent lymphomas, each associated with different clinical outcomes and prognoses. LBCLs encompass aggressive subtypes including diffuse large B-cell lymphoma (DLBCL), high-grade B-cell lymphomas, primary mediastinal B-cell lymphoma (PMBCL) and grade 3B or transformed follicular lymphoma (FL).

Current treatment options

First-line treatment regimens for LBCL include CD20-targeted monoclonal antibodies and anthracycline-containing chemotherapy regimens administered in six to eight cycles. Many DLBCL patients (approximately

30% to 50%) do not respond to or relapse after initial treatments, and then become eligible for CAR T-cell therapy targeting CD19. For decades, the standard approach to treat patients with R/R disease had been salvage chemotherapy followed by high dose platinum-based therapy and autologous stem cell transplant (ASCT). However, this treatment is associated with significant toxicities and approximately half of patients are considered not suitable due to age or other comorbidities. Of the remaining patients considered eligible for ASCT, an additional 50% to 60% do not receive ASCT due to their disease showing no sensitivity to salvage chemotherapy.

Over the past six years, FDA has approved three autologous CD19 CAR T-cell products for the treatment of LBCL. These are axicabtagene ciloleucel (marketed as Yescarta by Kite/Gilead); tisagenlecleucel (marketed as Kymriah by Novartis); and lisocabtagene maraleucel (marketed as Breyanzi by BMS). These therapies have shown objective response rates (ORRs) of 50% to 73% in LBCL patients who have received two or more prior lines of therapy. More recently, Yescarta and Breyanzi have been approved for use in adult patients with LBCL that is refractory to first-line chemoimmunotherapy or relapses within 12 months. Breyanzi has also been approved for use in adult patients with LBCL whose disease is R/R to first-line chemoimmunotherapy and are not eligible for ASCT due to comorbidities or age. These three approved products generated $1.3 billion of global sales in DLBCL in 2022 in the United States/EU4/UK alone and are projected to generate grow to $3.3 billion of global sales annually by 2030, according to data published by Clarivate Disease and Landscape Forecasting™ (NHL, CLL) 2023.

While CD19 CAR T cells can induce long-term remissions in some patients, many patients who receive CD19 CAR T-cell therapies experience disease relapse. For example, and as depicted in the figure below, in the ZUMA-1 clinical trial conducted by Kite in LBCL patients with two or more prior lines of therapy, 61% and 68% of patients who received conditioning chemotherapy followed by Yescarta ultimately experience disease progression or death at two years and five years, respectively. As more patients receive these therapies, driven by recent approvals in earlier lines of therapy and geographic expansion, the unmet need for those who do not experience a durable response is growing. Translational studies have shown that CD19 antigen loss or downregulation occurs in about 30% to 60% of cases.

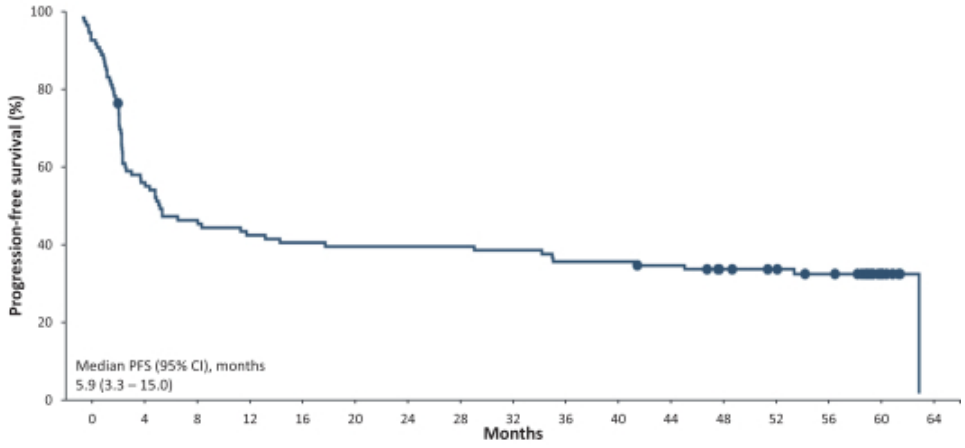


Figure 1. As seen in the Phase 2 clinical trial (ZUMA-1) of Yescarta, approximately 60% percent of patients were observed to not obtain a long-term benefit from CD19 CAR T-cell therapy

There is currently no standard of care for patients with LBCL whose disease does not respond to or relapses following treatment with CD19 CAR T-cell therapies. Treatments with radiotherapy, immunotherapies, targeted therapies and chemotherapy have failed to deliver meaningful improvements in the majority of these patients. Based on third-party studies on patient registries or real-world outcomes, the median OS for patients with aggressive B-NHL post CD19-directed CAR T failure is approximately five to eight months.

Rationale for targeting CD22

CD22 is a B-cell antigen expressed independently of CD19 on benign and malignant B cells. CD22 has been reported to be expressed in 81% to 100% of DLBCL patients and 96% to 100% of B-ALL patients. Importantly, CD22 expression is usually retained following loss of CD19 expression in patients who become resistant to CD19 CAR T-cell therapy. As a result, we believe CD22 is an attractive target for a CAR T-cell therapy for patients with B-cell malignancies, including those patients whose disease has relapsed or become refractory to CD19-targeted therapies.

Key features of CRG-022

Our lead program, CRG-022 was made using a CAR designed to optimize its potential to deliver antitumor activity against CD22 expressing cells. Key characteristics of CRG-022 include:

Membrane proximal binding

CD22 is a protein expressed on the surface of B cells that has an extracellular domain comprised of seven immunoglobulin domains and twelve putative N-linked glycosylation sites. Antibodies have been developed against CD22 and at least three anti-CD22 product candidates have been tested in patients with B-cell malignancies. However, these three antibodies all target the N-terminal domain of CD22, a region of CD22 that may not be ideal for CAR T cell activation. For example, a third-party study using mesothelin-targeting antigen-binding domains found that membrane-proximal binding led to improved CAR T signaling, potentially because the membrane distal regions interact with other extracellular elements and also because targeting antigen regions close to the membrane increases the likelihood that intracellular costimulatory domains will be brought into close proximity.

The gene encoding CD22 contains 15 exons and third-party studies have found multiple splice variants of the CD22 mRNA transcript that encode alternative forms of the protein. CD22-targeted drugs may fail to bind to certain splice variants lacking their targeted epitope. Splice variants for CD19 represent a common mechanism that leads to resistance to CD19 CAR T-cell therapy. Similarly, splice variants of CD22 have been reported in pediatric B-ALL patients treated with a CD22 CAR created by researchers at the University of Pennsylvania.

CRG-022 was made using a CAR that incorporates the antigen-binding domain from an antibody known as m971. This antibody has been shown to bind to the membrane proximal domains of CD22, potentially improving its ability to activate CAR signaling and reducing the potential for splice variants involving the more distal domains, which can lead to resistance.

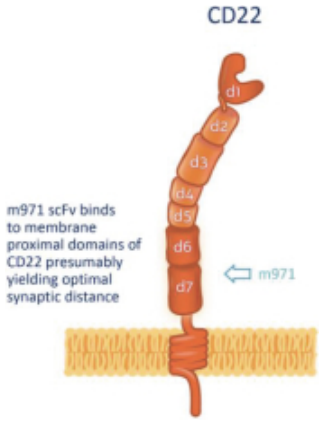


Figure 2. The m971 antigen-binding domain incorporated into the CD22 CAR binds to a membrane proximal domain of CD22

Short linker

The CD22 CAR incorporates a synthetic version of the m971 antibody – commonly referred to as a single chain variable fragment ("scFv") – comprising a truncated polypeptide having both antigen binding domains of the antibody connected by a flexible peptide linker. The length and sequence of this linker can affect several key performance aspects of CARs, including their expression, oligomeric state, affinity, stability and *in vivo* activity. The linker used in the CD22 scFv binder in CRG-022 has a short length, a characteristic that has been shown to increase dimerization, which can improve efficacy. By contrast, a CD22 CAR with the same binding domains but a longer linker created by researchers at the University of Pennsylvania was found to have reduced activity both *in vitro* and in two clinical trials. From two trials in six children and three adults whose disease was R/R CD22+ B-cell ALL, the complete remission rate was 50% (four out of eight evaluable patients) and of the four patients who achieved or remained in CR, all four progressed with CD22+ disease.

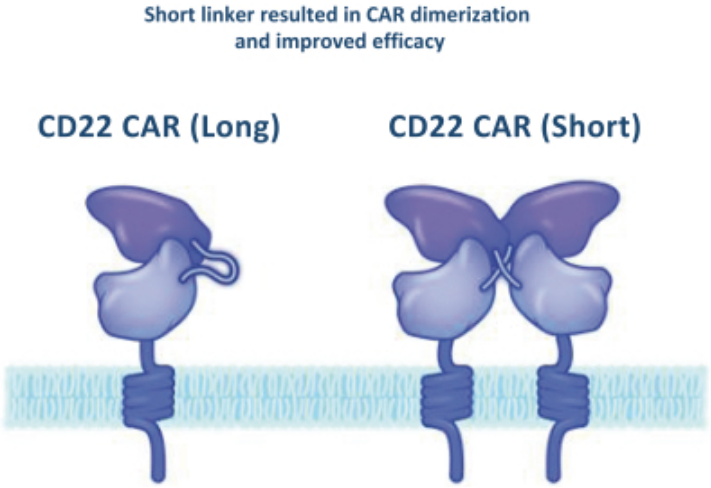


Figure 3. Incorporation of a short linker resulted in increased activity of the CD22 CAR used to create CRG-022

4-1BB costimulatory domain

Binding of the extracellular domain of CARs to cells expressing their corresponding ligands results in activation of T cells through the combined function of intracellular costimulatory domains and activation domains. Approved CAR T-cell therapies incorporate costimulatory domains from CD28 or from 4-1BB and an activation domain from CD3ζ. It has been shown in a third-party study that the choice of costimulatory domain influences the persistence and memory phenotype of CAR T Cells. The inclusion of a 4-1BB costimulatory domain has been associated with reduced frequencies of serious adverse events and improved clinical outcomes in tumor models. The CD22 CAR used to create CRG-022 contains a 4-1BB costimulatory domain.

Fully human antigen-binding domain

The CD22 CAR used to create CRG-022 contains an antigen-binding domain that is a fully human sequence, which we believe reduces the risk of development of anti-CAR antibodies and T-cell-mediated rejection. Patients treated with CD19 CAR T-cell therapies derived from murine sequences can develop antibodies or T-cell mediated immune responses to the CAR, which may lower persistence of CAR T cells and increase the chances of relapse of the disease. Retreatment of patients with murine-sequence-derived CAR T cells has been shown to primarily result in responses that increase the chance of relapse. A third-party retrospective analysis conducted by researchers at Fred Hutchinson Cancer Research Center evaluated the efficacy of a second infusion of CD19 CAR T cells in 44 patients with R/R B-cell malignancies. A CR rate of 22% in CLL patients, 19% of in NHL patients

and 21% in ALL patients with median duration of response of 33, 6 and 4 months, respectively was observed. This result was potentially due to host immune rejection after the initial treatment with transgenic T cells. By contrast, retreatment of patients with R/R B-ALL who had received prior CD19 CAR T-cell therapy that failed and used a humanized CD19 CAR T-cell product candidate as a second CAR T treatment, led to a 64% overall response rate at one month with durable remissions. Published data has confirmed that fully human CARs have antitumor activity and tolerability profiles that are similar, if not superior, to those containing murine sequences and may address one mechanism of resistance to CAR T-cell therapy.

Phase 1 Clinical Trial Results for our CRG-022 Program

As described below, CRG-022 or CD22 CAR T-cell therapy using the CRG-022 CAR has been studied in one Phase 1 clinical trial and continues to be studied in two ongoing Phase 1 clinical trials. In addition, in August 2023, we initiated a potentially pivotal multi-center Phase 2 clinical trial to evaluate the safety and efficacy of CRG-022 in patients with LBCL whose disease is R/R to CD19 CAR T-cell therapy. We licensed the technology underlying the CD22 CAR used in CRG-022 from the NCI. CRG-022 was produced at Stanford for the Phase 1 clinical trials. We have made additional process and analytical improvements to the Stanford process to create the intended commercial manufacturing process for CRG-022 in an effort to improve manufacturing yields and efficiency. These improvements are reflected in the intended commercial process being used to produce CRG-022 in our potentially pivotal Phase 2 clinical trial. We have performed comparability analyses of CRG-022 produced with our intended commercial process to that produced by the process used in the Stanford Phase 1 clinical trial and concluded that the two are comparable. Moreover, our CRG-022 IND application included our comprehensive package to establish the comparability of our CRG-022 produced using the intended commercial process to the CRG-022 produced using the process used for the Stanford Phase 1 clinical trials. We cannot assure you that the FDA will agree with our claim of comparability and the sufficiency of the data to support it, or agree with our ability to reference the preclinical, manufacturing or clinical data generated by the Stanford clinical trial even if we receive a right of reference from Stanford. If the FDA disagrees, there may be limitations on the inclusion of Phase 1 clinical trial data in the product label.

Phase 1 interim clinical trial results in adults with CD19 CAR T R/R LBCL

An open-label Phase 1 clinical trial of CRG-022 is being conducted by Stanford enrolled 41 adult patients with CD19 CAR T R/R LBCL. Patients had received an average of four lines of prior therapy including CD19 CAR T-cell therapy for all but one patient whose disease was CD19-negative and was CD19 CAR T naïve. One patient withdrew prior to leukapheresis and two patients did not receive CRG-022 due to an inability to manufacture given limited patient T cells, resulting in a 95% successful manufacturing rate (38 of 40 patients). As of the May 3, 2023 cutoff date, 38 patients had been treated with CRG-022 in this Phase 1 clinical trial.

Patients underwent conditioning chemotherapy with fludarabine and cyclophosphamide before receiving one of the two different doses of CAR T cells (DL1 [1 x 10^6 CD22 CAR+ cells/kg] and DL2 [3 x 10^6 CD22 CAR+ cells/kg]). As shown in the figure below, as of the May 3, 2023 cutoff date, the ORR was 68% and the CR rate was 53%. There was no clear dose-dependence of the ORR or CR rate.

LBCL	DL1 (N = 29)	DL2 (N = 9)	Tot (N = 38)
Median follow up, months [range]	21.2 [5.9-43.1]	34.2 [28.9-37.8]	22.8 [5.9-43.1]
Overall Response Rate (ORR)*, n (%)	19 (66%)	7 (78%)	26 (68%)
CR Rate	15 (52%)	5 (56%)	20 (53%)

Figure 4. ORR and CR observed in Phase 1 clinical trial with CRG-022 as of May 3, 2023

Additionally, as of the cutoff date and as depicted in the graphs below, the overall rate of progression free survival (PFS) at 6 months was 47% and median PFS was 3.0 months (95% CI 1.7-28.7). The median survival in this clinical trial was 14.1 months in the overall population.

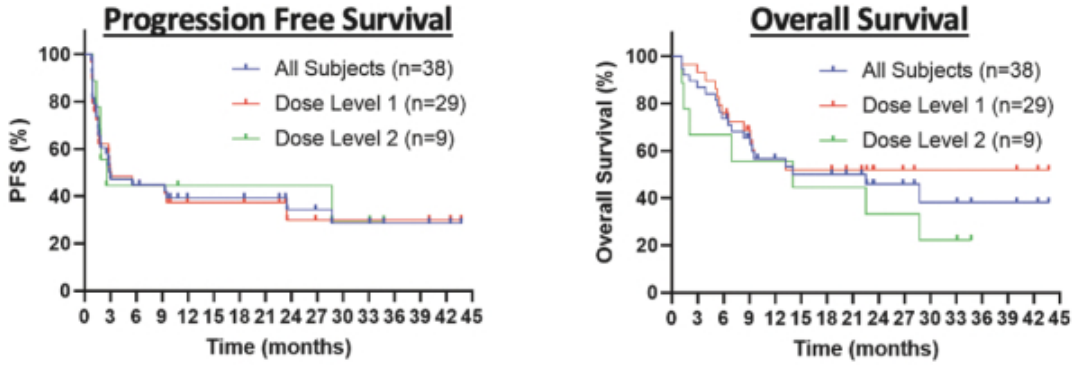


Figure 5. PFS and OS of LBCL patients treated with CRG-022 as of May 3, 2023

Patients treated with CRG-022 experienced an immune toxicity referred to as CRS. CRS is a systemic inflammatory response caused by cytokines released by infused CAR T cells that in severe cases can lead to widespread reversible organ dysfunction and death. The majority of patients treated with CRG-022 had mild to moderate CRS, reported as Grades 1 or 2. Only one patient experienced Grade 3 CRS at DL2. One patient treated with CRG-022 at DL2 had Grade 2 CRS and developed septicemia, deemed possibly related to CRG-022, which led to multi-organ failure and death due to sepsis on Day 40. Two additional patients at DL2 developed treatment-related MDS/AML without evidence of LBCL relapse at 11- and 28-months post infusion. One patient at DL1 experienced unrelated heart failure and a second patient treated at DL1 died due to unknown causes after being lost to follow-up at six months post CRG-022 infusion.

A second type of toxicity associated with CAR T-cell therapies is ICANS. In the Phase 1 clinical trial, 13% of patients experienced ICANS of Grades 1 or 2 severity. There were no reports of patients with ICANS of Grades 3 or above. We believe the lack of reports of serious grade ICANS could potentially be attributable to the differential expression of CD19 and CD22 on cells within the central nervous system. CD19 is expressed on mural cells which are part of the neurovascular unit surrounding endothelial cells and which are critical for maintaining the integrity of the blood brain barrier. In contrast, researchers have shown that CD22 is not expressed on neurovascular cells, such as mural cells, endothelial cells or neurovascular progenitors.

Parameter	DLBCL DL1 (N = 29)	DLBCL DL2 (N = 9)	Total N=38
Cytokine Release Syndrome, n (%)			
None	2 (7%)	0 (0%)	2 (5%)
Grade 1	13 (45%)	1 (11%)	14 (37%)
Grade 2	14 (48%)	7 (78%)	21 (55%)
Grade ≥3	0 (0%)	1 (11%)	1 (3%)
Neurologic Events / ICANS, n (%)			
None	26 (90%)	7 (78%)	33 (87%)
Grade 1	2 (7%)	1 (11%)	3 (8%)
Grade 2	1 (3%)	1 (11%)	2 (5%)
Grade ≥3	0 (0%)	0 (0%)	0 (0%)

Figure 6. CRS and ICANS observed in Phase 1 clinical trial with CRG-022 as of May 3, 2023

Additionally, 18% of patients (7% of DL1 and 33% of DL2) also developed clinical and laboratory abnormalities consistent with hemophagocytic lymphohistiocytosis (HLH), a condition involving excessive activation of histiocytes and lymphocytes resulting in a hyperinflammatory syndrome requiring prolonged hospitalization or

re-admission for medical monitoring or treatment. HLH is recognized as a distinct toxicity associated with CAR T-cell therapies, and it has been observed in approximately 15% of patients treated with CD19 CAR T cells. More recently, a consensus grading system and management guidelines that include the administration of steroids and anakinra have been developed. This toxicity is now called immune effector cell HLH-like syndrome (IEC-HS). IEC-HS was higher in patients who received the highest dose (DL2) of CRG-022 without any meaningful increase in efficacy which prompted the selection of DL1 for the expansion phase of this clinical trial.

Phase 1 clinical trial of CRG-022 in pediatric and adolescent/young adult patients with R/R B-ALL at Stanford

A Phase 1 clinical trial of CRG-022 was initiated by researchers at Stanford in pediatric and adolescent/young adult patients with R/R B-ALL or LBCL. As of June 26, 2022, ten pediatric patients and nine adult patients with B-ALL had been enrolled and 16 have been treated. At Day 28, four achieved CR. One pediatric patient developed Grade 3 CRS, carHLH and prolonged neutropenia. This patient developed sepsis, seizure and died on Day 60 of multiorgan failure. The eight adult patients treated in this clinical trial all achieved a complete response with five patients achieving MRD-negativity. The median duration of response, either until relapse or next therapy, was 105 days in adult patients, 47.5 days in pediatric patients, and 74 days overall. Twelve patients relapsed after treatment with CRG-022 and overall survival at one year was 50%.

Phase 1 clinical trial of CD22 CAR T-cell therapy including the CRG-022 CAR in pediatric and adolescent/young adult patients with R/R B-ALL at the NCI

A single-center Phase 1 clinical trial of a CD22 CAR T-cell therapy using the same CAR as CRG-022 in patients with CD22 positive B-ALL is being conducted at the NCI in children and young adult patients (up to age 30). This clinical trial used a 3 + 3 dose-escalation design with a large expansion cohort and enrolled 73 patients as of April 2019, of which 88% had received CD19-targeted therapy (e.g., CD19 CAR, blinatumomab or both), 67% hematopoietic stem cell transplantation and 24% inotuzumab ozogamicin (a CD22-directed antibody-drug conjugate). The results from 58 patients with highly refractory disease were published in the Journal of Clinical Oncology in 2020. The CR rate was 70% with 88% of responders achieving minimal residual disease negative status. Cytokine release syndrome occurred in 82% of participants but was largely limited to lower grade (i.e., grade 1/2) events (90%). Neurotoxicity occurred in 33% of participants and was severe (i.e., grade ≥3) in 2%. Hemophagocytic lymphohistiocytosis-like manifestations were seen in 32.8% of participants which prompted the use of anakinra.

Our ongoing potentially pivotal Phase 2 clinical trial in LBCL

In August 2023, we initiated a potentially pivotal multi-center Phase 2 clinical trial to evaluate the safety and efficacy of CRG-022 in patients with LBCL whose disease is R/R to CD19 CAR T-cell therapy. This clinical trial is enrolling patients whose disease is refractory to or has relapsed subsequent to CD19 CAR T-cell therapy. In addition, this clinical trial includes a separate cohort of patients who have received two prior lines of therapy with one of these lines of therapy including a bispecific T cell engager. The primary objective of this clinical trial is the ORR as determined by a blinded independent review committee. This clinical trial is anticipated to enroll up to 123 patients and dose approximately 101 patients. We expect interim results from this Phase 2 clinical trial in 2025.

Following fludarabine/cyclophosphamide conditioning, patients will be dosed with 1 x 10^6 viable CAR^+ cells/kg, the same dose as the DL1 dose administered in the Stanford Phase 1 clinical trial in LBCL. Initial response assessment is planned for Day 28 with subsequent assessments at Day 90 and then every three months.

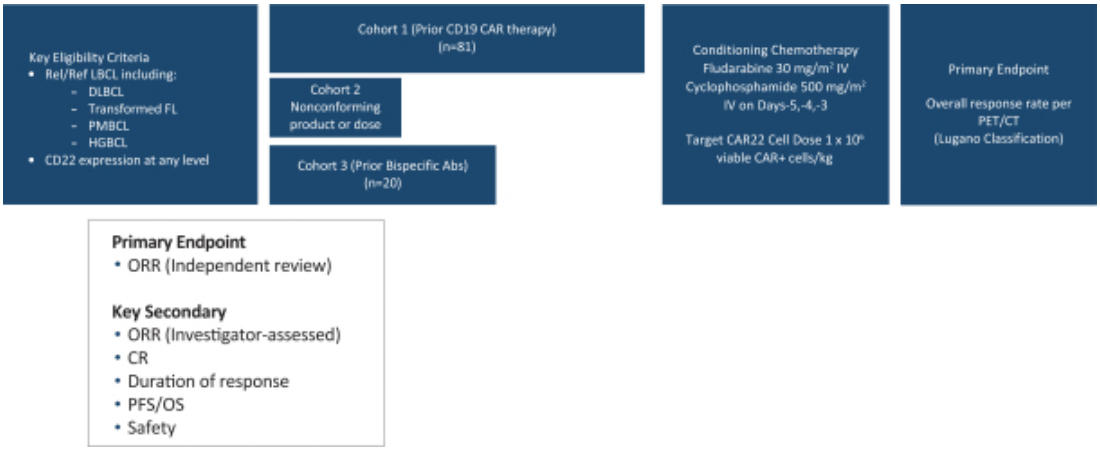


Figure 7. Design of our potentially pivotal Phase 2 clinical trial of CRG-022

Establishment of a commercial manufacturing process for CRG-022

CRG-022 is an autologous CAR T-cell product generated from a patient's own T cells that have been obtained by leukapheresis (a process for patient immune cell collection) and shipped to a manufacturing facility. At the manufacturing facility, CRG-022 is generated, cryopreserved and then shipped back to the treating clinic to be infused into the patient. The manufacturing process for CRG-022 builds upon the process used to manufacture CRG-022 used by Stanford, with the addition of several improvements that we proactively identified as necessary for reliability of long-term supply and that we believe are best implemented prior to initiating a pivotal clinical trial of CRG-022. We believe our manufacturing strategy is designed to directly address some of the key known challenges that cell therapy manufacturers have faced. We are seeking to achieve this by: (1) introducing process design features that enable the process to be rapidly transferable, (2) implementing key process and method changes prior to the start of our potentially pivotal Phase 2 clinical trial, which we believe could reduce the need for changes post-pivotal, (3) automating and closing the process and (4) developing a plan to introduce multiple manufacturing sites for pivotal supply.
Based on the experience of our team in developing and launching cell therapies, we believe that these changes, in addition to being of practical benefit, will also help address critical issues such as supply capacity and cost of goods.

- *Reliable supply*. We have successfully transferred the Stanford manufacturing process to our internal technical development lab, made appropriate process changes and transferred our intended commercial manufacturing process for our potentially pivotal Phase 2 clinical trial to contract development manufacturing organizations (CDMOs). We have identified additional CDMO capacity to help ensure redundancy of supply and increase available capacity in anticipation of commercialization. As an additional focus on our supply chain, we have secured a reliable source of lentiviral vector produced using a suspension-based platform through a collaboration with a CDMO.
- *Cost of goods.* We have automated a number of steps in the manufacturing process to increase throughput and reliability while minimizing costs. For example, we have changed from manual to automated filling as

part of the intended commercial manufacturing process. In addition, we have introduced the ability to cryopreserve the starting apheresis material which enables more efficient use of our manufacturing slots and flexible supply chain strategy that can serve patients in wider geographic areas. We addressed the supply of critical reagents required, such as the lentivirus vector that is used to insert the gene for the CD22 CAR into T cells. We transitioned the design and production of the lentivirus vector used by Stanford to one that is more suitable for commercial applications while still delivering the same CD22 CAR and demonstrating analytical comparability to CRG-022 produced at Stanford.

- *Predictable patient experience*. We believe CRG-022 has the potential to deliver life-changing benefits to cancer patients whose disease has failed to respond to prior therapies; however, similar to other autologous cell therapies, a significant amount of time is required to manufacture this autologous CAR T-cell product. The turnaround time encompasses every step from apheresis of the starting cells from the patients, shipping, introduction of the CAR construct, cell expansion, harvesting, final filling and quality control before a product can be released and shipped back to the treating clinic. We believe the process and operational improvements we have implemented will provide greater control of the manufacturing turn-around-time.
- *Regulatory strategy considerations*. We benefit from the experience of pioneering CAR T-cell products to help pave the way through the regulatory process and to identify critical steps with the potential to stall the development of CRG-022. We have, for example, implemented our intended commercial manufacturing process and analytics prior to initialization of our potentially pivotal Phase 2 clinical trial in an attempt to reduce the need to introduce further changes moving from clinical to commercial production. We are utilizing current regulatory guidance to design comparability strategies to manage life cycle changes. We have already implemented key requirements of the control system, before the start of the potentially pivotal Phase 2 clinical trial, for example by establishing a suitable potency assay and qualifying all release methods.

Our manufacturing approach aims to establish processes that are highly reliable and consistent and that can readily be transferred to commercial cell therapy manufacturing. We believe that this will help ensure that our therapy candidates, if approved, can be generated for all patients that need them. We believe our strategy to focus on these steps prior to initiating our potentially pivotal Phase 2 clinical trial will both simplify later efforts to establish comparability across manufacturing sites and increase our potential to rapidly expand our manufacturing network as dictated by demand.

Our CD2 costimulation platform technology and CRG-023, a tri-specific CAR T product candidate

Our first platform technology involves the integration of a CD2 costimulatory domain designed to counter a target-independent mechanism that leads to resistance to CAR T cells and other immune therapies. The strength and quality of a T-cell response is dependent not only on cognate antigen recognition, but also on costimulation, which involves interaction of one or more costimulatory receptors on T cells, such as CD2, with ligands expressed on the surface of tumor cells. Tumor cells can escape CAR T-cell destruction by downregulating the expression of ligands for the costimulatory receptors. These ligands include CD58, the ligand of the CD2 costimulatory receptor. Alteration of CD58 expression is associated with poor prognosis in LBCL and leads to lack of response to CD19 CAR T cells. Through our platform approach, we created constructs that couple CD2 signaling directly to CAR activation, to enhance activation of the CAR T cells against tumors that do not express CD58.

Our most advanced preclinical programs incorporate CAR multi-specificity to address tumor antigen loss and loss of costimulatory CD58. CRG-023, our tri-specific CAR T product candidate, targets tumor cells with three B-cell antigen targets (CD19, CD20 and CD22). One of the binders of this tri-specific T cell will incorporate our CD2 costimulation technology that we believe will help improve the treatment of patients that have lost CD58 expression on their tumor cells. We believe that by utilizing our tri-specific CAR T product candidate incorporating our CD2 costimulation technology we have the potential to simultaneously prevent relapse due to

antigen down-modulation or antigen loss while improving CAR T-cell responses against an important mechanism that tumors employ to evade killing by CAR T cells. We plan to continue to leverage our platform technologies to further advance our additional pipeline programs.

Preventing emergence of resistance due to loss of costimulatory ligands

The loss of cell surface costimulatory proteins on tumors that function to activate T-cell costimulatory receptors is a mechanism of development of resistance to CAR T-cell therapies. Tumors that lack the expression of CD58, for example, have been found to be resistant to CAR T cells due to the inability to activate the CD2 receptor on CAR T cells. Approximately 25% of LBCL patients that are eligible for CAR T-cell therapy have mutated or absent CD58 and up to 67% have decreased expression of CD58. In a study of 51 patients with DLBCL treated with Yescarta, the prognosis for patients with mutated or absent CD58 was found to be poor with a median PFS of 3.1 months and less than 30% achieving CRs. By contrast, patients with intact CD58 expression achieved an 80% CR rate and approximately 60% survived or surviving beyond twelve months.

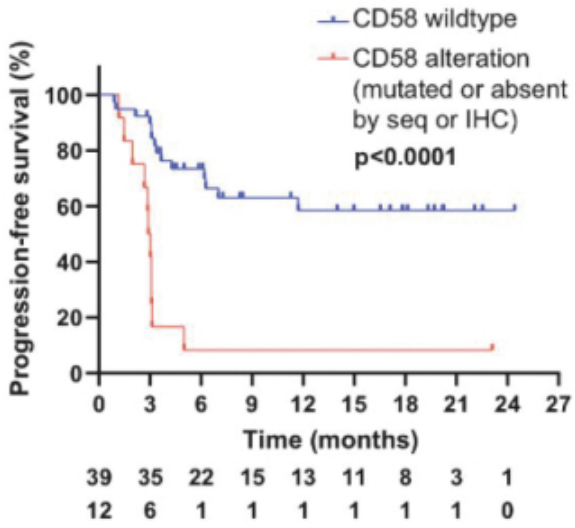


Figure 8. Alteration in CD58 expression was associated with poor prognosis in DLBCL patients treated with Yescarta.

This phenomenon is not confined to DLBCL. A study published in June 2023 demonstrated downregulation of CD58 in patient tumor samples across a wide range of hematologic malignancies including Hodgkin and non-Hodgkin lymphomas (both B-cell and T-cell), including *de novo* disease, suggesting a potential utility for our CD2 platform technology to mitigate immune escape in future therapies for a broad range of hematologic malignancies. The study also demonstrated no correlation with CD58 downregulation and any other B-cell marker (CD19, CD20, CD22 or PAX5), suggesting an independent mechanism of resistance from these cell markers. Further, we believe that this technology has the potential to lead to therapeutic benefit in other cancer indications beyond hematologic malignancies. For example, CD58 expression was reported to be reduced in melanoma patients who are resistant to checkpoint inhibitors. Similarly, sensitivity to bispecific T cell engagers (BiTEs), was reported to be dependent on CD58/CD2 signaling.

In order to combat CD58 downregulation, we are developing modified CAR constructs designed to induce CD2 intracellular signaling by a tumor antigen independent of the presence of CD58 on tumor cells, thereby alleviating the need for CD58 binding to the CD2 receptor and removing a common mechanism that may lead to resistance to CD19 CAR T-cell therapy.

The potential of our CD2 platform technology was demonstrated in a cell killing assay using NALM6 tumor cells. Because these cells express CD22, they are attacked and killed by CD22-targeted CAR T cells similar to CRG-022. Those NALM6 cells that lacked expression of CD58 resisted killing by CD22-targeted CAR T cells.

We hypothesized that restoration of CD2 stimulation would resensitize NALM6 cells that lack CD58 expression to killing by CAR T cells. To test this, we created a CAR that incorporated our CD2 technology in a CD19-targeted CAR with the intent of creating a CD2 activator that was dependent on binding to CD19 rather than CD58.

We observed that although NALM6 cells express CD19, treatment with CD19-targeted CAR with CD2 technology did not sustain long-term tumor cell killing *in vitro* on its own. However, when CAR T cells were created that contained both CD22-targeted CAR and CD19-targeted CAR with CD2 technology, we observed efficient killing of NALM6 cells, including those that lacked CD58. We believe this result suggests that a multi-specific CAR T cell incorporating CD2 technology, can improve activity against tumor cells that lack CD58 expression relative to monospecific CAR T cells.

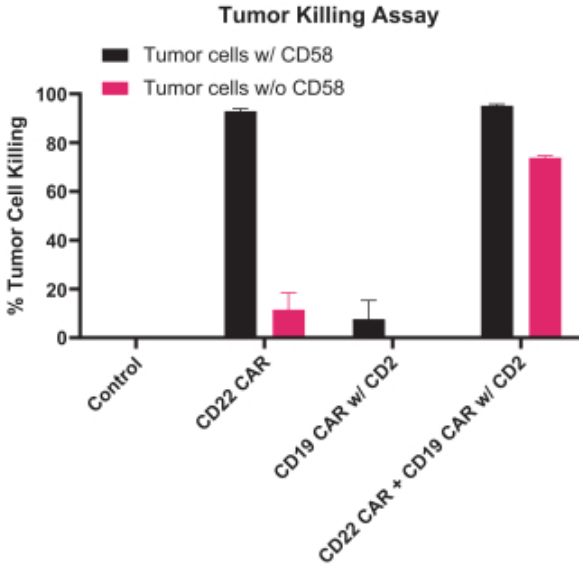


Figure 9. Multispecific CAR T cells incorporating our CD2 technology achieves sustained killing of both CD58+ and CD58- tumor cells

We believe that this CD2 platform technology has the potential to address an important mechanism that tumors employ to evade killing by CAR T cells, across a broad range of cancers.

CRG-023, a tri-specific CAR T product candidate

Critical to the long-term success of CAR T-cell therapies is the ability to increase the number of patients who achieve meaningful therapeutic benefits and for whom these benefits have long-term durability. Achieving this additional breadth will likely require approaches that target more than one tumor antigen at a time. This would, we believe, both expand the pool of eligible patients and reduce the frequency of emergence of resistance.

We are developing CRG-023, a tri-specific CAR T product candidate that targets tumor cells with three B-cell antigen targets (CD19, CD20 and CD22).

We believe that, by targeting these three antigens, we will be able to prevent relapse due to antigen down-modulation or antigen loss while giving us optionality for treating multiple types of B-cell malignancies. In addition to the CD22 CAR used in CRG-022, we plan to utilize novel, fully human CAR binders targeting CD19 and CD20 that we believe should decrease the probability of immune cell rejection by patient recipients due to

non-native elements. Finally, CRG-023 will incorporate our CD2 costimulation technology that we believe will help improve the treatment of patients that have loss or downregulation of CD58 expression on their tumor cells.

In order to evaluate the function of each independent CAR in CRG-023, three Nalm6 B-ALL cell lines were prepared, each expressing only one of the three targeted antigens (CD19, CD20 or CD22). The tri-specific CAR T cell and mono-specific control CAR T cells targeting each antigen were incubated with these Nalm6 cell lines, and the resulting IL-2 secretion – a measure of T cell function – was measured 24 hours later (Figure 15). Each CAR in CRG-023 was able to induce the T cells to secrete IL-2 in response to antigen at levels similar to the mono-specific CAR T cells, thereby demonstrating the independent function of each CAR in CRG-023.

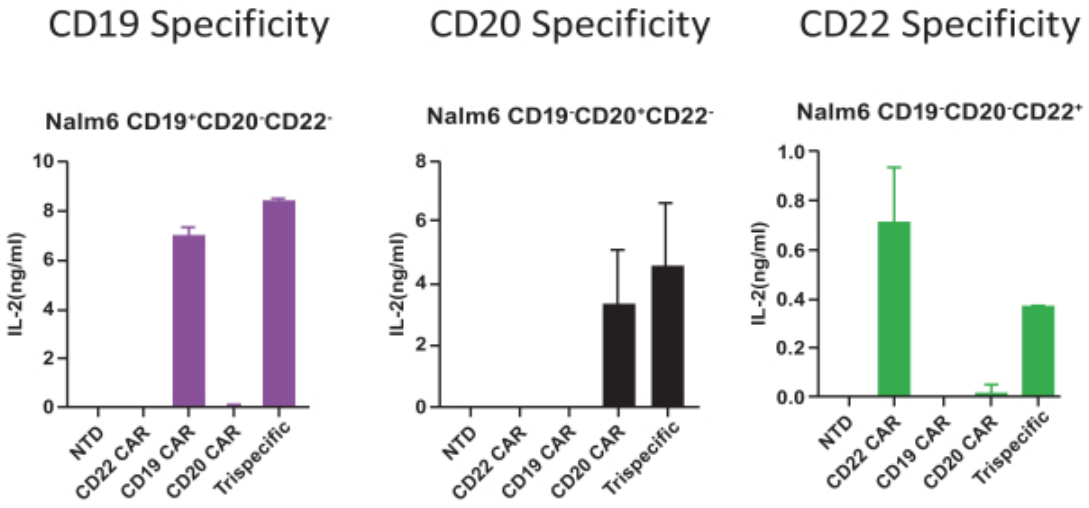


Figure 10. Each CAR in the CARGO tri-specific induced the T cells to secrete IL-2 in response to antigen at levels similar to the mono-specific CAR T.

In order to evaluate the ability of these tri-specific CAR T cells to eliminate tumors *in vivo*, we employed a mouse model in which a non-Hodgkin lymphoma B cell line called Raji was implanted into immunodeficient NSG mice. These Raji cells express all three antigens (CD19, CD20 and CD22) and were engineered to express luciferase to allow for *in vivo* quantification of tumor burden via bioluminescent flux. On day 0, Raji cells were intravenously implanted and on Day 4, three million CAR T cells were injected, and tumor burden was measured

over time. Mono-specific CAR T cells for each CAR used in CRG-023 were prepared as controls. While mono-specific CAR T cells gave partial responses at this dose, our tri-specific CAR T cells reduced bioluminescent flux values down to background levels (Figure 13).

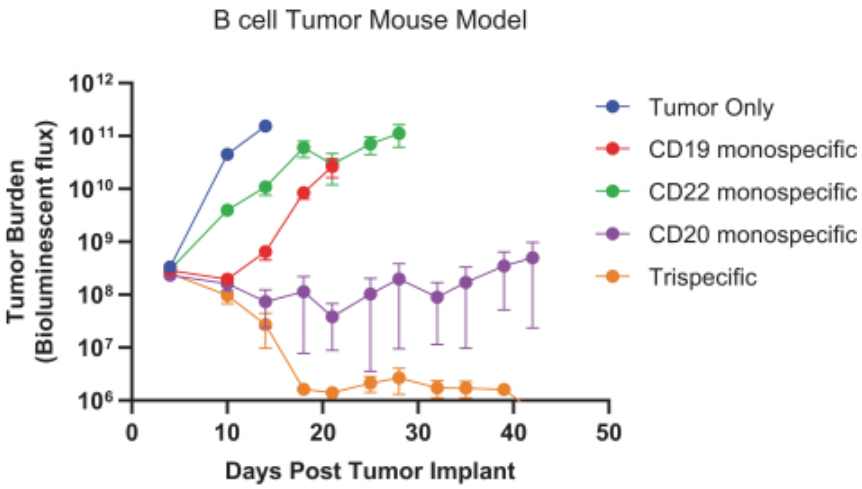


Figure 11 Our tri-specific CAR T cells showed better in vivo antitumor activity against a mouse B cell tumor model than mono-specific CAR T cells.

To understand the impact of antigen loss on our tri-specific CAR T cells, three Raji cell lines were engineered with one of the three antigens (CD19, CD20 or CD22) knocked-out (KO). A 1:1:1 mixture of these Raji cells (CD19 KO:CD20 KO:CD22 KO) was injected into immunodeficient NSG mice on day 0. On Day 4, either our tri-specific CAR T cells or monospecific CAR T-cell controls targeting either CD19 or CD22 were injected. Tumor burden was monitored over time by measuring bioluminescent flux. As expected, the mono-specific CAR T cells were unable to control the tumor due to one-third of the cells not expressing their cognate antigen. However, our tri-specific CAR T cells reduced tumor burden down to background levels (Figure 14). These data suggest that our tri-specific CAR T cells maintained activity against tumor cells that do not express one of the three target antigens.

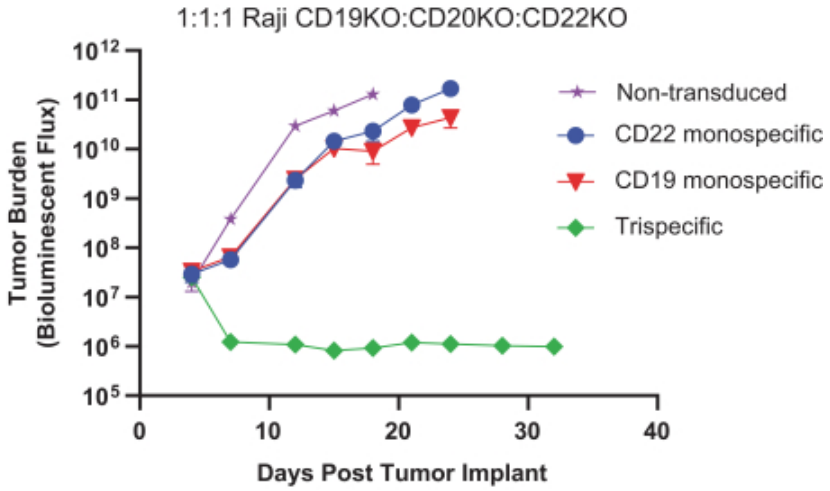


Figure 12. Our tri-specific CAR T cells reduced tumor burden to background levels in an antigen loss in vivo model.

We are initiating IND-enabling studies with CRG-023.

Our STASH platform technology, facilitating homogeneous multicomponent cell therapies

We believe CAR T cells that target more than one antigen on a tumor can address the resistance caused by antigen downregulation or loss on tumor cells, a potential point of failure for monospecific CARs. In addition, there is the potential of increasing persistence or improving tolerability of these cells by driving the expression of proteins such as cytokines that can increase the ability of immune cells to attack tumor cells. However, current technologies to deliver the constructs required to create these multicomponent cell therapies are limited by the capacity of the vectors which results in the need to introduce multiple vectors into T cells. Creating a homogenous population of T cells, each containing copies of all the desired constructs, represents a technical challenge, especially considering the challenges associated with commercial scalability. We believe our STASH technology has broad potential application in all of these scenarios by enabling the incorporation of multiple components without creating heterogeneity.

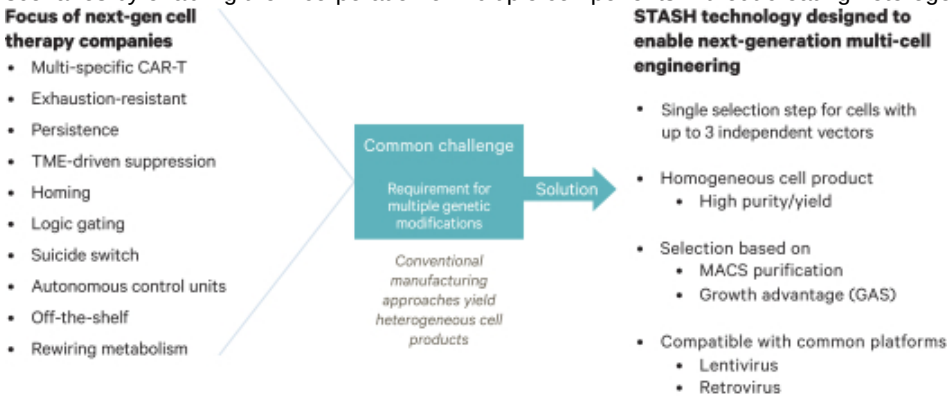


Figure 13. STASH is a technology that can potentially be applied to facilitate the manufacturing of cell therapies incorporating more than one vector.

We have exercised our exclusive option to a proprietary technology called STASH that is designed to specifically address this problem and allow the manufacturing of homogenous CAR T cells that incorporate multiple vectors. STASH technology comprises proprietary elements, referred to as STASH components, that are incorporated into each vector to be delivered to the CAR T cell. One of these STASH components expresses a marker that can be used to purify the T cells. However, this marker is only expressed on the surface of the T cell

when all STASH components are present inside the cell. Therefore, only T cells that have received all vectors will express this tag on the cell surface, which allows them to be purified from the remaining cells that do not express this tag on the surface.

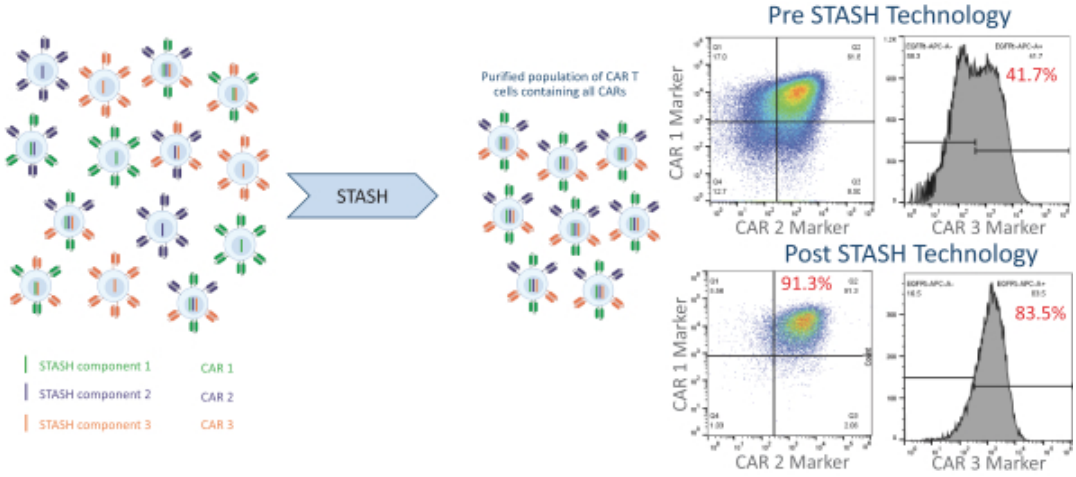


Figure 14. STASH improves homogeneity of a multi-specific CAR T-cell product

We are committed to improving T-cell activation and persistence and addressing immunosuppressive mechanisms in the tumor microenvironment. We believe that our CD2 and STASH technologies, along with other components of our platform technologies in development, are key to the future of CAR T-cell therapies. We intend to lead the development of these next generation product candidates with our proprietary platform technologies.

Competition

Our products will compete with novel therapies developed by biopharmaceutical companies, academic research institutions, governmental agencies and public and private research institutions, in addition to standard of care treatments.

Potential competitors with autologous CAR T cell therapies that are either approved or in development include 2seventybio, Autolus Therapeutics, Bristol-Myers Squibb, Gilead Sciences, Gracell, ImmPACT Bio, Miltenyi and Novartis. Potential competitors with allogenic CAR cell therapies in development include Adicet Bio, Allogene Therapeutics, Atara Biotherapeutics, CRISPR Cellectis, Celyad, Fate, Nkarta, Precision Biosciences, Sana Biotechnology, Sorrento Therapeutics and Takeda. Due to the promising therapeutic effect of CAR T-cell therapies in clinical trials, we anticipate increasing competition from existing and new companies developing these therapies. Competition will also arise from non-cell based immune and other pursued by small-cap biotechnology and large-cap pharmaceutical companies including Abbvie, Amgen Inc, AstraZeneca, Bristol-Myers Squibb, Genmab Incyte, Janssen, Merck, Regeneron and Roche.

Many of our competitors, either alone or with their collaboration partners, have significantly greater financial resources and expertise in research and development, preclinical testing, clinical trials, manufacturing and marketing than we do. Future collaborations and mergers and acquisitions may result in further resource concentration among a smaller number of competitors.

Our commercial potential could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less

expensive than products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market or make our development more complicated. The key competitive factors affecting the success of all of our programs are likely to be efficacy, safety and convenience.

These competitors may also vie for a similar pool of qualified scientific and management talent, sites and patient populations for clinical trials, as well as for technologies complementary to, or necessary for, our programs.

Certain competitor data

There are three currently approved CD19 CAR T-cell therapies for the treatment of LBCL. Select published clinical data from current FDA-approved CD19 CAR T-cell therapies in development for the treatment of LBCL are presented below.

Axicabtagene ciloleucel (Yescarta)

In a Phase 2 clinical trial of ZUMA-1, a single-arm, multi-center, registrational trial, Yescarta was administered to 101 patients. After 11.6 months of follow-up, the ORR and CR rate were 72% and 51%, respectively. At 18 months, the ORR and CR rate were 82% and 54%, respectively, and Grade 3 or higher CRS and neurologic events occurred in 13% and 28% of patients, respectively. After 2 years of follow-up, the ORR, CR rate and PFS were 83%, 54% and 39%, respectively, as compared to after 5 years of follow-up, where the ORR, CR rate and PFS were 83%, 58% and 32%, respectively.

In a Phase 3 clinical trial of ZUMA-7, a randomized, open-label, multi-center trial, Yescarta was administered to 180 patients and supported the initial treatment in adults with 2L R/R LBCL. After 14.7 months of follow-up, the ORR, CR rate and PFS were 83%, 65% and 50%, respectively, and Grade 3 or higher CRS and neurologic events occurred in 7% and 25% of patients, respectively. After 4 years of follow-up, the ORR, CR rate and PFS were 83%, 65% and 42%, respectively.

Tisagenlecleucel (Kymriah)

In a Phase 2 clinical trial of JULIET, an open-label, multi-center, single-arm trial, Kymriah was administered to 68 patients. At 9.4 months, the ORR and CR rate were 50% and 32%, respectively, and Grade 3 or higher CRS and neurologic events occurred in 22% and 12% of patients, respectively. At 24 months of follow-up, the ORR and CR rate were 52% and 38%, respectively, as compared to after 40.3 months of follow-up, where the ORR and CR rate were 53% and 39%, respectively. After 36 months of follow-up, the PFS was 31%.

Lisocabtagene maraleucel (Breyanzi)

In the pivotal TRANSCEND NHL 001 clinical trial, Breyanzi was administered to 192 patients. After 18.8 months of follow-up, the ORR and CR rate were 73% and 54%, respectively, and Grade 3 or higher CRS and neurologic events occurred in 2% and 10% of patients, respectively. After 2 years of follow-up, the ORR, CR rate and PFS were 73%, 53% and 41%, respectively.

In the pivotal Phase 3 TRANSFORM clinical trial, Breyanzi was administered to 92 patients and supported the initial treatment in adults with 2L R/R LBCL. At 6.2 months, the ORR and CR rate were 84% and 66%, respectively, and Grade 3 or higher CRS and neurologic events occurred in 1% and 7% of patients, respectively. After 17.5 months of follow-up, the ORR, CR rate and PFS were 87%, 74% and 58%, respectively.

ORR and CR rate

The following reflects the published data on ORR and CR rates of CD19 CAR T-cell therapies for the treatment of 3L+ LBCL after 2 years of follow-up: Yescarta (83% ORR, 54% CR rate), Kymriah (52% ORR, 38% CR rate) and Breyanzi (73% ORR, 53% CR rate).

Intellectual property

Intellectual property rights are important to the success of our business. We rely on a combination of patent, trademark and trade secret laws in the United States and other jurisdictions, as well as license agreements, confidentiality procedures, non-disclosure agreements with third parties, and other contractual protections, to protect our intellectual property rights, including our proprietary technology, solutions, know-how and brands.

We seek to protect the intellectual property, or IP, and proprietary technology that we consider important to our business, including by pursuing patent applications that cover our technologies and product candidates and methods of using the same, as well as any other relevant inventions and improvements that are considered commercially important to the development of our business. We likewise seek to protect the IP to which we obtain rights through licenses and sublicenses and work collaboratively with our licensors to ensure patent prosecution and protection. We also rely on trademarks, copyrights, trade secrets, know- how and continuing technological innovation to develop and maintain our proprietary and IP positions. Our commercial success depends, in part, on our ability to obtain, maintain, enforce and protect our IP and other proprietary rights for the technology, inventions and improvements we consider important to our business, and to defend any patents we may own or in-license in the future, prevent others from infringing any patents we may own or in-license in the future, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the valid and enforceable IP and proprietary rights of third parties.

As of August 4, 2023, we owned six pending U.S. patent applications and two pending PCT applications comprising applications drawn to the following technical subject matter: (a) cytokine receptor switch polypeptides and uses thereof; (b) CD2-recruiting chimeric antigen receptors and fusion proteins; (c) compositions and methods for improved immunotherapies; (d) compositions and methods for allogeneic immunotherapies; (e) split receptor switch polypeptides and uses thereof; (f) multiplex cell selection compositions and uses thereof. Any patents issuing from these patent applications are expected to expire from 2043-2044, without taking into account any possible patent term adjustments or extensions. We have also exclusively licensed from NCI and Stanford or optioned six granted U.S. patents, four pending U.S. patent applications, one pending PCT application, 15 granted foreign patents, and 46 pending foreign patent applications that cover a wide range of compositions of matter (including pharmaceutical compositions) and methods (including methods of use), patents and comprising applications drawn to the following technical subject matter: (a) human monoclonal antibodies specific for CD22; (b) m971 chimeric antigen receptors; (c) bicistronic chimeric antigen receptors and their uses; (d) chimeric antigen receptors with CD2 activation; (e) methods for diagnosing or treating health conditions or optimizing therapeutic efficacy of CAR T cell therapies; (f) recombinant polypeptides for regulatable cellular localization; (g) cell selection methods and related compositions. These patents and any patents issuing from these patent applications are expected to expire from 2029 to 2042, without taking into account any possible patent term adjustments or extensions.

Our ability to maintain and solidify our proprietary and IP position(s) for our product candidates and technologies will depend on our success in obtaining effective patent claims and enforcing those claims if granted. However, our pending provisional and Patent Cooperation Treaty, or PCT, patent applications, and any patent applications that we may in the future file or license from third parties, may not result in the issuance of patents and any issued patents we may obtain do not guarantee us the right to protect our technology in relation to the commercialization of our products. We also cannot predict the breadth of claims that may be allowed or enforced in any patents we may own or in-license in the future. Notwithstanding the scope of the

patent protection available to us, a competitor could develop competitive technologies and products that are not covered by our IP, and we may be unable to stop such competitor from commercializing such technologies and products.

Any issued patents that we may own or in-license in the future may be challenged, invalidated, circumvented or have the scope of their claims narrowed. Because patent applications can take many years to issue, there may be applications unknown to us, which applications may later result in issued patents that our existing or future products or technologies may be alleged to infringe. Additionally, we cannot be certain of the priority of inventions covered by pending third-party patent applications. If third parties prepare and file patent applications in the United States that also claim technology and products to which we have rights, we may have to participate in interference proceedings in the United States Patent and Trademark Office, or USPTO, to determine priority of invention, which is highly unpredictable and which could result in substantial costs, even if the eventual outcome is favorable to us. In addition, because of the extensive time required for clinical development and regulatory review of technologies and product candidates we may develop, it is possible that, before any of our products can be commercialized, any patent covering a certain product may expire or remain in force for only a short period following commercialization, thereby limiting the protection such patent would afford the respective product and any competitive advantage such patent may provide.

The term of individual patents depends upon the date of filing of the patent application, the date of patent issuance and the legal term of patents in the countries in which they are obtained. In most countries, including the United States, the patent term is 20 years from the earliest filing date of a non-provisional patent application. In the United States, a patent's term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the USPTO in examining and granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier expiring patent.

There can be no assurance that our pending provisional or PCT patent applications will ultimately result in issued patents or that we will benefit from any patent term extension or favorable adjustments to the terms of any patents we may own or in- license in the future. In addition, the actual protection afforded by a patent varies on a product-by-product basis, from country-to-country, and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country and the validity and enforceability of the patent. Patent term may be inadequate to protect our competitive position on our products for an adequate amount of time.

As of August 25, 2023, we had no outstanding litigation related to our intellectual property nor any threat to initiate claims against us. In the future, we may need to engage in litigation to enforce patents issued or licensed to us, to protect our trade secrets or know-how or to defend against claims of infringement of the rights of others. Litigation could be costly and could divert our attention from other functions and responsibilities. Furthermore, even if our patents are found to be valid and infringed, a court may refuse to grant injunctive relief against the infringer and instead grant us monetary damages and/or ongoing royalties. Such monetary compensation may be insufficient to adequately offset the damage to our business caused by the infringer's competition in the market. Adverse determinations in litigation could subject us to significant liabilities to third parties, could require us to seek licenses from third parties and pay significant royalties to such third parties and could prevent us from manufacturing, selling or using our product or technologies, any of which could severely harm our business.

Although we rely on intellectual property rights, including patents, copyrights, trademarks and trade secrets, as well as contractual protections to establish and protect our proprietary rights, we believe that factors such as the technological and creative skills of our personnel, creation of new solutions, features and functionality, and frequent enhancements to our platform are also essential to establishing and maintaining our technology leadership position.

We control access to and use of our proprietary technology and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors and partners. We require our employees, consultants and other third parties to enter into confidentiality and proprietary rights agreements and we control and monitor access to our solutions, documentation, proprietary technology and other confidential information. Our policy is to require all employees and independent contractors to sign agreements assigning to us any inventions, trade secrets, works of authorship, developments, processes and other intellectual property generated by them on our behalf and under which they agree to protect our confidential information. In addition, we generally enter into confidentiality agreements with our partners. See the section titled “Risk factors—Risks related to our intellectual property” for a more comprehensive description of risks related to our intellectual property.

License agreements

Stanford license agreement

In August 2022, we entered into a license agreement with the Board of Trustees of Stanford University, as amended in January 2023 (the Stanford Agreement). Pursuant to the terms of the Stanford Agreement, Stanford grants to us a worldwide, exclusive license under certain patent rights, and a worldwide non-exclusive license under certain technology, in each case, owned or controlled by Stanford University to make, use and sell products, methods or services in the field of human therapeutic and diagnostic products.

As consideration for the license granted under the Stanford Agreement, we paid a one-time, non-refundable upfront license issue fee of $50,000 and issued 917,376 shares of our common stock, of which 302,820 shares were issued to Stanford University, 367,717 shares were issued to two non-profit organizations that supported the research, and 246,839 shares were issued to various Stanford University inventors. We also agreed to pay annual license maintenance fees of up to $100,000 per year, up to $7.5 million for sales milestone payments, up to $3.98 million in development milestone payments for each therapeutic product covered by licensed patent rights that achieves specific clinical trials or regulatory approvals, up to $550,000 milestone payments upon achievement of specific commercial milestone events, a double-digit percentage of milestone payments applicable to product covered by licensed patent rights on non-patented products and, subject to certain royalty reductions, low single-digit percentage royalties on net sales of products that is covered by the licensed patent rights or licensed technology. Subject to the terms of the Stanford Agreement, we also agreed to pay Stanford University a certain percentage of non-royalty sublicense related revenue that we may receive from third party sublicensees.

Stanford University may terminate the Stanford Agreement in the event of a material breach, delinquency in payment or if we provide any materially false report, and any of these events remains uncured for 60 days following written notice of such event. We may terminate the Stanford Agreement in its entirety or on a field-by-field basis at any time upon 30 days’ advance written notice to Stanford University.

We agreed to pay Stanford University $250,000 if we are acquired by a third party or if we sell all or substantially all of our assets to which the Stanford Agreement relates.

Oxford license and supply agreement

In June 2022, we entered into a license and supply agreement (the 2022 Oxford Agreement) with Oxford Biomedica (UK) Limited (Oxford Biomedica) for Oxford Biomedica to manufacture and supply to us certain lentiviral vectors (Vectors) for the development and commercialization of T-cells transduced with such Vectors (Licensed Products).

Pursuant to the 2022 Oxford Agreement, Oxford Biomedica agrees to provide services related to the development, manufacture and supply of the Vectors and grants to us a non-exclusive worldwide, sub-licensable, royalty-bearing license under certain of Oxford Biomedica's intellectual property rights for us to research, develop, manufacture and commercialize the Licensed Products targeting CD22, and any additional target agreed by Oxford Biomedica and us upon payment of a certain additional target fee.

As consideration for the rights and licenses granted under the 2022 Oxford Agreement, we paid Oxford Biomedica an upfront fee of $200,000. We also agreed to pay up to an aggregate of $9.25 million for each target if certain development, regulatory or commercial milestones are achieved by Licensed Products directed to such target and up to an aggregate of $4.25 million if certain milestones related to the transfer of manufacturing capabilities are achieved for each target. Additionally, we agreed to pay low single-digit percentage royalties on the net sales of the Licensed Products.

Pursuant to the terms of the 2022 Oxford Agreement, we solely own any and all intellectual property rights generated under the 2022 Oxford Agreement that either relate solely and exclusively to a nucleic acid sequence encoding our CAR that recognizes CD22 or consist solely and exclusively of any improvement or modification of any proprietary materials that we provide to Oxford for use in the performance of services under the 2022 Oxford Agreement, or require the use of such proprietary materials or our confidential information.

Unless terminated earlier, the 2022 Oxford Agreement will expire when we have no further payments due to Oxford Biomedica under the agreement. We may terminate the 2022 Oxford Agreement without cause upon 120 days' advance written notice, but we may be subject to fees involved in cancelling manufacturing slots that Oxford Biomedica has reserved for manufacturing the Vectors under the 2022 Oxford Agreement. Either party may terminate the 2022 Oxford Agreement or any applicable scope of work or work order in the event of a material breach that is not cured following written notice of such material breach. Either party can also terminate the 2022 Oxford Agreement upon insolvency of the other party.

2022 National Cancer Institute license agreement

In March 2022, we entered into a license agreement with the U.S. Department of Health and Human Services, as represented by The National Cancer Institute (the NCI) (the 2022 NCI License Agreement), pursuant to which the NCI grants to us a worldwide, royalty-bearing, exclusive license to make, use, sell and import products (Autologous Products) and to practice processes in the field of certain autologously derived CAR T immunotherapies for the treatment of B-cell malignancies that express CD22, and a non-sublicenseable exclusive license to make, use, and import, but not sell, products (Allogenic Products) and to practice processes in the field of certain allogenic derived CAR T immunotherapies for the treatment of B-cell malignancies that express CD22 for evaluation purposes, with an exclusive option to negotiate a non-exclusive or exclusive commercialization license, in each case, under certain patents owned by the NCI.

As consideration for the licenses granted under the 2022 NCI License Agreement, we agreed to pay the NCI a non-refundable license fee of $550,000, of which $175,000 was paid in 2022, and the remaining balance of $375,000 is payable in three equal annual installments beginning on the first anniversary of the effective date of the agreement. We accrued these non-refundable upfront fees on entering into the 2022 NCI License Agreement. We agreed to pay up to $150,000 in regulatory milestone payments upon achieving specific regulatory filing, up to $1.8 million in development milestone payments upon achieving specific clinical trials or registration trials, and up to $16.0 million in sales milestone upon achievement of specific commercial milestone events. Subject to the terms of the agreement, we also agreed to pay low single-digit percentage royalties on net sales of Autologous Products and Allogenic Products. We also agreed to pay the NCI a low double-digit percentages of non-royalty revenue received by us for granting a sublicence of the licensed patent rights. Additionally, in the event we are granted a priority review voucher (PRV), we agreed to pay the NCI a

minimum of $5.0 million upon the sale, transfer or lease of each PRV or $500,000 upon submission of each PRV for use by the FDA. We also agreed to pay the NCI a low single-digit to low double-digit percentage of the fair market value of the consideration we receive for any assignment of the 2022 NCI License Agreement to a non-affiliate (upon the NCI's prior written consent) or an allocated portion of the fair value of consideration received in connection with a change in control.

Unless earlier terminated, the 2022 NCI License Agreement will expire upon the expiration of the last to expire licensed patent right, but the exclusive license for evaluation purposes will expire two years from the effective date of the 2022 NCI License Agreement, with an option for us to extend the exclusive license for evaluation purposes for one year upon a non-creditable, nonrefundable payment of $50,000 to the NCI. The NCI may terminate or modify the 2022 NCI License Agreement in the event of a material breach, including if we do not meet certain milestones by certain dates, or upon certain insolvency events that remain uncured within 90 days following written notice of such breach or insolvency event. We may terminate the 2022 NCI License Agreement, or any portion thereof, at our sole discretion at any time upon 60 days' advance written notice to the NCI.

2023 National Cancer Institute license agreement

In February 2023, we entered into a license agreement with the NCI (the 2023 NCI License Agreement) to acquire a worldwide, royalty-bearing, exclusive license under certain patent rights owned by the NCI to make, use, sell and import products and to practice processes in the field of certain CAR T immunotherapies for the treatment of B-cell malignancies, wherein the T cells are engineered to express CD22 in combination with both: receptors targeting CD19, CD20, and/or CD79b; and using STASH platform and/or a technology to activate CD2 signaling in the CAR T cell. As consideration for the license granted under the 2023 NCI License Agreement, we agreed to pay the NCI a non-refundable license fee of $250,000 payable in three annual installments, and up to $90,000 in regulatory milestone payments upon achieving specific regulatory filing, up to $1.725 million in development milestone payments upon achieving specific clinical trials or registration trials, and up to $16.0 million in sales milestone upon achievement of specific commercial milestone events. Subject to the terms of the agreement, we also agreed to pay a low single-digit percentage royalties on net sales of Allogenic Products. We also agreed to pay the NCI a low double-digit percentages of non-royalty revenue received by us for granting a sublicence of the licensed patent rights. Additionally, in the event we are granted a PRV, we agreed to pay the NCI a minimum of $5 million upon the sale, transfer or lease of each PRV or $500,000 upon submission of each PRV for use by the FDA. We also agreed to pay the NCI a low single-digit percentage of the fair market value of the consideration that we receive for any assignment of the 2023 NCI License Agreement to a non-affiliate (upon the NCI's prior written consent) or an allocated portion of the fair value of consideration received in connection with a change in control.

Unless earlier terminated, the 2023 NCI License Agreement will expire upon the expiration of the last to expire licensed patent right. The NCI may terminate or modify the 2023 NCI License Agreement in the event of a material breach, including if we do not meet certain milestones by certain dates, or upon certain insolvency events that remain uncured within 90 days following written notice of such breach or insolvency event. We may terminate the 2023 NCI License Agreement, or any portion thereof, at our sole discretion at any time upon 60 days' advance written notice to the NCI.

Government regulation

The FDA and other regulatory authorities at federal, state, and local levels, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring, and post-approval reporting of biological product

candidates such as those we are developing. We, along with third-party contractors, will be required to navigate the various preclinical, clinical and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval or licensure of our product candidates. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources.

U.S. biologics development process

In the United States, biological products are subject to regulation under the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, and other federal, state, local and foreign statutes and regulations. The process required by the FDA before biologic product candidates may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests, animal studies and formulation studies in accordance with Good Laboratory Practice regulations, or GLPs, and other applicable regulations;
- submission to the FDA of an Investigational New Drug application, or IND, which must become effective before human clinical trials may begin;
- approval by an independent institutional review board, or IRB, or ethics committee at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with Good Clinical Practice regulations, or GCPs, to evaluate the safety and efficacy of the product candidate for its intended use;
- submission to the FDA of a Biologics License Application, or BLA, after completion of all pivotal trials;
- a determination by the FDA within 60 days of its receipt of a BLA to file the application for review;
- satisfactory completion of an FDA advisory committee review, if applicable;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the biologic is produced to assess compliance with current Good Manufacturing Practice requirements, or cGMPs, to assure that the facilities, methods and controls are adequate to preserve the biologic's identity, strength, quality and purity;
- satisfactory completion of potential inspection of selected clinical investigation sites to assess compliance with GCPs; and
- FDA review and approval of the BLA to permit commercial marketing of the product for particular indications for use in the United States.

Once a product candidate is identified for development, it enters the preclinical testing stage. Preclinical tests include laboratory evaluations of product chemistry, toxicity and formulation, as well as animal studies. An IND sponsor must submit the results of the preclinical tests, together with manufacturing information and analytical data, to the FDA as part of an IND. An IND is a request for authorization from the FDA to administer an investigational product to humans. An IND will also include a protocol detailing, among other things, the objectives of the clinical trial, the parameters to be used in monitoring safety, and the effectiveness criteria to be evaluated, if the trial includes an efficacy evaluation. Some preclinical testing may continue even after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, places the IND on a clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. Clinical holds also may be imposed by the FDA at any time before or during clinical trials due to safety concerns or non-compliance with FDA requirements, in which case clinical trials may not begin or continue until the FDA notifies the sponsor that the hold has been lifted.

In addition to the submission of an IND to the FDA, under the NIH Guidelines, supervision of certain human gene transfer trials may also require evaluation and assessment by an institutional biosafety committee, or IBC, a local institutional committee that reviews and oversees research utilizing recombinant or synthetic nucleic acid molecules at that institution. The IBC assesses the safety of the research and identifies any potential risk to the public health or the environment, and such assessment may result in some delay before initiation of a clinical trial. While the NIH Guidelines are not mandatory unless the research in question is being conducted at or sponsored by institutions receiving NIH funding of recombinant or synthetic nucleic acid molecule research, many companies and other institutions not otherwise subject to the NIH Guidelines voluntarily follow them.

Clinical trials involve the administration of the investigational product to human subjects, and must be conducted under the supervision of one or more qualified investigators in accordance with GCPs, which include, among other things, the requirement that all research subjects provide their informed consent in writing for their participation in any clinical trial. Clinical trials must be conducted under protocols detailing the objectives of the trial, dosing procedures, subject selection and exclusion criteria and the safety and effectiveness criteria to be evaluated. Each protocol must be submitted to the FDA as part of the IND, and a separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments. While the IND is active, progress reports summarizing the results of the clinical trials and nonclinical studies performed since the last progress report, among other information, must be submitted at least annually to the FDA, and written IND safety reports must be submitted to the FDA and investigators for serious and unexpected suspected adverse events, findings from other studies suggesting a significant risk to humans exposed to the same or similar drugs or biologics, findings from animal or in vitro testing suggesting a significant risk to humans, and any clinically important increased incidence of a serious suspected adverse reaction compared to that listed in the protocol or investigator brochure.

Furthermore, an independent IRB or ethics committee at each institution participating in the clinical trial must review and approve each protocol before a clinical trial commences at that institution and must also approve the information regarding the trial and the consent form that must be provided to each trial subject or his or her legal representative, monitor the study until completed and otherwise comply with IRB regulations. The FDA or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the biologic has been associated with unexpected serious harm to patients. In addition, some clinical trials are overseen by an independent group of qualified experts organized by the sponsor, known as a data safety monitoring board or committee. Depending on its charter, this group may determine whether a trial may move forward at designated check points based on access to certain data from the trial. There are also requirements governing the reporting of ongoing clinical studies and clinical study results to public registries, including clinicaltrials.gov.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined:

- Phase 1: The product candidate is initially introduced into healthy human subjects and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion and, if possible, to gain an early indication of its effectiveness.
- Phase 2: The product candidate is administered to a limited patient population with a specified disease or condition to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product candidate for specific targeted diseases and to determine dosage tolerance and appropriate dosage.
- Phase 3: The product candidate is administered to an expanded patient population to further evaluate dosage, to provide substantial evidence of efficacy and to further test for safety, generally at multiple

geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk-benefit ratio of the product candidate and provide an adequate basis for product labeling.

Post-approval trials, sometimes referred to as Phase 4 studies, may be conducted after BLA approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, the FDA may mandate the performance of Phase 4 clinical trials as a condition of approval of a BLA.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the biologic and finalize a process for manufacturing the product in commercial quantities in accordance with cGMPs. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final product. In addition, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

BLA review and approval process

Assuming successful completion of all required testing in accordance with applicable regulatory requirements, the results of product development, including among other things, results, from nonclinical studies and clinical trials, are submitted to the FDA as part of a BLA requesting approval to market the product candidate for one or more indications. The BLA must include all relevant data available from preclinical and clinical studies, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls, and proposed labeling, among other things. Data can come from company-sponsored clinical studies, or from a number of alternative sources, such as studies initiated by investigators or other third parties. The submission of a BLA requires payment of a substantial user fee to FDA, and the sponsor of an approved BLA is also subject to an annual program fee. A waiver of user fees may be obtained under certain limited circumstances.

The FDA conducts a preliminary review of all BLAs within the first 60 days after submission, before accepting them for filing, to determine whether they are sufficiently complete to permit substantive review. The FDA may refuse to file any BLA that it deems incomplete or not properly reviewable at the time of submission and may request additional information. In this event, the BLA must be resubmitted with the additional information before FDA will review the application. Once filed, the FDA reviews a BLA to determine, among other things, whether the biologic is safe, pure and potent and the facility in which it is manufactured, processed, packed, or held meets standards designed to assure the product's continued safety, purity and potency. Under the Prescription Drug User Fee Act, or PDUFA, guidelines that are currently in effect, the FDA has a goal of ten months from the date of "filing" of an original BLA to review and act on the submission. This review typically takes twelve months from the date the BLA is submitted to the FDA because the FDA has approximately two months to make a "filing" decision.

The FDA may refer an application for a novel biologic to an advisory committee. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving a BLA, the FDA will typically inspect the facility or facilities where the product is manufactured. Additionally, before approving a BLA, the FDA may inspect one or more clinical trial sites to

assure compliance with GCPs. After the FDA evaluates a BLA and conducts inspections of manufacturing facilities where the investigational product and/or its substance will be produced, the FDA may issue an approval letter or a Complete Response Letter, or CRL. An approval letter authorizes commercial marketing of the biologic with prescribing information for specific indications. A CRL indicates that the review cycle for the application is complete, and the application will not be approved in its present form. A CRL usually describes the specific deficiencies in the BLA identified by the FDA and may include requirements to conduct additional clinical trials, or other significant and time-consuming requirements related to clinical data, nonclinical studies or manufacturing. If a CRL is issued, the sponsor must resubmit the BLA, addressing all of the deficiencies identified in the letter, or withdraw the application. Even if such data and information are submitted, the FDA may decide that the BLA does not satisfy the criteria for approval.

If a product receives regulatory approval, referred to as “licensure” by the FDA, such approval may be significantly limited to specific diseases and dosages, or the indications for use may otherwise be limited, which could restrict the commercial value of the product. In addition, the FDA may require a sponsor of an approved BLA to conduct post-marketing clinical trials designed to further assess a biologic’s safety, purity or potency, and may also require testing and surveillance programs to monitor the safety of the product, once commercialized, and may limit further marketing of the product based on the results of these post-marketing studies. The FDA may also place other conditions on BLA approval. including the requirement for a risk evaluation and mitigation strategy, or REMS, to assure the safe use of the product. If the FDA concludes a REMS is needed, the sponsor of the BLA must submit a proposed REMS in connection with the application. The FDA will not approve the BLA without an approved REMS, if required. A REMS could include medication guides, physician communication plans or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. Any of these limitations on approval or marketing could restrict the commercial promotion, distribution, prescription or dispensing of commercial products.

In addition, the Pediatric Research Equity Act, or PREA, requires a sponsor to conduct pediatric clinical trials for most biologics, as well as for new indications, new dosage forms, new dosing regimens or new route of administrations. Under PREA, original BLAs and supplements must contain a pediatric assessment unless the sponsor has received a deferral or waiver. The required assessment must evaluate the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and support dosing and administration for each pediatric subpopulation for which the product is deemed safe, pure and potent. The sponsor or FDA may request a deferral of pediatric clinical trials for some or all of the pediatric subpopulations. A deferral may be granted for several reasons, including a finding that the biologic is ready for approval for use in adults before pediatric clinical trials are complete or that additional data need to be collected before the pediatric clinical trials begin. The FDA must send a non-compliance letter to any sponsor that fails to submit the required assessment, keep a deferral current or fails to submit a request for approval of a pediatric formulation.

Orphan designation

Under the Orphan Drug Act, the FDA may grant orphan designation to a biologic intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the United States or where, if the disease or condition affects more than 200,000 individuals in the United States, there is no reasonable expectation that the cost of developing and making the product available in the United States for this type of disease or condition will be recovered from sales of the product. Orphan designation must be requested before submitting a BLA. After the FDA grants orphan designation, the identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. Orphan designation does not convey any advantage in or shorten the duration of the regulatory review and approval process.

If a product that has orphan designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications to market the same biologic for the same disease or condition for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan exclusivity or inability to manufacture the product in sufficient quantities. The designation of such biologic also entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers. However, competitors, may receive approval of different products for the disease or condition for which the orphan product has exclusivity, or obtain approval for the same product but for a different disease or condition for which the orphan product has exclusivity. Orphan exclusivity also could block the approval of a competing product for seven years if a competitor obtains approval of the "same drug," as defined by the FDA, or if a the biologic is determined to be contained within the competitor's product for the same disease or condition. In addition, if an orphan-designated product receives approval for a disease or condition broader than covered in the orphan designation, the product may not be entitled to orphan exclusivity.

Expedited development and review programs

The FDA has a number of programs intended to expedite the development or review of a marketing application for an investigational biologic. For example, the fast track designation program is intended to expedite or facilitate the process for developing and reviewing product candidates that meet certain criteria. Specifically, investigational biologics are eligible for fast track designation if they are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. The sponsor of a fast track product candidate has opportunities for more frequent interactions with the applicable FDA review team during product development and, once a BLA is submitted, the application may be eligible for priority review. With regard to a fast track product candidate, the FDA may consider for review sections of the BLA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the BLA, the FDA agrees to accept sections of the BLA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the BLA.

A product candidate intended to treat a serious or life-threatening disease or condition may also be eligible for breakthrough therapy designation to expedite its development and review. A product candidate can receive breakthrough therapy designation if preliminary clinical evidence indicates that the product candidate, alone or in combination with one or more other drugs or biologics, may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the fast track program features, as well as more intensive FDA interaction and guidance beginning as early as Phase 1 and an organizational commitment to expedite the development and review of the product candidate, including involvement of senior managers.

Certain biological product candidates may also be eligible for regenerative medicine advanced therapy, or RMAT, designation. This designation may be available where the product candidate qualifies as an RMAT, meaning that, with limited exceptions, the product candidate is a cell therapy, therapeutic tissue engineering product, human cell and tissue product, or any combination product using such therapies or products; the product candidate is intended to treat, modify, reverse, or cure a serious or life-threatening disease or condition; and preliminary clinical evidence indicates that the product candidate has the potential to address unmet medical needs for such a disease or condition. RMAT designation provides all the benefits of breakthrough therapy designation, including more frequent meetings with the FDA to discuss the development plan for the product candidate and eligibility for rolling review and priority review of a BLA submission. Product

candidates granted RMAT designation may also be eligible for accelerated approval on the basis of a surrogate or intermediate endpoint reasonably likely to predict long-term clinical benefit, as discussed below, or through reliance upon data obtained from a meaningful number of clinical trial sites, including through expansion of trials to additional sites.

Any product candidate submitted to the FDA for approval, including a product candidate with a fast track designation or breakthrough designation, may also be eligible for other types of FDA programs intended to expedite development and review, such as priority review and accelerated approval. A BLA is eligible for priority review if the product candidate is designed to treat a serious condition, and if approved, would provide a significant improvement in safety or efficacy compared to available therapies. The FDA will attempt to direct additional resources to the evaluation of a BLA designated for priority review in an effort to facilitate the review. The FDA endeavors to review applications with priority review designations within six months of the filing date as compared to ten months for review of original BLAs under its current PDUFA review goals.

In addition, a product candidate may be eligible for accelerated approval. A biological product candidate intended to treat serious or life-threatening diseases or conditions may be eligible for accelerated approval upon a determination that the product candidate has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of approval, the FDA generally requires that a sponsor of a biologic receiving accelerated approval perform adequate and well-controlled confirmatory clinical trials, and may require that such confirmatory trials be underway prior to granting accelerated approval. Biologics receiving accelerated approval may be subject to expedited withdrawal procedures if the sponsor fails to conduct the required confirmatory trials in a timely manner or if such trials fail to verify the predicted clinical benefit. In addition, the FDA currently requires as a condition of accelerated approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product.

Fast track designation, breakthrough therapy designation, RMAT designation, priority review, and accelerated approval do not change the standards for approval, but may expedite the development or approval process. Even if a product candidate qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

FDA regulation of companion diagnostics

We believe that certain of our product candidates may require an in vitro diagnostic to identify appropriate patient populations for investigation and/or use of our product candidates. These diagnostics, often referred to as companion diagnostics, are regulated as medical devices. In the United States, the FDCA and its implementing regulations, and other federal and state statutes and regulations govern, among other things, medical device design and development, preclinical and clinical testing, premarket clearance or approval, registration and listing, manufacturing, labeling, storage, advertising and promotion, sales and distribution, export and import, and post-market surveillance. Unless an exemption applies, diagnostic tests require marketing clearance or approval from the FDA prior to commercial distribution. The two primary types of FDA marketing authorization applicable to a medical device are premarket notification, also called 510(k) clearance, and premarket approval (PMA). Most companion diagnostics for oncology product candidates utilize the PMA pathway.

If use of companion diagnostic is deemed essential to the safe and effective use of a drug product, then the FDA generally will require approval or clearance of the diagnostic contemporaneously with the approval of the

therapeutic product. On August 6, 2014, the FDA issued a final guidance document addressing the development and approval process for "In Vitro Companion Diagnostic Devices." According to the guidance, for novel product candidates, a companion diagnostic device and its corresponding drug candidate should be approved or cleared contemporaneously by FDA for the use indicated in the therapeutic product labeling. The guidance also explains that a companion diagnostic device used to make treatment decisions in clinical trials of a drug generally will be considered an investigational device, unless it is employed for an intended use for which the device is already approved or cleared. If used to make critical treatment decisions, such as patient selection, the diagnostic device may be considered a significant risk device under the FDA's Investigational Device Exemption (IDE) regulations. In which case, the sponsor of the diagnostic device will be required to submit and obtain approval of an IDE application, and subsequently comply with the IDE regulations. However, according to the guidance, if a diagnostic device and a drug are to be studied together to support their respective approvals, both products can be studied in the same investigational study, if the study meets both the requirements of applicable IDE regulations and the IND regulations. The guidance provides that, depending on the details of the study plan and degree of risk posed to subjects, a sponsor may seek to submit an IND alone, or both an IND and an IDE.

The FDA has generally required companion diagnostics intended to select the patients who will respond to cancer treatment to obtain approval of a PMA for that diagnostic simultaneously with approval of the therapeutic. The PMA process, including the gathering of clinical and preclinical data and the submission to and review by the FDA, can take several years or longer. It involves a rigorous premarket review during which the applicant must prepare and provide the FDA with reasonable assurance of the device's safety and effectiveness and information about the device and its components regarding, among other things, device design, manufacturing and labeling. In addition, PMAs for certain devices must generally include the results from extensive preclinical and adequate and well-controlled clinical trials to establish the safety and effectiveness of the device for each indication for which FDA approval is sought. In particular, for a diagnostic, the applicant must demonstrate that the diagnostic produces reproducible results when the same sample is tested multiple times by multiple users at multiple laboratories. As part of the PMA review, the FDA will typically inspect the manufacturer's facilities for compliance with the Quality System Regulation (QSR), which imposes elaborate testing, control, documentation and other quality assurance requirements.

If the FDA's evaluation of the PMA application is favorable, the FDA may issue an approvable letter requiring the applicant's agreement to specific conditions, such as changes in labeling, or specific additional information, such as submission of final labeling, in order to secure final approval of the PMA. If the FDA's evaluation of the PMA or manufacturing facilities is not favorable, the FDA will deny approval of the PMA or issue a not approvable letter. A not approvable letter will outline the deficiencies in the application and, where practical, will identify what is necessary to make the PMA approvable. The FDA may also determine that additional clinical trials are necessary, in which case the PMA approval may be delayed for several months or years while the trials are conducted and then the data submitted in an amendment to the PMA. If and when the FDA concludes that the applicable criteria have been met, the FDA will issue a PMA for the approved indications, which can be more limited than those originally sought by the applicant. The PMA can include post-approval conditions that the FDA believes necessary to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale and distribution. Once granted, PMA approval may be withdrawn by the FDA if compliance with post approval requirements, conditions of approval or other regulatory standards are not maintained or problems are identified following initial marketing.

After a device is commercialized, it remains subject to significant regulatory requirements. Medical devices may be marketed only for the uses and indications for which they are cleared or approved. Device manufacturers must also establish registration and device listings with the FDA. A medical device manufacturer's manufacturing processes and those of its suppliers are required to comply with the applicable portions of the QSR, which cover the methods and documentation of the design, testing, production, processes, controls,

quality assurance, labeling, packaging and shipping of medical devices. Domestic facility records and manufacturing processes are subject to periodic unscheduled inspections by the FDA. The FDA also may inspect foreign facilities that export products to the United States.

Post-approval requirements

Biologics are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to record-keeping, reporting of adverse experiences, periodic reporting, product sampling and distribution, and advertising and promotion of the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing, annual program fees for any marketed products. Biologic manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP, which impose certain procedural and documentation requirements upon us and our third-party manufacturers. Changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon us and any third-party manufacturers that we may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

The FDA may withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of requirements for post-market studies or clinical studies to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters, or untitled letters;
- clinical holds on ongoing or planned clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of approvals;
- product seizure or detention, or refusal to permit the import or export of products;
- consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs;
- mandated modification of promotional materials and labeling and the issuance of corrective information;
- the issuance of safety alerts, Dear Healthcare Provider letters, press releases and other communications containing warnings or other safety information about the product; or
- injunctions or the imposition of civil or criminal penalties.

In addition, the FDA closely regulates the marketing, labeling, advertising and promotion of biological products. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Failure to comply with these requirements can result in, among other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe legally available products for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. Such off-label uses are common across medical specialties. Physicians may believe that such off-label uses are the best treatment for many patients in varied circumstances. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, restrict manufacturer's communications on the subject of off-label use of their products.

Biosimilars and exclusivity

The Affordable Care Act, signed into law in 2010, includes a subtitle called the BPCIA, which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. Biosimilarity, which requires that there be no clinically meaningful differences between the biological product and the reference product in terms of safety, purity, and potency, can be shown through analytical studies, animal studies, and a clinical study or studies. Interchangeability requires that a product is biosimilar to the reference product and the product must demonstrate that it can be expected to produce the same clinical results as the reference product in any given patient and, for products that are administered multiple times to an individual, the biologic and the reference biologic may be alternated or switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic.

Under the BPCIA, an application for a biosimilar product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing that applicant's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of its product. The BPCIA also created certain exclusivity periods for biosimilars approved as interchangeable products. At this juncture, it is unclear whether products deemed "interchangeable" by the FDA will, in fact, be readily substituted by pharmacies, which are governed by state pharmacy law.

A biological product can also obtain pediatric market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric study in accordance with an FDA-issued "Written Request" for such a study.

Other healthcare laws

Pharmaceutical companies are subject to additional healthcare regulation and enforcement by the federal government and by authorities in the states and foreign jurisdictions in which they conduct their business. Such laws include, without limitation, U.S. federal and state anti-kickback, fraud and abuse, false claims, pricing reporting, and physician payment transparency laws and regulations regarding drug pricing and payments or other transfers of value made to physicians and other licensed healthcare professionals as well as similar foreign laws in the jurisdictions outside the United States. Violation of any of such laws or any other governmental regulations that apply may result in significant penalties, including, without limitation,

administrative civil and criminal penalties, damages, disgorgement fines, additional reporting requirements and oversight obligations, contractual damages, the curtailment or restructuring of operations, exclusion from participation in governmental healthcare programs and/or imprisonment.

Coverage and reimbursement

Successful sales of our drug candidates in the U.S. market, if approved, will depend, in part, on the extent to which our drugs will be covered by third-party payors, such as government health programs or private health insurance (including managed care plans). Patients generally rely on such third-party payors to reimburse all or part of the costs associated with their prescriptions and therefore adequate coverage and reimbursement from such third-party payors are critical to new and ongoing product acceptance. Coverage and reimbursement policies for drug products can differ significantly from payor to payor as there is no uniform policy of coverage and reimbursement for drug products among third-party payors in the United States. There may be significant delays in obtaining coverage and reimbursement as the process of determining coverage and reimbursement is often time consuming and costly. Further, third-party payors are increasingly reducing reimbursements for medical drugs and services and implementing measures to control utilization of drugs (such as requiring prior authorization for coverage). For products administered under the supervision of a physician, obtaining coverage and adequate reimbursement may be particularly difficult because of the higher prices often associated with such drugs. Additionally, separate reimbursement for the product itself or the treatment or procedure in which the product is used may not be available, which may impact physician utilization.

Additionally, the containment of healthcare costs has become a priority of federal and state governments, and the prices of drugs have been a focus in this effort. The U.S. government, state legislatures and foreign governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic drugs. Adoption or expansion of price controls and cost-containment measures could further limit our net revenue and results. Decreases in third-party reimbursement for our drug candidates, if approved, or a decision by a third-party payor to not cover our drug candidates could have a material adverse effect on our sales, results of operations and financial condition.

General legislative cost control measures may also affect reimbursement for our products. If we obtain approval to market a drug candidate in the United States, we may be subject to spending reductions affecting Medicare, Medicaid or other publicly funded or subsidized health programs and/or any significant taxes or fees.

U.S. healthcare reform

The U.S. government, state legislatures, and foreign governments have shown significant interest in implementing cost containment programs to limit the growth of government-paid healthcare costs, including price-controls, restrictions on reimbursement, and requirements for substitution of generic products for branded prescription drugs.

For example, in March 2010, the Affordable Care Act, or ACA, was enacted in the United States and substantially changed the way healthcare is financed by both the government and private insurers. The ACA contains provisions that may reduce the profitability of drug products. Among other things, the ACA established an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents; extended manufacturers' Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations; expanded eligibility criteria for Medicaid programs; expanded the entities eligible for discounts under the 340B drug pricing program; and increased the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program. Since its enactment, there have been executive, judicial and Congressional challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. Most significantly, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (IRA) into law. This statute marks the most significant action by Congress with respect to the pharmaceutical industry since adoption of the ACA in 2010. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), with prices that can be negotiated subject to a cap; imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation (first due in 2023); and replaces the Part D coverage gap discount program with a new discounting program (beginning in 2025). The IRA permits the Secretary of the Department of Health and Human Services (HHS) to implement many of these provisions through guidance, as opposed to regulation, for the initial years. HHS has and will continue to issue and update guidance as these programs are implemented. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations. However, the Medicare drug price negotiation program is currently subject to legal challenges. Further, in response to the Biden administration's October 2022 executive order, on February 14, 2023, HHS released a report outlining three new models for testing by the CMS Innovation Center which will be evaluated on their ability to lower the cost of drugs, promote accessibility and improve quality of care. It is unclear whether the models will be utilized in any health reform measures in the future. The impact of the IRA on the pharmaceutical industry cannot yet be fully determined but is likely to be significant. Additional drug pricing proposals could appear in future legislation.

Additionally, there has been heightened governmental scrutiny in the United States of pharmaceutical pricing practices in light of the rising cost of prescription drugs and biologics. Such scrutiny has resulted in several recent Congressional inquiries, presidential executive orders and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for products.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs.

Existing healthcare reform measures, as well as the implementation of additional cost containment measures or other reforms may prevent us from being able to generate revenue, attain profitability or commercialize our product candidates, if approved.

Facilities

Our corporate headquarters is located in San Mateo, California, where we lease approximately 15,400 square feet of office and laboratory space pursuant to a sublease agreement which was executed in November 2021 and expires in November 2024. In August 2022, we entered into an amendment to the sublease agreement, pursuant to which we expanded the leased premises for an additional 15,717 square feet of office and laboratory space, increasing the total leased premises to approximately 31,117 square feet at the existing San Mateo, California location through the original expiration date of November 2024.

We believe that our existing facilities are sufficient for our near-term needs but expect to need additional space as we grow. We believe that suitable additional alternative spaces will be available in the future on commercially reasonable terms, if required.

Employees and human capital resources

As of June 30, 2023, we had 74 employees. None of our employees are represented by a labor union or party to a collective bargaining agreement. We consider our relationship with our employees to be good.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and additional employees. The principal purposes of our equity incentive plans are to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards.

Legal proceedings

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

Management

Executive officers and directors

The following table sets forth information regarding our executive officers and directors as of August 15, 2023:

Name	Age	Position(s)
Executive officers and employee directors:		
Gina Chapman	56	President, Chief Executive Officer and Director
Anup Radhakrishnan	44	Chief Financial Officer
Shishir Gadam, Ph.D.	56	Chief Technical Officer
***Non-employee directors*:**		
John Orwin, MBA	58	Director and Chairperson
Abraham Bassan	39	Director
Gianna Hoffman-Luca, Ph.D.	38	Director
Reid Huber, Ph.D.	51	Director
David Lubner	59	Director
Heath Lukatch, Ph.D.	56	Director
Crystal Mackall, M.D.	63	Director
Krishnan Viswanadhan, Pharm.D	45	Director

(1) Member of the audit committee.

(2) Member of the compensation committee.

(3) Member of the nominating and corporate governance committee.

Executive officers and employee director

Gina Chapman has served as our President and Chief Executive Officer and as a member of our board of directors since May 2022. Prior to joining our company, from August 2007 to April 2022, Ms. Chapman worked at Genentech, Inc., a privately held biotechnology company and member of the Roche Group, where she held a number of roles of increasing responsibility. Most recently, from September 2021 to April 2022, Ms. Chapman served as Senior Vice President, Business Unit Head, Specialty and Chronic Care, and from April 2020 to November 2021, as Senior Vice President, Oncology/Hematology Business Unit Head. From May 2019 to April 2020, Ms. Chapman served as Vice President, U.S. Head, Avastin/Herceptin/Rituxan, and from August 2018 to April 2019, as Vice President, U.S. Head of Hemophilia. Ms. Chapman received a B.A. in Economics and Sociology from the University of California, Santa Barbara. We believe that Ms. Chapman is qualified to serve as a member of our board of directors due to her extensive experience as an executive in the biopharmaceutical industry across numerous therapeutic areas.

Anup Radhakrishnan has served as our Chief Financial Officer since August 2022. Prior to joining our company, from July 2021 to August 2022, Mr. Radhakrishnan served as Chief Financial Officer at Dascena Labs, LLC, an infectious disease and diagnostic testing lab, until it was acquired by CirrusDx in August 2022, and from April 2021 to July 2021, Mr. Radhakrishnan served as Vice President, Finance at Dascena. Prior to that, from January 2010 to April 2021, Mr. Radhakrishnan worked at Genentech, Inc., a privately held biotechnology company and member of the Roche Group, in roles of increasing responsibility. From January 2020 to April 2021, he served as Senior Finance Director, Head of Access and External Affairs Finance, from June 2018 to April 2021, he served as Finance Lead, U.S. Breast and Skin Cancer Franchise and from July 2016 to January 2020, as Finance Director, Head of Managed Care and Customer Operations Finance. From July 2016 to April 2021, Mr. Radhakrishnan also served as Chief Financial Officer for the Genentech Patient Foundation. Before Genentech, Mr. Radhakrishnan

held R&D finance roles of increasing responsibility at Elan Pharmaceuticals, CV Therapeutics and the University of California San Francisco. Mr. Radhakrishnan received a B.A. in Finance from the University of San Francisco.

Shishir Gadam, Ph.D. has served as our Chief Technology Officer since January 2022. Prior to joining our company, from November 2019 to January 2022, Dr. Gadam served as Vice President of Global Cell Therapy Manufacturing Science and Technology at Bristol-Myers Squibb (BMS), a publicly traded biopharmaceutical company. Prior to BMS, Dr. Gadam served as Vice President of Global Cell Therapy Manufacturing Science and Technology at Juno Therapeutics, a Celgene company, until its acquisition by BMS in November 2019. From March 2006 to June 2018, Dr. Gadam worked at Genentech, Inc., a privately held biotechnology company and member of the Roche Group, in various global leadership roles in Biologics Technical Development and Operations. Dr. Gadam received a Ph.D. in Chemical Engineering from Rensselaer Polytechnic Institute, a M.S. in Chemical Engineering from West Virginia University and a Bachelor of Chemical Engineering from the Department of Chemical Technology at the University of Bombay.

Non-Employee Directors

John Orwin, MBA has served as chairperson of our board of directors since September 2022. Since April 2018, Mr. Orwin has served as President and Chief Executive Officer of Atreca, Inc., a publicly traded biopharmaceutical company. From 2013 to 2017, Mr. Orwin served as President and Chief Executive Officer of Relypsa, Inc., a biopharmaceutical company acquired by Galenica AG in 2016. Prior to that, from 2010 to 2011, Mr. Orwin served as President and Chief Executive Officer of Affymax, Inc., a publicly traded biotechnology company. From 2005 to 2010, Mr. Orwin served as Vice President, and later Senior Vice President, of the BioOncology Business Unit at Genentech, Inc., a privately held biotechnology company and member of the Roche Group. Mr. Orwin currently serves as a member of the board of directors of Atreca, Inc., Travere Therapeutics, Inc. and Seagen, Inc. Mr. Orwin previously served as a member of the board of directors of Affymax. Inc., Array BioPharma, Inc., Relypsa Inc. and NeurogesX, Inc. Mr. Orwin received a B.A. in Economics from Rutgers University and an M.B.A. from the New York University Leonard M. Stern School of Business. We believe that Mr. Orwin is qualified to serve as a member of our board of directors due to his education and extensive experience as an executive officer in the biopharmaceutical and biotechnology industries.

Abraham Bassan has served as a member of our board of directors since February 2021. Since April 2021, Mr. Bassan has served as a Principal at Samsara BioCapital, a privately held life science investment firm. From July 2017 to April 2021, Mr. Bassan served as a Vice President at Samsara BioCapital. From December 2014 to July 2017, Mr. Bassan served as Director of Program Biology at Revolution Medicines, a then privately held oncology company. Prior to that, from 2010 to 2012, Mr. Bassan served as Associate Director of Program Management at bluebird bio, Inc., a publicly traded biotechnology company. Mr. Bassan currently serves as a member of the board of directors at Graphite Bio, Inc. Mr. Bassan received an A.B. in Molecular Biology from Princeton University and an M.S. in Developmental Biology from Stanford University. We believe that Mr. Bassan is qualified to serve as a member of our board of directors due to his education and his experience in the life sciences and oncology fields, particularly with respect to operating and investing in cell therapy companies.

Gianna Hoffman-Luca, Ph.D. has served as a member of our board of directors since February 2023. Since 2019, Dr. Hoffman-Luca has served as a Principal at Xontogeny, a privately held biotechnology accelerator that provides investment and operational support to early-stage companies. Prior to joining Xontogeny, from May 2018 to September 2019, Dr. Hoffman-Luca served as the Head of Competitive Intelligence for Solid Biosciences Inc., a publicly traded life science company. Dr. Hoffman-Luca began her industry career as a patent agent with Choate, Hall & Stewart, LLP., servicing pharma and academic clients. Dr. Hoffman-Luca received a Ph.D. in Pharmacology from the University of Michigan Medical School and a M.S. and B.S. in Chemistry from the

University of California, Santa Cruz. We believe that Dr. Hoffman-Luca is qualified to serve on our board of directors due to her educational background and her extensive experience in the biotech investment industry.

Reid Huber, Ph.D. has served as a member of our board of directors since March 2023. Since December 2018, Dr. Huber has served as a Partner at Third Rock Ventures, LLC, a privately held early-stage life sciences venture capital firm. Prior to Third Rock, from 2002 to December 2018, Dr. Huber worked at Incyte Corporation, a publicly traded pharmaceutical company, where he served as Executive Vice President, Chief Scientific Officer, from 2011 to December 2018. Before joining Incyte, from 1997 to 2002, Dr. Huber held scientific research positions at DuPont Pharmaceuticals Company and BMS. Dr. Huber serves on the board of directors of Tango Therapeutics Inc. Dr. Huber received his Ph.D. in Molecular Genetics from the Washington University School of Medicine and held pre- and post-doctoral fellowships at the National Institutes of Health. We believe that Dr. Huber is qualified to serve on our board of directors due to his educational background and extensive experience in the biopharmaceutical industry.

David C. Lubner, M.S., C.P.A. has served as a member of our board of directors since July 2023. From January 2016 until June 2020, Mr. Lubner served as Executive Vice President and Chief Financial Officer of Ra Pharmaceuticals, Inc., a clinical-stage biopharmaceutical company, acquired by UCB S.A. in April 2020. Prior to joining Ra Pharmaceuticals, Mr. Lubner served as Chief Financial Officer of Tetraphase Pharmaceuticals, Inc., a biotechnology company, from 2006 through 2016, and as Chief Financial Officer of PharMetrics Inc., a patient-based pharmacy and medical claims data informatics company, from 1999 until 2006. Prior to joining PharMetrics, Mr. Lubner served as Vice President and Chief Financial Officer of ProScript, Inc. from 1996 to 1999. Mr. Lubner currently serves on the board of directors of a number of publicly traded biotechnology companies, including Arcellx, Inc., Dyne Therapeutics, Inc., POINT Biopharma, Inc. and Vor Biopharma, Inc. He was previously a member of the board of directors of Gemini Therapeutics, Inc., which merged with Disc Medicine, Inc. in December 2022, Nightstar Therapeutics plc, which was acquired by Biogen Inc. in June 2019, and Therapeutics Acquisition Corp., a blank check company focused on the healthcare industry, sponsored by RA Capital, Boston, MA. Mr. Lubner is a Certified Public Accountant in the Commonwealth of Massachusetts. Mr. Lubner received his B.S. in Business Administration from Northeastern University and M.S. in Taxation from Bentley University. We believe that Mr. Lubner is qualified to serve on our board of directors because of his extensive experience serving in senior level financial positions and his experience with biopharmaceutical companies.

Heath Lukatch, Ph.D. has served as a member of our board of directors since January 2021. Since March 2020, Dr. Lukatch has served as Founder and Managing Partner of Red Tree Venture Capital, a privately held life sciences venture capital firm. Prior to founding Red Tree Venture Capital, from 2015 to March 2020, Dr. Lukatch worked at TPG, Inc., a privately held private equity firm, where he served as Partner, Managing Director and Life Sciences Investment Team Leader in TPG's Biotech, Growth and RISE platforms. In 2006, Dr. Lukatch co-founded Novo Ventures (US) Inc.'s San Francisco office, where he was a Partner through 2015. Dr. Lukatch previously served on the board of directors of Flexion Therapeutics Inc. (acquired by Pacira in 2021). Dr. Lukatch received a Ph.D. in Neuroscience from Stanford University and a B.A. in Biochemistry from the University of California at Berkeley. We believe that Dr. Lukatch is qualified to serve on our board of directors due to his educational background, his experience serving as a director for several biopharmaceutical and healthcare companies and his experience in the life sciences investment industry.

Crystal Mackall, M.D. has served on our board of directors since January 2021. Since January 2016, Dr. Mackall has served as Professor of Pediatrics and Medicine at Stanford University School of Medicine. She is also Director of the Stanford Center for Cancer Cell Therapy and Director of the Parker Institute for Cancer Immunotherapy at Stanford. Prior to her time at Stanford, from 2008 to 2015, Dr. Mackall served as Chief of the Pediatric Oncology Branch at the National Cancer Institute. For more than two decades, she has led an internationally recognized translational research program focused on basic immunology and cancer

immunotherapy. Dr. Mackall has also served on numerous biotechnology and pharmaceutical company scientific advisory boards and previously co-founded Lyell Immunopharma, Inc., and Link Cell Therapies Inc., which are developing CAR T cell therapies Dr. Mackall received an M.D. from Northeastern Ohio Universities College of Medicine and completed a residency in pediatrics and internal medicine at Children's Hospital Medical Center of Akron and a fellowship in pediatric hematology/oncology at the the National Cancer Institute, an Institute of the National Institutes of Health. She received a B.S. in Natural Sciences from the University of Akron. We believe that Dr. Mackall is qualified to serve on our board of directors due to her education and extensive experience in the biotechnology, pharmaceutical and oncology sectors.

Krishnan Viswanadhan, Pharm.D. has served on our board of directors since October 2022. Since July 2021, Dr. Viswanadhan has served as President and Chief Executive Officer at Be Biopharma Inc., a privately held biopharmaceutical company. Prior to Be Biopharma, from August 2019 to July 2021, Dr. Viswanadhan was Senior Vice President, Global Cell Therapy Franchise Lead at BMS, a publicly traded biopharmaceutical company. Prior to BMS, from January 2018 to August 2019, Dr. Viswanadhan was Vice President, Business Development and Global Alliances at Celgene Corporation, a pharmaceutical oncology company that was acquired by BMS in November 2019. Dr. Viswanadhan currently serves on the board of directors of JW Therapeutics, a cell therapy company in China. Dr. Viswanadhan is a registered Pharmacist and received a Pharm.D from Rutgers University, an M.B.A. from Cornell University and a B.S. in Pharmacy and Economics from Rutgers University. We believe that Dr. Viswanadhan is qualified to serve on our board due to his education and extensive experience as a biopharmaceutical executive.

Family relationships

There are no family relationships among any of our executive officers or directors.

Board structure and composition

Director independence

Our board of directors currently consists of nine members. Our board of directors has determined that all of our directors, other than Ms. Chapman, qualify as independent directors in accordance with the Nasdaq Stock Market LLC (Nasdaq) Marketplace Rules (the Nasdaq Listing Rules). Ms. Chapman is not considered independent by virtue of her position as an executive officer of the company. Under the Nasdaq Listing Rules, the definition of independence includes a series of objective tests, such as that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his or her family members has engaged in various types of business dealings with us. In addition, as required by the Nasdaq Listing Rules, our board of directors has made a subjective determination as to each independent director that no relationships exist that, in the opinion of our board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's relationships as they may relate to us and our management.

Classified board of directors

In accordance with our amended and restated certificate of incorporation, which will be effective immediately prior to the completion of this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual general meeting of stockholders, the successors to directors whose terms

then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- The Class I directors will be , and , and their terms will expire at the annual meeting of stockholders to be held in 2024;
- The Class II directors will be , and , and their terms will expire at the annual meeting of stockholders to be held in 2025; and
- The Class III directors will be , and , and their terms will expire at the annual meeting of stockholders to be held in 2026.

We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Voting arrangements

The election of the members of our board of directors is currently governed by the voting agreement that we entered into with certain holders of our common stock and convertible preferred stock and the related provisions of our amended and restated certificate of incorporation. Pursuant to our voting agreement and amended and restated certificate of incorporation, our current directors were elected as follows:

- Mr. Bassan was elected as the designee of Samsara BioCapital, L.P.;
- Ms. Hoffman-Luca was elected as the designee of Perceptive Xontogeny Venture Fund II, LP;
- Mr. Huber was elected as the designee of Third Rock Ventures V, L.P.;
- Mr. Lukatch was elected as the designee of Red Tree Venture Fund, L.P.;
- Mr. Huber and Ms. Hoffman-Luca were elected and designated by the holders of a majority of our Series A-1 convertible preferred stock;
- Mr. Bassan and Mr. Lukatch were elected and designated by the holders of a majority of our Series Seed convertible preferred stock;
- Ms. Mackall was elected and designated by the holders of a majority of our common stock held by the founders, together with their respective affiliates;
- Ms. Chapman was elected and designated as our then serving and current Chief Executive Officer; and
- Mr. Orwin and Mr. Viswanadhan were elected and designated by the holders of a majority of our common stock and convertible preferred stock.

Our voting agreement will terminate and the provisions of our current amended and restated certificate of incorporation by which our directors were elected will be amended and restated in connection with this offering. After this offering, the number of directors will be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of this offering. Each of our current directors will continue to serve as a director until the election and qualification of his or her successor, or until his or her earlier death, resignation or removal.

Leadership structure of the board

Our amended and restated bylaws and corporate governance guidelines provide our board of directors with flexibility to combine or separate the positions of Chairperson of the board of directors and Chief Executive Officer. Mr. Orwin currently serves as the Chairperson of the board of directors.

Our board of directors has concluded that our current leadership structure is appropriate at this time. However, our board of directors will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Role of board in risk oversight process

Risk assessment and oversight are an integral part of our governance and management processes. Our board of directors encourages management to promote a culture that incorporates risk management into our corporate strategy and day-to-day business operations. Management discusses strategic and operational risks at regular management meetings, and conducts specific strategic planning and review sessions during the year that include a focused discussion and analysis of the risks facing us. Throughout the year, senior management reviews these risks with the board of directors at regular board meetings as part of management presentations that focus on particular business functions, operations or strategies, and presents the steps taken by management to mitigate or eliminate such risks.

Our board of directors does not have a standing risk management committee, but rather administers this oversight function directly through our board of directors as a whole, as well as through various standing committees of our board of directors that address risks inherent in their respective areas of oversight. While our board of directors is responsible for monitoring and assessing strategic risk exposure, our audit committee is responsible for overseeing our major financial risk exposures and the steps our management has taken to monitor and control these exposures. The audit committee also approves or disapproves any related-party transactions. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance guidelines.

Board committees

Our board of directors has three standing committees: the audit committee, the compensation committee and the nominating and governance committee. Each committee is governed by a charter that will be available on our website following completion of this offering.

Audit committee

Effective as of the date the registration statement of which this prospectus forms a part is declared effective by the SEC, the members of our audit committee will consist of , and . will be the chairperson of our audit committee. The composition of our audit committee meets the requirements for independence under the current Nasdaq Listing Rules and Rule 10A-3 of the Exchange Act. Each member of our audit committee is financially literate. In addition, our board of directors has determined that is an “audit committee financial expert” within the meaning of the SEC rules. This designation does not impose on such directors any duties, obligations, or liabilities that are greater than are generally imposed on members of our audit committee and our board of directors. Our audit committee is directly responsible for, among other things:

- appointing, retaining, compensating and overseeing the work of our independent registered public accounting firm;

- assessing the independence and performance of the independent registered public accounting firm;
- monitoring the rotation of partners of our independent registered public accounting firm on our engagement team as required by law;
- reviewing with our independent registered public accounting firm the scope and results of the firm's annual audit of our financial statements;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the financial statements that we will file with the SEC;
- pre-approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;
- reviewing policies and practices related to risk assessment and management;
- reviewing our accounting and financial reporting policies and practices and accounting controls, as well as compliance with legal and regulatory requirements;
- reviewing, overseeing, approving, or disapproving any related-person and related-party transactions;
- reviewing with our management the scope and results of management's evaluation of our disclosure controls and procedures and management's assessment of our internal control over financial reporting, including the related certifications to be included in the periodic reports we will file with the SEC; and
- establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls, or auditing matters, or other ethics or compliance issues.

Compensation committee

Effective as of the date the registration statement of which this prospectus forms a part is declared effective by the SEC, the members of our compensation committee will consist of , and . will be the chairperson of our compensation committee. Each of , and is a non-employee director, as defined by Rule 16b-3 promulgated under the Exchange Act and meets the requirements for independence under the current Nasdaq Listing Rules. Our compensation committee is responsible for, among other things:

- reviewing and approving the compensation of our executive officers, including reviewing and approving corporate goals and objectives with respect to compensation;
- authority to act as an administrator of our equity incentive plans;
- reviewing and approving, or making recommendations to our board of directors with respect to, incentive compensation and equity plans;
- reviewing and recommending that our board of directors approve the compensation for our non-employee board members; and
- establishing and reviewing general policies relating to compensation and benefits of our employees.

Nominating and governance committee

Effective as of the date the registration statement of which this prospectus forms a part is declared effective by the SEC, the members of our nominating and governance committee will consist of , and . will be the chairperson of our nominating and governance committee. ,

and meet the requirements for independence under the current Nasdaq Listing Rules. Our nominating and governance committee is responsible for, among other things:

- identifying and recommending candidates for membership on our board of directors, including the consideration of nominees submitted by stockholders, and on each of the board's committees;
- reviewing and recommending our corporate governance guidelines and policies;
- reviewing proposed waivers of the code of business conduct and ethics for directors and executive officers;
- overseeing the process of evaluating the performance of our board of directors; and
- assisting our board of directors on corporate governance matters.

Code of business conduct and ethics

In connection with this offering, our board of directors will adopt a code of business conduct and ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer and other executive and senior financial officers. Upon completion of this offering, the full text of our code of business conduct and ethics will be posted on the investor relations section of our website. We intend to disclose future amendments to our code of business conduct and ethics, or any waivers of such code, on our website or in public filings.

Compensation committee interlocks and insider participation

None of our executive officers has served as a member of a compensation committee (or if no committee performs that function, the board of directors) of any other entity that has an executive officer serving as a member of our board of directors.

Director compensation

For the year ended December 31, 2022, we did not have a formalized non-employee director compensation program, but we provided compensation to our non-employee directors who are not affiliated with our investors in accordance with their individual agreements.

In connection with the commencement of their service as directors, we entered into offer letters with Mr. Orwin and Dr. Viswanadhan that provide for annual cash fees of $45,000 and $30,000, respectively, which were prorated for their period of service in 2022. Each offer letter also provides for an initial equity grant, as described below, reimbursement of business expenses, and includes a perpetual confidentiality covenant and an assignment of inventions provision.

On October 7, 2022, in accordance with the terms of his offer letter, we granted Mr. Orwin an option to purchase 215,276 shares of our common stock with an exercise price per share of $0.08, which our board of directors determined equaled fair market value on the date of grant. The option vests as to 1/48th of the number of shares subject to the option on the day of each month commencing in September 2022.

On October 27, 2022, in accordance with the terms of his offer letter, we granted Dr. Viswanadhan an option to purchase 43,055 shares of our common stock with an exercise price per share of $0.08, which our board of directors determined equaled fair market value on the date of grant. The option vests as to 1/48th of the number of shares subject to the option on the day of each month commencing in October 2022.

During 2022, Dr. Mackall received cash compensation for consulting services provided to the Company under her consulting agreement with the Company, entered into in February 2021, pursuant to which she provides advice, assistance and other expert consulting services as mutually agreed for a minimum of 192 hours per year, particularly regarding matters relating to CAR T cell therapy of B-cell malignancies, bi-specific CARs, manufacturing, clinical trial design, CAR toxicities and other scientific matters concerning CAR T cells as they arise. The consulting agreement provides for cash consulting fees at a rate of $160,000 per year, reimbursement of business expenses, and includes a perpetual confidentiality covenant, an assignment of inventions provision and non-competition and employee and customer non-solicitation covenants that apply during the term of the agreement. The term of the consulting agreement will end on February 17, 2025, subject to earlier termination by either party and may be extended by mutual agreement.

Director compensation table

The following table sets forth information concerning the compensation earned by our non-employee directors during the year ended December 31, 2022.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)[1]	Option Awards ($)[2]	All Other Compensation ($)[3]	Total ($)
John Orwin	16,151	—	12,836	—	28,986
Abraham Bassan	—	—	—	—	—
Gianna Hoffman-Luca, Ph.D.	—	—	—	—	—
Reid Huber, Ph.D.	—	—	—	—	—
Heath Lukatch, Ph.D.	—	—	—	—	—
Crystal Mackall, M.D.	—	121,023	—	160,000	281,023
Krishnan Viswanadhan, Pharm.D.	6,575	—	2,565	—	9,140

(1) In April 2022, the performance vesting conditions applicable to 1,530,000 shares of restricted stock held by Dr. Mackall were removed. The amount reported represents the incremental fair value, reported as of the modification date, of that modification, computed in accordance with the Financial Accounting and Standards Board (FASB) Accounting Standards Codification Topic 718. The assumptions used in calculating the modification date fair value are described in Note 9 to our audited financial statements included elsewhere in this prospectus.

(2) The amounts reported represent the grant date fair value of option awards granted to our non-employee directors during the year ended December 31, 2022 as computed in accordance with FASB ASC 718, rather than amounts paid to or realized by the individual. The assumptions used in calculating the grant date fair value of the awards are described in Note 9 to our audited financial statements included elsewhere in this prospectus. As of December 31, 2022, Mr. Orwin and Dr. Viswanadhan held options to purchase 215,276 and 43,055 shares of our common stock, respectively, and Dr. Mackall held 1,062,500 shares of restricted stock. None of our other non-employee directors held option or stock awards.

(3) The amount reported represents consulting fees paid to Dr. Mackall for services provided to the Company during 2022.

We intend to adopt a compensation program for our non-employee directors to be effective on the consummation of this offering.

Executive compensation

The following is a discussion of compensation arrangements of our named executive officers (NEOs). This discussion contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion. As an "emerging growth company" as defined in the JOBS Act, we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to emerging growth companies.

We seek to ensure the total compensation paid to our executive officers is reasonable and competitive. Compensation of our executives is structured around the achievement of individual performance and near-term corporate targets as well as long-term business objectives.

Our NEOs for 2022 were as follows:

- Gina Chapman, our President and Chief Executive Officer;
- Shishir Gadam, Ph.D., our Chief Technology Officer; and
- Gregg Fine, M.D., our former Chief Medical Officer.

Ms. Chapman has served as our President and Chief Executive Officer since May 2, 2022. Dr. Gadam has served as our Chief Technology Officer since January 17, 2022. Dr. Fine served as our Chief Medical Officer through September 1, 2023 and currently serves as a Strategic Advisor to us.

2022 summary compensation table

The following table sets forth total compensation paid to our NEOs for the year ended December 31, 2022.

Name and Principal Position	Year	Salary ($)	Bonus ($)[1]	Stock awards ($)[2]	Non-equity incentive plan compensation ($)[3]	All other compensation ($)	Total ($)
Gina Chapman *Chief Executive Officer*	2022	333,333	50,000	69,928	202,500	2,850	658,612
Shishir Gadam, Ph.D. *Chief Technical Officer*	2022	383,333	45,000	19,160	245,700	—	693,193
Gregg Fine, M.D. *Chief Medical Officer*	2022	404,034	50,000	23,394	164,064	—	641,492

(1) The amounts reported represent bonuses paid to our NEOs in connection with their commencement of employment.

(2) The amounts reported represent the grant date fair value of restricted stock awards granted to our NEOs during the year ended December 31, 2022 as computed in accordance with FASB Accounting Standards Codification Topic 718, rather than amounts paid to or realized by the individual. The assumptions used in calculating the grant date fair value of the awards are described in Note 10 to our audited financial statements included in this prospectus.

(3) The amounts reported represent the annual performance-based bonuses earned by our NEOs based on the achievement of certain corporate and individual performance objectives during 2022. These amounts were paid to our NEOs in early 2023.

Narrative to summary compensation table

2022 salaries

Our NEOs each receive a base salary to compensate them for services rendered to our company. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities.

For 2022, Drs. Gadam and Fine had annual base salaries of $400,000 and $405,096, respectively. Ms. Chapman's annual base salary was established at $500,000 in connection with her appointment as our Chief Executive Officer in May 2022.

In February 2023, Ms. Chapman's, Dr. Gadam's and Dr. Fine's annual base salaries were increased to $525,000, $418,000 and $418,262, respectively.

In connection with Dr. Fine's transition to the part-time position of Strategic Advisor in September 2023, Dr. Fine's base salary was reduced to $7,000 per week.

Our board of directors and compensation committee may adjust base salaries from time to time in their discretion.

2022 bonuses

We maintain an annual performance-based cash bonus program in which each of our NEOs participated in 2022. Each NEO's target bonus is expressed as a percentage of their annual base salary which can be achieved by meeting company and individual goals at target level. The 2022 annual bonus for Dr. Gadam was targeted at 35% of his base salary and for Dr. Fine was targeted at 30% of his base salary. Ms. Chapman's 2022 annual bonus was established at 45% of her base salary in connection with her appointment as our Chief Executive Officer.

In February 2023, our board of directors, upon recommendation of the compensation committee, determined achievement under our 2022 annual bonus program and awarded bonuses to Ms. Chapman, Dr. Gadam and Dr. Fine based on corporate and individual performance in the amount of $202,500, $245,700 and $164,064, respectively.

In connection with Ms. Chapman's appointment as our Chief Executive Officer in May 2022, we agreed to assist Ms. Chapman with her transition to us by awarding her a transition bonus of $300,000, payable in six equal biannual installments of $50,000 commencing shortly after her commencement of employment with us, with each installment subject to her continued employment through the date of payment.

In connection with Dr. Gadam's commencement of employment with us as our Chief Technology Officer in January 2022, we paid Dr. Gadam a signing bonus of $45,000 shortly following his commencement of employment with us and he was eligible to earn an additional payment of $45,000 within 30 days following the first anniversary of his commencement of employment with us and $70,000 upon the initiation of a registrational trial for our lead program, in each case, subject to Dr. Gadam's continued employment with us through the applicable payment date.

In connection with Dr. Fine's commencement of employment with us as our Chief Medical Officer in September 2021, we paid Dr. Fine a transition bonus of $50,000 shortly following his commencement of employment with us and an additional payment of $50,000 following the first anniversary of his commencement of employment with us.

Our board of directors and compensation committee may adjust annual bonuses or award discretionary bonuses from time to time.

Equity-based compensation

In connection with Ms. Chapman's commencement of employment as our Chief Executive Officer, on June 24, 2022, we granted Ms. Chapman an award providing her the right to purchase 1,409,846 restricted shares of our common stock (restricted stock) for $0.08 per share, which our board of directors determined equaled fair market value of our common stock on the date of grant, subject to a right of repurchase at the original purchase price in connection with certain terminations of Ms. Chapman's employment. Ms. Chapman purchased the shares underlying the award on June 29, 2022. The restricted stock vests, and the right of repurchase to lapses, as to 25% of the shares on May 2, 2023 and as to 1/48th of the original number of shares each month

thereafter, subject to Ms. Chapman's continued employment with us through the applicable vesting date. Vesting is subject to acceleration upon certain terminations of Ms. Chapman's employment, as described below under the heading "—Executive compensation arrangements—Gina Chapman."

On June 24, 2022, we granted Dr. Gadam an award providing him the right to purchase 400,000 shares of restricted stock for $0.08 per share, which our board of directors determined equaled fair market value of our common stock on the date of grant, subject to a right of repurchase at the original purchase price upon certain terminations of Dr. Gadam's employment. Dr. Gadam purchased the shares underlying the award on June 30, 2022. The restricted stock vests, and the right of repurchase to lapses, as to 25% of the shares subject to the award on January 17, 2023 and as to 1/48th of the original number of shares each month thereafter, subject to Dr. Gadam's continued employment with us through the applicable vesting date. Vesting is subject to acceleration upon certain terminations of Dr. Gadam's employment, as described below under the heading "—Executive compensation arrangements—Shishir Gadam, Ph.D."
On June 24, 2022, we granted Dr. Fine an award providing him the right to purchase 394,220 shares of restricted stock for $0.08 per share, which our board of directors determined equaled fair market value of our common stock on the date of grant, subject to a right of repurchase at the original purchase price upon certain terminations of Dr. Fine's employment. Dr. Fine purchased the shares underlying the award on July 14, 2022. The restricted stock vests, and the right of repurchase lapses, as to 25% of the shares on September 30, 2023 and as to 1/48th of the original number of shares each month thereafter, subject to Dr. Fine's continued employment with us through the applicable vesting date. Vesting is subject to acceleration upon certain terminations of Dr. Fine's employment, as described below under the heading "—Executive compensation arrangements—Gregg Fine, M.D."

Also on June 24, 2022, we granted Dr. Fine an additional award providing him the right to purchase 114,451 shares of restricted stock for $0.08 per share, which our board of directors determined equaled fair market value of our common stock on the date of grant, subject to a right of repurchase at the original purchase price upon certain terminations of Dr. Fine's employment. Dr. Fine purchased the shares underlying the award on July 14, 2022. The restricted stock vests, and the right of repurchase lapses, as to 20% of the shares on September 30, 2023 and as to 1/60th of the original number of shares each month thereafter, subject to Dr. Fine's continued employment with us through the applicable vesting date and subject to accelerated vesting upon the attainment of certain clinical milestone achievements. Vesting is subject to acceleration upon certain terminations of Dr. Fine's employment, as described below under the heading "—Executive compensation arrangements—Gregg Fine, M.D."

On April 21, 2023, we granted each of our NEOs an option to purchase shares of our common stock with an exercise price per share of $0.37, which our board of directors determined equaled fair market value of our common stock on the date of grant. Each option includes three separate vesting tranches. Each tranche vests as to 25% of the shares underlying the tranche on the first anniversary of the vesting commencement date for the tranche and as to 1/48th of the shares underlying the tranche each month thereafter, subject to continued employment through the applicable vesting date. Vesting is subject to acceleration upon certain terminations of the NEOs' employment, as described below under the heading "—Executive compensation arrangements." The vesting commencement date for the first, second and third tranche coincides with the closing of the first, second and third tranche of our Series A-1 preferred stock financing. The number of shares underlying each tranche for each named executive officer are as follows:

Named Executive Officer	Tranche 1	Tranche 2	Tranche 3	Total
Gina Chapman	7,593,700	2,294,400	4,272,814	14,160,914
Shishir Gadam, Ph.D.	1,580,780	504,768	940,020	3,025,567
Gregg Fine, M.D.	1,344,592	896,394	1,680,740	3,921,726

Other elements of compensation

Retirement savings and health and welfare benefits

We currently maintain a 401(k) retirement savings plan for our employees, including our NEOs, who satisfy certain eligibility requirements. Our NEOs are eligible to participate in the 401(k) plan on the same terms as other full-time employees.

All of our full-time employees, including our NEOs, are eligible to participate in our health and welfare plans, including health, dental and vision benefits; medical and dependent care flexible spending accounts; short-term and long-term disability insurance; and life and AD&D insurance.

Perquisites and other personal benefits

We did not provide any perquisites to our NEOs during 2022 other than reimbursing Ms. Chapman for legal fees incurred in connection with negotiating her employment offer letter in connection with her appointment as our Chief Executive Officer.

Our compensation committee may from time to time approve perquisites in the future when our compensation committee determines that they are necessary or advisable to fairly compensate or incentivize our employees.

Outstanding equity awards at 2022 year end

The following table lists all outstanding equity awards held by our NEOs as of December 31, 2022.

		Stock Awards	
Name	Vesting Commencement Date[1]	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)[2]
Gina Chapman	5/5/2022	1,409,846	112,788
Shishir Gadam, Ph.D.	1/17/2022	400,000	32,000
Gregg Fine, M.D.	9/30/2021	271,027	21,682
	9/30/2021[3]	85,839	6,897

(1) Except as otherwise noted, each award of restricted stock vests, and the right of repurchase thereon lapses, as to 25% of the shares comprising the award on the first anniversary of the vesting commencement date and as to 1/48th of the initial number of shares comprising the award monthly thereafter, subject to accelerated vesting as set forth in the named executive officer's offer letter. Unvested shares may be repurchased for the original purchase price in the event of a termination of employment.

(2) Values reported based on $0.08 per share, which our board of directors determined equaled the fair market value of a share of our common stock as of December 31, 2022.

(3) Award of restricted stock vests, and the right of repurchase thereon lapses, as to 20% of the shares comprising the award on the first anniversary of the vesting commencement date and as to 1/60th of the initial number of shares comprising the award monthly thereafter, subject to accelerated vesting in the event certain clinical milestones are achieved and as set forth in Dr. Fine's offer letter. Unvested shares may be repurchased for the original purchase price in the event of a termination of employment.

Executive compensation arrangements

We have entered into offer letters and proprietary information and invention assignment agreements with each of our NEOs. Each offer letter sets forth the title, base salary, target bonus opportunity and initial equity awards for the executive. In addition, the offer letters provide for certain NEOs to receive transition bonuses, relocation

assistance and guaranteed equity awards and for each NEO to receive severance in the event the executive's employment with us is terminated by us without cause or by the executive for good reason, each as defined in the applicable offer letter, subject to each executive's continued compliance with additional terms as set out in each applicable offer letter. Each executive must also provide a general release of claims in order to receive severance benefits.

Gina Chapman

We entered into an offer letter with Ms. Chapman in March 2022 that provided for her to be appointed our Chief Executive Officer on May 2, 2022. Ms. Chapman's offer letter provides for her to be paid an annual base salary of $500,000, subject to increase, and an annual bonus targeted at 45% of her annual base salary, subject to pro-ration based on her partial year of service in 2022. Under the offer letter, we agreed to assist Ms. Chapman with her transition to us by awarding her a transition bonus of $300,000, payable in six equal biannual installments, with the first installment paid shortly after her commencement of employment with us. The offer letter also provided for Ms. Chapman to be granted the right to be issued 1,409,846 shares of restricted stock for a purchase price equal to fair market value on the date of issuance (the Initial Chapman Award), which our board of directors determined equaled $0.08 per share when granted on June 24, 2022. Any unvested shares of restricted stock are subject to repurchase by us at the original purchase price in the event of a termination of employment. The restricted stock vests, and the right of repurchase thereon lapses, as to 25% of the shares on the first anniversary of Ms. Chapman's commencement of employment, which was May 2, 2022, and as to 1/48th of the initial number of shares monthly thereafter, subject to Ms. Chapman's continued employment. The offer letter also provided for Ms. Chapman to be granted an additional equity award covering a number of shares necessary to provide Ms. Chapman with shares or rights to shares covering an aggregate of 5% of our fully diluted capitalization following the completion of our Series A convertible preferred stock financing. The offer letter also provided for Ms. Chapman to receive up to $10,000 in reimbursement of legal fees incurred in negotiating the offer letter.

In addition, Ms. Chapman's offer letter provides that in the event her employment with us is terminated at any time other than following the occurrence of a sale event (as defined in the offer letter) by us other than for cause (as defined in the offer letter), death or disability or if she resigns her employment for good reason (as defined in her offer letter), Ms. Chapman is entitled to receive: 12 months of continued base salary, a lump sum payment of any earned and unpaid bonus for the prior year and target bonus opportunity for the year in which her termination occurs, a lump sum payment of any unpaid portion of the transition bonus, a monthly payment for continued healthcare coverage for up to 12 months, accelerated vesting of 25% of the unvested equity awards with time-based vesting (any awards subject to solely performance-based vesting shall be treated as specified in the applicable award agreement) and extended exercisability for any stock options until the earlier of 3 months following Ms. Chapman's date of termination or the original expiration date applicable to such options. In the event such a termination or resignation occurs during the 12-month period commencing on a sale event, Ms. Chapman is entitled to the same payments and benefits described above except that cash severance will be paid in a single cash lump sum and the vesting of all unvested equity awards with time-based vesting will be accelerated. All severance payments and benefits are contingent on Ms. Chapman timely delivering a general release of claims against us.

On February 9, 2023, we entered into an amendment to Ms. Chapman's offer letter that clarified the anti-dilution protection provided in the original offer letter. Under the amendment, Ms. Chapman became entitled to the grant of an option to purchase 14,160,914 shares of our common stock that was designed to provide Ms. Chapman with shares and options to purchase shares that, when combined with the Initial Chapman Award, constitute 5% of our fully diluted capitalization as determined on a pro-forma basis assuming that $200 million of convertible preferred stock would be sold in our Series A convertible preferred stock financing.

Our board of directors granted the option on April 21, 2023 with an exercise price per share of $0.37, which our board of directors determined equaled fair market value on the date of grant. The option vests in three tranches, each of which correlates to a closing of our Series A convertible preferred stock financing, with the number of shares subject to each tranche intended to provide Ms. Chapman with shares and options to purchase shares together constituting 5% of our fully diluted capitalization as of immediately following the applicable closing. The number of shares underlying each tranche is 7,593,700, 2,294,400 and 4,272,814 for tranches 1, 2 and 3, respectively. Each tranche commences vesting on the closing of the related tranche of the Series A convertible preferred stock financing, which was February 9, 2023 for tranche 1 and July 7, 2023 for tranche 2. Tranche 3 has not commenced vesting. Each tranche vests as to 25% of the shares underlying the tranche on the first anniversary of the applicable vesting commencement date and as to 1/48th of the shares underlying the tranche each month thereafter, subject to Ms. Chapman's continued service to us.

Shishir Gadam, Ph.D.

We entered into an offer letter with Dr. Gadam in October 2021 that provided for him to be employed by us as our Chief Technology Officer commencing on January 17, 2022. Dr. Gadam's offer letter provides for him to be paid an annual base salary of $400,000, subject to increase, and an annual bonus targeted at 35% of his annual base salary, subject to pro-ration in 2022. Under the offer letter, we also agreed to pay Dr. Gadam a sign-on bonus of $45,000 within 30 days following his commencement of employment with us, $45,000 within 30 days following the first anniversary of his commencement of employment with us and $70,000 upon the initiation of a registrational trial for our lead program. The offer letter also provided for Dr. Gadam to be granted the right to be issued 400,000 shares of restricted stock for a purchase price equal to fair market value on the date of issuance (the Initial Gadam Award), which our board of directors determined equaled $0.08 per share when granted on June 24, 2022. Any unvested shares of restricted stock are subject to repurchase by us at the original purchase price in the event of a termination of employment. The restricted stock vests, and the right of repurchase thereon lapses, as to 25% of the shares on the first anniversary of Dr. Gadam's commencement of employment, which was January 17, 2022, and as to 1/48th of the initial number of shares monthly thereafter, subject to Dr. Gadam's continued employment.

In addition, Dr. Gadam's offer letter provides that in the event his employment with us is terminated at any time other than following the occurrence of a sale event (as defined in the offer letter) by us other than for cause (as defined in the offer letter), death or disability or Dr. Gadam resigns for good reason, Dr. Gadam is entitled to receive: 9 months of continued base salary, monthly payments for continued healthcare coverage for up to 9 months, accelerated vesting of all unvested equity awards that would have vested in the 9-month period immediately following his termination of employment, a lump sum payment of any unpaid portion of his signing bonus and payment of any earned but unpaid annual bonus. In the event such a termination or resignation occurs during the 12-month period commencing on a sale event, Dr. Gadam is entitled to receive: a lump sum payment of 12 months of his base salary, a lump sum payment of any earned and unpaid bonus for the prior year and target bonus opportunity for the year in which his termination occurs, a lump sum payment of any unpaid portion of the signing bonus, monthly payments for continued healthcare coverage for up to 12 months, accelerated vesting of all unvested equity awards with time-based vesting (any awards subject to solely performance-based vesting shall be treated as specified in the applicable award agreement) and extended exercisability for any stock options until the earlier of 3 months following Dr. Gadam's date of termination or the original expiration date applicable to such options. All severance payments and benefits are contingent on Dr. Gadam timely delivering a general release of claims against us.

On February 9, 2023, we entered into an amendment to Dr. Gadam's offer letter that provided for the grant of an option to purchase 3,025,568 shares of our common stock that was designed to provide Dr. Gadam with shares and options to purchase shares that, when combined with the Initial Gadam Award, constitute 1.1% of our fully diluted capitalization as determined on a pro-forma basis assuming that $200 million of convertible preferred

stock would be sold in our Series A convertible preferred stock financing. Our board of directors granted the option on April 21, 2023 with an exercise price per share of $0.37, which our board of directors determined equaled fair market value on the date of grant. The option vests in three tranches, each of which correlates to a closing of our Series A convertible preferred stock financing, with the number of shares subject to each tranche intended to provide Dr. Gadam with shares and options to purchase shares together constituting 1.1% of our fully diluted capitalization as of immediately following the applicable closing. The number of shares underlying each tranche is 1,580,780, 504,768 and 940,020 for tranches 1, 2 and 3, respectively. Each tranche commences vesting on the closing of the related tranche of the Series A convertible preferred stock financing, which was February 9, 2023 for tranche 1 and July 7, 2023 for tranche 2. Tranche 3 has not commenced vesting. Each tranche vests as to 25% of the shares underlying the tranche on the first anniversary of the applicable vesting commencement date and as to 1/48th of the shares underlying the tranche each month thereafter, subject to Dr. Gadam's continued service to us.

Gregg Fine, M.D.

We entered into an offer letter with Dr. Fine in August 2021 that provided for him to be employed by us as our Chief Medical Officer commencing on September 30, 2021. Dr. Fine's offer letter provides for him to be paid an annual base salary of $400,000, subject to increase, and an annual bonus targeted at 30% of his annual base salary (later increased to 35%), subject to pro-ration in 2021. Under the offer letter, we also agreed to pay Dr. Fine a transition bonus of $50,000 within 30 days following his commencement of employment with us and $50,000 within 30 days following the first anniversary of his commencement of employment with us. The offer letter also provided for Dr. Fine to be granted the right to be issued 508,671 shares of restricted stock for a purchase price equal to fair market value on the date of issuance, which our board of directors determined equaled $0.08 per share when granted on June 24, 2022. Any unvested shares of restricted stock are subject to repurchase by us at the original purchase price in the event of a termination of employment. The restricted stock vests, and the right of repurchase thereon lapses, in two separate tranches. The first tranche, comprised of 394,220 shares, vests, and the right of repurchase thereon lapses as to 25% of the shares on the first anniversary of Dr. Fine's commencement of employment, which was September 30, 2021, and as to 1/48th of the initial number of shares monthly thereafter, subject to Dr. Fine's continued employment. The second tranche, comprised of 114,451 shares, vests, and the right of repurchase thereon lapses as to 20% of the shares on the first anniversary of Dr. Fine's commencement of employment, which was September 30, 2021, and as to 1/60th of the initial number of shares monthly thereafter, subject to Dr. Fine's continued employment and a portion of which was subject to accelerated vesting upon the attainment of certain clinical milestones. Dr. Fine's offer letter also provided for us to reimburse Dr. Fine up to $10,000 in legal fees incurred in negotiating the offer letter.

In addition, Dr. Fine's offer letter provides that in the event his employment with us is terminated at any time other than following or preceding the occurrence of a sale event (as defined in the offer letter) by us other than for cause (as defined in the offer letter), death or disability or Dr. Fine resigns for good reason, Dr. Fine is entitled to receive: 0.75 times his annual base salary and target bonus (or 1 times his annual base salary and target bonus if Dr. Fine's termination would have occurred in his first year of employment), monthly payments for continued healthcare coverage for up to 9 months, accelerated vesting of all unvested equity awards that would have vested in the 9-month period (or 12-month period if the termination would have occurred during the first year of Dr. Fine's employment) immediately following his termination of employment, a lump sum payment of any unpaid portion of his transition bonus and payment of any earned but unpaid annual bonus. In the event such a termination or resignation occurs during the period commencing 3 months prior to a sale event and ending 12 months after the sale event, Dr. Fine is entitled to receive: a lump sum payment of 12 months of his base salary, a lump sum payment of any earned and unpaid bonus for the prior year and target bonus opportunity for the year in which his termination occurs, a lump sum payment of any unpaid portion of the transition bonus, a monthly payment for continued healthcare coverage for up to 12 months, accelerated

vesting of all unvested equity awards with time-based or time and performance-based vesting (any awards subject to solely performance-based vesting shall be treated as specified in the applicable award agreement) and extended exercisability for any stock options until the earlier of 12 months following Dr. Fine's date of termination or the original expiration date applicable to such options. All severance payments and benefits are contingent on Dr. Fine timely delivering a general release of claims against us.

In August 2023, we entered into a transition and separation agreement with Dr. Fine, pursuant to which Dr. Fine ceased serving as our Chief Medical Officer as of September 1, 2023 and transitioned to the part-time position of Strategic Advisor, in which he is expected to serve through the earlier of the completion of this offering or December 31, 2023. Under the transition and separation agreement, we adjusted Dr. Fine's base salary to $7,000 per week while serving as Strategic Advisor and provided for his continued eligibility to participate in our benefit programs in accordance with their terms. The transition and separation agreement also modified 100,000 shares of Dr. Fine's restricted stock to vest in four equal monthly installments over the transition period, such vesting to be accelerated upon the completion of this offering or if we terminate Dr. Fine's employment for other than cause (as defined in his offer letter) or disparagement prior to December 31, 2023.

In exchange for the release included in the transition and separation agreement, we paid Dr. Fine $323,490, which constituted 9 months of his base salary and target bonus less $100,000, accelerated the vesting of his options and restricted stock with respect to that number of shares that, in the aggregate, were scheduled to vest through June 1, 2024, and reimbursed up to $10,000 of legal fees incurred in negotiating the transition and separation agreement. In the event Dr. Fine provides a second release at the end of his transition period, we have agreed to pay him $100,000, directly pay, or reimburse him for, continued healthcare premiums for up to 9 months and, if his employment terminates immediately prior to this offering, we terminate his employment for other than cause or disparagement or he remains employed part-time through December 31, 2023, extend the exercisability of his vested stock options through the first anniversary of his termination date.

Equity incentive compensation plans

The following summarizes the material terms of the equity incentive compensation plans in which our NEOs will be eligible to participate following the consummation of this offering and our 2021 Stock Option and Grant Plan, or 2021 Plan, under which we have previously made periodic grants of equity and equity-based awards to our NEOs and other key employees.

2023 incentive award plan

We intend to adopt the 2023 Incentive Award Plan (2023 Plan), which will be effective on the day prior to the first public trading date of our common stock. The principal purpose of the 2023 Plan is to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards. The material terms of the 2023 Plan, as it is currently contemplated, are summarized below.

Share reserve. Under the 2023 Plan, shares of our common stock will be initially reserved for issuance pursuant to a variety of stock-based compensation awards, including stock options, stock appreciation rights, or SARs, restricted stock awards, restricted stock unit awards and other stock-based awards. The number of shares initially reserved for issuance or transfer pursuant to awards under the 2023 Plan will be increased by (i) the number of shares represented by awards outstanding under our prior plan (Prior Plan Awards), that become available for issuance under the counting provisions described below following the effective date and (ii) an annual increase on each January 1 beginning in 2024 and ending in 2033, equal to the lesser of (A) %

of the shares of our common stock outstanding (on an as converted basis) on the immediately preceding December 31 and (B) such smaller number of shares of stock as determined by our board of directors; provided, however, that no more than shares of stock may be issued upon the exercise of incentive stock options.

The following counting provisions will be in effect for the share reserve under the 2023 Plan:

- to the extent that an award (including a Prior Plan Award) terminates, expires or lapses for any reason or an award is settled in cash without the delivery of shares, any shares subject to the award at such time will be available for future grants under the 2023 Plan;
- to the extent shares are tendered or withheld to satisfy the grant, exercise price or tax withholding obligation with respect to any award under the 2023 Plan or Prior Plan Award, such tendered or withheld shares will be available for future grants under the 2023 Plan;
- to the extent shares subject to stock appreciation rights are not issued in connection with the stock settlement of stock appreciation rights on exercise thereof, such shares will be available for future grants under the 2023 Plan;
- to the extent that shares of our common stock are repurchased by us prior to vesting so that shares are returned to us, such shares will be available for future grants under the 2023 Plan;
- the payment of dividend equivalents in cash in conjunction with any outstanding awards or Prior Plan Awards will not be counted against the shares available for issuance under the 2023 Plan; and
- to the extent permitted by applicable law or any exchange rule, shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by us or any of our subsidiaries will not be counted against the shares available for issuance under the 2023 Plan.

In addition, the sum of the grant date fair value of all equity-based awards and the maximum that may become payable pursuant to all cash-based awards to any individual for services as a non-employee director during any calendar year may not exceed $.

Administration. The compensation committee of our board of directors is expected to administer the 2023 Plan unless our board of directors assumes authority for administration. The compensation committee must consist of at least three members of our board of directors, each of whom is intended to qualify as a “non-employee director” for purposes of Rule 16b-3 under the Exchange Act and an “independent director” within the meaning of the rules of the applicable stock exchange, or other principal securities market on which shares of our common stock are traded. The 2023 Plan provides that the board or compensation committee may delegate its authority to grant awards to employees other than executive officers and certain senior executives of the company to a committee consisting of one or more members of our board of directors or one or more of our officers, other than awards made to our non-employee directors, which must be approved by our full board of directors.

Subject to the terms and conditions of the 2023 Plan, the administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2023 Plan. The administrator is also authorized to adopt, amend or rescind rules relating to administration of the 2023 Plan. Our board of directors may at any time remove the compensation committee as the administrator and revest in itself the authority to administer the 2023 Plan. The full board of directors will administer the 2023 Plan with respect to awards to non-employee directors.

Eligibility. Options, SARs, restricted stock and all other stock-based and cash-based awards under the 2021 Plan may be granted to individuals who are then our officers, employees or consultants or are the officers, employees or consultants of certain of our subsidiaries. Such awards also may be granted to our directors. Only employees of our company or certain of our subsidiaries may be granted incentive stock options, or ISOs.

Awards. The 2023 Plan provides that the administrator may grant or issue stock options, SARs, restricted stock, restricted stock units, other stock- or cash-based awards and dividend equivalents, or any combination thereof. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award.

- *Nonstatutory stock options* (NSOs) will provide for the right to purchase shares of our common stock at a specified price which may not be less than fair market value on the date of grant, and usually will become exercisable (at the discretion of the administrator) in one or more installments after the grant date, subject to the participant's continued employment or service with us and/or subject to the satisfaction of corporate performance targets and individual performance targets established by the administrator. NSOs may be granted for any term specified by the administrator that does not exceed ten years.
- *Incentive stock options* (ISOs) will be designed in a manner intended to comply with the provisions of Section 422 of the Code, and will be subject to specified restrictions contained in the Code. Among such restrictions, ISOs must have an exercise price of not less than the fair market value of a share of common stock on the date of grant, may only be granted to employees, and must not be exercisable after a period of ten years measured from the date of grant. In the case of an ISO granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock, the 2023 Plan provides that the exercise price must be at least 110% of the fair market value of a share of common stock on the date of grant and the ISO must not be exercisable after a period of five years measured from the date of grant.
- *Restricted stock* may be granted to any eligible individual and made subject to such restrictions as may be determined by the administrator. Restricted stock, typically, may be forfeited for no consideration or repurchased by us at the original purchase price if the conditions or restrictions on vesting are not met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Purchasers of restricted stock, unlike recipients of options, will have voting rights and will have the right to receive dividends, if any, prior to the time when the restrictions lapse, however, extraordinary dividends will generally be placed in escrow, and will not be released until restrictions are removed or expire.
- *Restricted stock units* (RSUs) may be awarded to any eligible individual, typically without payment of consideration, but subject to vesting conditions based on continued employment or service or on performance criteria established by the administrator. Like restricted stock, restricted stock units may not be sold, or otherwise transferred or hypothecated, until vesting conditions are removed or expire. Unlike restricted stock, stock underlying restricted stock units will not be issued until the restricted stock units have vested, and recipients of restricted stock units generally will have no voting or dividend rights prior to the time when vesting conditions are satisfied.
- *Stock appreciation rights* (SARs) may be granted in connection with stock options or other awards, or separately. SARs granted in connection with stock options or other awards typically will provide for payments to the holder based upon increases in the price of our common stock over a set exercise price. The exercise price of any SAR granted under the 2023 Plan must be at least 100% of the fair market value of a share of our common stock on the date of grant. SARs under the 2023 Plan will be settled in cash or shares of our common stock, or in a combination of both, at the election of the administrator.

- *Other stock or cash-based awards* are awards of cash, fully vested shares of our common stock and other awards valued wholly or partially by referring to, or otherwise based on, shares of our common stock. Other stock or cash-based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards. The plan administrator will determine the terms and conditions of other stock or cash-based awards, which may include vesting conditions based on continued service, performance and/or other conditions.
- *Dividend equivalents* represent the right to receive the equivalent value of dividends paid on shares of our common stock and may be granted alone or in tandem with awards other than stock options or SARs. Dividend equivalents are credited as of dividend payments dates during the period between a specified date and the date such award terminates or expires, as determined by the plan administrator. In addition, dividend equivalents with respect to shares covered by a performance award will only be paid to the participant at the same time or times and to the same extent that the vesting conditions, if any, are subsequently satisfied and the performance award vests with respect to such shares.

Any award may be granted as a performance award, meaning that the award will be subject to vesting and/or payment based on the attainment of specified performance goals.

Change in control. In the event of a change in control, unless the plan administrator elects to terminate an award in exchange for cash, rights or other property, or cause an award to accelerate in full prior to the change in control, such award will continue in effect or be assumed or substituted by the acquirer, provided that any performance-based portion of the award will be subject to the terms and conditions of the applicable award agreement. The administrator may also make appropriate adjustments to awards under the 2023 Plan and is authorized to provide for the acceleration, cash-out, termination, assumption, substitution or conversion of such awards in the event of a change in control or certain other unusual or nonrecurring events or transactions.

Adjustments of awards. In the event of any stock dividend or other distribution, stock split, reverse stock split, reorganization, combination or exchange of shares, merger, consolidation, split-up, spin-off, recapitalization, repurchase or any other corporate event affecting the number of outstanding shares of our common stock or the share price of our common stock that would require adjustments to the 2023 Plan or any awards under the 2023 Plan in order to prevent the dilution or enlargement of the potential benefits intended to be made available thereunder, the administrator will make appropriate, proportionate adjustments to: (i) the aggregate number and type of shares subject to the 2023 Plan; (ii) the number and kind of shares subject to outstanding awards and terms and conditions of outstanding awards (including, without limitation, any applicable performance targets or criteria with respect to such awards); and (iii) the grant or exercise price per share of any outstanding awards under the 2023 Plan.

Amendment and termination. The administrator may terminate, amend or modify the 2023 Plan at any time and from time to time. However, we must generally obtain stockholder approval to the extent required by applicable law, rule or regulation (including any applicable stock exchange rule). Notwithstanding the foregoing, an option may be amended to reduce the per share exercise price below the per share exercise price of such option on the grant date and options may be granted in exchange for, or in connection with, the cancellation or surrender of options having a higher per share exercise price without receiving additional stockholder approval.

No incentive stock options may be granted pursuant to the 2023 Plan after the tenth anniversary of the effective date of the 2023 Plan, and no additional annual share increases to the 2023 Plan's aggregate share limit will occur from and after such anniversary. Any award that is outstanding on the termination date of the 2021 Plan will remain in force according to the terms of the 2023 Plan and the applicable award agreement.

2021 stock option and grant plan

Our board of directors adopted the 2021 Plan on July 30, 2021 and our stockholders subsequently approved the 2021 Plan on August 16, 2021 as a restatement of the 2021 Stock Incentive Plan, which itself ceased to exist upon the approval of the 2021 Plan. The 2021 Plan provides for the grant of stock options (both ISOs and NSOs), restricted stock awards, unrestricted stock awards, RSUs, or any combination of the foregoing to officers, employees, directors, consultants and other key persons of either us or any of our subsidiaries. As of , 2023, options to purchase shares of common stock at a weighted average exercise price per share of $ and shares of restricted stock remained outstanding under the 2021 Plan. In connection with the effectiveness of the 2023 Plan, no further awards will be granted under the 2021 Plan, but all outstanding awards will continue to be governed by their existing terms.

Administration. Our board of directors, or a committee thereof appointed by our board of directors, has the authority to administer the 2021 Plan and grant awards thereunder. The administrator has the authority to take any actions it deems necessary or advisable for the administration of the 2021 Plan, consistent with the terms of the 2021 Plan.

Awards. The 2021 Plan provides that the administrator may grant the types of awards set forth below. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award.

- *Stock options*. NSOs may be granted to employees and non-employees, and ISOs may be granted only to employees. The exercise price of ISOs granted to employees who at the time of grant own stock representing more than 10% of the voting power of all classes of our common stock may not be less than 110% of the fair market value per share of our common stock on the date of grant, and the exercise price of ISOs granted to any other employees, or NSOs granted to any service provider, may not be less than 100% of the fair market value per share of our common stock on the date of grant. The maximum term of each option is ten years from the grant date, or for ISOs granted to employees who at the time of grant own stock representing more than 10% of the voting power of all classes of our common stock, five years from the grant date.
- *Restricted stock*. Restricted stock may be granted to any eligible individual and made subject to such restrictions as may be determined by the administrator. Restricted stock, typically, may be forfeited for no consideration or repurchased by us on the terms set out in the plan, if the conditions or restrictions on vesting are not met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Purchasers of restricted stock, unlike recipients of options, will have voting rights, to the extent such shares are entitled to voting rights, and will have the right to receive dividends and any other distributions, if any, prior to the time when the restrictions lapse.
- *Unrestricted stock awards*. Unrestricted stock awards may be awarded to any eligible individual or sold at par value or such other purchase price as determined by the administrator. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration or in lieu of cash compensation due to such individual.
- *RSUs*. RSUs may be awarded to any eligible individual, typically without payment of consideration, but subject to vesting conditions based on continued employment or service or on performance criteria established by the administrator. Like restricted stock, RSUs may not be sold, or otherwise transferred or hypothecated, until vesting conditions are removed or expire. Unlike restricted stock, stock underlying RSUs will not be issued until the RSUs have vested, and recipients of RSUs generally will have no voting or dividend rights prior to the time when vesting conditions are satisfied.

Adjustments of awards. In the event of any significant change that occurs with respect to our common stock (through reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar transactions), the administrator will make appropriate and proportionate adjustments to: the maximum number of shares reserved for issuance under the plan, the number and kind of shares or other securities subject to any then outstanding awards under the plan, the repurchase price, if any, per share subject to each outstanding award, and the exercise price for each share subject to any then outstanding stock options under the plan, without changing the aggregate exercise price (as to which such stock options remain exercisable).

Sale event. In the event of a sale event (as defined in the 2021 Plan), the 2021 Plan and all outstanding options shall terminate unless assumed or continued by the successor or new stock options or awards of the successor are substituted equitably and proportionately as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any award agreement). Additionally, upon a sale event and in the event of the termination of the 2021 Plan, each holder will be permitted, within a set period of time prior to the consummation of the sale event and as specified by the administrator, to exercise all such options which are then exercisable or will become exercisable as of and contingent on the sale event occurring. Notwithstanding the foregoing, the administrator may make or provide for a cash payment to the holders, (without their consent) in exchange for the cancellation of the options, in accordance with the terms of the plan. For purposes of the 2021 Plan, a sale event includes the consummation of (i) the dissolution or liquidation of our company, (ii) the sale of all or substantially all of our assets to an unrelated person or entity, (iii) a merger, reorganization or consolidation pursuant to which the holders of our outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the surviving or resulting entity (or its ultimate parent, if applicable), (iv) the acquisition of all or a majority of our outstanding voting stock in a single transaction or a series of related transactions by a person or group of persons, or (v) any other acquisition of our business, as determined by our board of directors; provided, however, that this offering, any subsequent public offering or another capital raising event, or a merger effected solely to change our domicile does not constitute a sale event.

Right of first refusal. In the event that a holder decides to sell or transfer their shares (other than shares of restricted stock), the holder must first give written notice to us in accordance with the plan, including the terms of the proposed sale. At any time within 30 days of receipt of such notice, the company or our assigns may elect to purchase the shares at the price and on the terms specified in the notice.

Right of repurchase. Upon a termination of service, we or our assigns have the option to repurchase shares acquired upon exercise of a stock option and shares pursuant to a restricted stock award, in each case, that are subject to a risk of forfeiture as of the termination. The repurchase price shall be the lower of the original per share purchase price paid by the holder, subject to adjustment or the current fair market value of such shares as of the date we elect to exercise our repurchase rights.

Plan amendment or termination. The administrator has the authority, at any time, to amend or discontinue our 2021 Plan, and at any time, amend or cancel any outstanding award for the purpose of compliance with applicable law or other lawful purpose but no such action shall adversely affect rights under any outstanding award without the consent of the holder of the award. The administrator may exercise its discretion to reduce the exercise price of outstanding stock options or effect repricing through cancellation of outstanding stock options and by granting such holders new awards in replacement of the cancelled stock options. In connection with the effectiveness of our 2023 Plan, no further awards will be granted under the 2021 Plan.

2023 employee stock purchase plan

We intend to adopt the 2023 Employee Stock Purchase Plan, which we refer to as our ESPP, which will be effective on the date immediately prior to the date the registration statement relating to this offering becomes effective. The ESPP is designed to allow our eligible employees to purchase shares of our common stock, at periodic intervals, with their accumulated payroll deductions. The ESPP is intended to qualify under Section 423 of the Code. The material terms of the ESPP, as it is currently contemplated, are summarized below.

Administration. Subject to the terms and conditions of the ESPP, our compensation committee will administer the ESPP. Our compensation committee can delegate administrative tasks under the ESPP to the services of an agent and/or employees to assist in the administration of the ESPP. The administrator will have the discretionary authority to administer and interpret the ESPP. Interpretations and constructions of the administrator of any provision of the ESPP or of any rights thereunder will be conclusive and binding on all persons. We will bear all expenses and liabilities incurred by the ESPP administrator.

Share Reserve. The maximum number of shares of our common stock which will be authorized for sale under the ESPP is equal to the sum of (i) a number of shares of common stock equal to % of our outstanding common stock after this offering and (ii) an annual increase on the first day of each year beginning in 2024 and ending in 2033, equal to the lesser of (A) % of the shares of common stock outstanding (on an as converted basis) on the last day of the immediately preceding fiscal year and (B) such number of shares of common stock as determined by our board of directors; provided, however, no more than shares of our common stock may be issued under the ESPP. The shares reserved for issuance under the ESPP may be authorized but unissued shares or reacquired shares.

Eligibility. Employees eligible to participate in the ESPP for a given offering period generally include employees who are employed by us or one of our subsidiaries on the first day of the offering period, or the enrollment date. Our employees (and, if applicable, any employees of our subsidiaries) who customarily work less than five months in a calendar year or are customarily scheduled to work less than 20 hours per week will not be eligible to participate in the ESPP. Finally, an employee who owns (or is deemed to own through attribution) 5% or more of the combined voting power or value of all our classes of stock or of one of our subsidiaries will not be allowed to participate in the ESPP.

Participation. Employees will enroll under the ESPP by completing a payroll deduction form permitting the deduction from their compensation of at least % of their compensation but not more than % of their compensation. Such payroll deductions may be expressed as either a whole number percentage or a fixed dollar amount, and the accumulated deductions will be applied to the purchase of shares on each purchase date. However, a participant may not purchase more than shares in each offering period and may not accrue the right to purchase shares of common stock at a rate that exceeds $ in fair market value of shares of our common stock (determined at the time the option is granted) for each calendar year the option is outstanding (as determined in accordance with Section 423 of the Code). The ESPP administrator has the authority to change these limitations for any subsequent offering period.

Offering. Under the ESPP, participants are offered the option to purchase shares of our common stock at a discount during a series of successive offering periods, the duration and timing of which will be determined by the ESPP administrator. However, in no event may an offering period be longer than 27 months in length.

The option purchase price will be the lower of 85% of the closing trading price per share of our common stock on the first trading date of an offering period in which a participant is enrolled or 85% of the closing trading price per share on the purchase date, which will occur on the last trading day of each offering period.

Unless a participant has previously canceled his or her participation in the ESPP before the purchase date, the participant will be deemed to have exercised his or her option in full as of each purchase date. Upon exercise, the participant will purchase the number of whole shares that his or her accumulated payroll deductions will buy at the option purchase price, subject to the participation limitations listed above.

A participant may cancel his or her payroll deduction authorization at any time prior to the end of the offering period. Upon cancellation, the participant will have the option to either (i) receive a refund of the participant's account balance in cash without interest or (ii) exercise the participant's option for the current offering period for the maximum number of shares of common stock on the applicable purchase date, with the remaining account balance refunded in cash without interest. Following at least one payroll deduction, a participant may also decrease (but not increase) his or her payroll deduction authorization once during any offering period. If a participant wants to increase or decrease the rate of payroll withholding, he or she may do so effective for the next offering period by submitting a new form before the offering period for which such change is to be effective.

A participant may not assign, transfer, pledge or otherwise dispose of (other than by will or the laws of descent and distribution) payroll deductions credited to a participant's account or any rights to exercise an option or to receive shares of our common stock under the ESPP, and during a participant's lifetime, options in the ESPP shall be exercisable only by such participant. Any such attempt at assignment, transfer, pledge or other disposition will not be given effect.

Adjustments upon changes in recapitalization, dissolution, liquidation, merger or asset sale. In the event of any increase or decrease in the number of issued shares of our common stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the common stock, or any other increase or decrease in the number of shares of common stock effected without receipt of consideration by us, we will proportionately adjust the aggregate number of shares of our common stock offered under the ESPP, the number and price of shares which any participant has elected to purchase under the ESPP and the maximum number of shares which a participant may elect to purchase in any single offering period. If there is a proposal to dissolve or liquidate us, then the ESPP will terminate immediately prior to the consummation of such proposed dissolution or liquidation, and any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our dissolution or liquidation. We will notify each participant of such change in writing at least 10 business days prior to the new exercise date. If we undergo a merger with or into another corporation or sell all or substantially all of our assets, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or the parent or subsidiary of the successor corporation. If the successor corporation refuses to assume the outstanding options or substitute equivalent options, then any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our proposed sale or merger. We will notify each participant of such change in writing at least ten business days prior to the new exercise date.

Amendment and termination. Our board of directors may amend, suspend or terminate the ESPP at any time. However, the board of directors may not amend the ESPP without obtaining stockholder approval within 12 months before or after such amendment to the extent required by applicable laws.

Certain relationships and related-party transactions

The following includes a summary of transactions since January 1, 2020 and any currently proposed transactions, to which we were or are to be a participant, in which (i) the amount involved exceeded or will exceed the lesser of $120,000 and 1% of our total assets; and (ii) any of our directors, executive officers or holders of more than 5% of our capital stock, or any affiliate or member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest, other than compensation and other arrangements that are described under the sections titled “Director compensation” and “Executive compensation.”

We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to terms available or the amounts that we would pay or receive, as applicable, in arm’s-length transactions.

Related-party agreements in effect prior to this offering

Common stock issuance

In October 2020 and November 2020, we entered into stock subscription agreements pursuant to which we issued 5,100,000 and 1,000,000 shares of our common stock at a price of $0.001 per share to Crystal Mackall, M.D. and Samsara BioCapital, L.P. (Samsara), respectively, for an aggregate of 6,100,000 shares of common stock issued. In April 2022, we waived our right to repurchase 1,530,000 shares of common stock at a price of $0.001 per share from Dr. Mackall. Dr. Mackall is a Co-Founder of CARGO and a member of our board of directors and Samsara is a holder of more than 5% of our capital stock. For further details, see the information provided in footnotes 9 and 1 to the table in the section titled “Principal stockholders.”

The table below sets forth the number of shares of our common stock purchased by our executive officers, directors, holders of more than 5% of our capital stock and their affiliated entities or immediate family members.

Name[1]	Common stock (#)		Aggregate purchase price ($)
Samsara BioCapital, L.P.[2]	1,000,000	$	1,000.00
Crystal Mackall, M.D.[3]	5,100,000	$	5,100.00

(1) For additional information regarding these stockholders and their equity holdings, see the section titled “Principal stockholders.”

(2) Samsara BioCapital, L.P. beneficially owns more than 5% of our outstanding capital. Mr. Bassan, a member of our board of directors, was designated to our board by Samsara. Mr. Bassan is a Vice President at Samsara.

(3) Crystal Mackall, M.D. is a Co-Founder of CARGO and member of our board of directors.

Convertible note and convertible preferred stock financings

Convertible note purchase agreement

Between April 2022 and January 2023, we issued approximately $32.0 million in convertible promissory notes (the Convertible Notes), approximately $18.2 million and $10.9 million of which notes were issued to Samsara and Red Tree Venture Fund, L.P. (Red Tree), respectively. In February 2023, the Convertible Notes were settled with shares of our Series A-2 convertible preferred stock (the Series A-2 Preferred Stock) and we issued 43,824,255 shares of Series A-2 Preferred Stock to the holders of the Convertible Notes. Each of Samsara and Red Tree are holders of more than 5% of our capital stock. For further details, see the information provided in footnotes 1 and 2 to the table in the section titled “Principal stockholders.”

Series Seed convertible preferred stock financing

In February 2021, we entered into a Series Seed convertible preferred stock purchase agreement (the Series Seed Purchase Agreement), with various investors (the Series Seed Investors), pursuant to which we issued an aggregate of 5,500,000 shares of our Series Seed convertible preferred stock (the Series Seed Preferred Stock) at $1.00 per share for aggregate proceeds of $5.5 million in the initial closing.

In accordance with the terms of the Series Seed Purchase Agreement, each of the Series Seed Investors agreed to purchase additional shares of Series Seed Preferred Stock if certain Company milestone events (as set forth in the Series Seed Purchase Agreement) occurred. In January 2022, the Company milestone events occurred, and the Series Seed Investors purchased an additional 5,500,000 shares of Series Seed Preferred Stock at $1.00 per share for aggregate proceeds of $5.5 million in the milestone closing.

Series A-1 convertible preferred stock financing

In February 2023, we entered into a Series A-1 convertible preferred stock purchase agreement (the Series A-1 Purchase Agreement), with various investors (the Series A Investors), pursuant to which we issued an aggregate of 68,832,003 shares of our Series A-1 convertible preferred stock (the Series A-1 Preferred Stock) at $1.00 per share for aggregate proceeds of $68.8 million in two closings. The first closing occurred in February 2023, at which time we issued 60,946,288 shares of our Series A-1 Preferred Stock for gross proceeds of approximately $60.9 million. The second closing also occurred in February 2023, at which time we issued an additional 7,885,715 shares of our Series A-1 Preferred Stock for gross proceeds of approximately $7.9 million.

The Series A-1 Purchase Agreement also committed the Series A Investors to purchasing up to 131,927,997 additional shares of Series A-1 Preferred Stock at a fixed price of $1.00 per share in one or more subsequent closings upon (i) the occurrence of certain clinical milestones certified by the Company's board of directors and approved by holders of a majority of the then outstanding shares of Series A-1 Preferred Stock (the Requisite Holder Approval) or (ii)(A) the unanimous approval of the Company's board of directors to waive certain milestones and (B) Requisite Holder Approval.

In July 2023, upon the occurrence of certain clinical milestones, we issued an aggregate of 45,888,000 shares of our Series A-1 Preferred Stock at $1.00 per share to the Series A Investors for aggregate proceeds of $45.9 million in a second closing.

The table below sets forth the number of shares of Series Seed Preferred Stock, Series A-1 Preferred Stock and Series A-2 Preferred Stock purchased by our executive officers, directors, holders of more than 5% of our capital stock and their affiliated entities or immediate family members. Each share of Series Seed Preferred Stock, Series A-1 Preferred Stock and Series A-2 Preferred Stock in the table below will convert into one share of our common stock immediately prior to the completion of this offering.

Name[1]	Series Seed convertible preferred stock (#)	Series A-1 convertible preferred stock (#)	Series A-2 convertible preferred stock (#)	Aggregate purchase price ($)
Samsara BioCapital, L.P.[2]	9,000,000	6,857,143	24,879,514	$ 34,044,239.78
Red Tree Venture Fund, L.P.[3]	1,000,000	4,857,143	14,995,345	$ 16,786,175.25
Perceptive Xontogeny Venture Fund II, LP[4]	—	20,000,000	—	$ 20,000,000.00
Third Rock Ventures V, L.P.[5]	—	17,142,857	—	$ 17,142,857.00
Nextech VII Oncology SCSP[6]	—	14,285,715	—	$ 14,285,715.00
Janus Henderson Biotech Innovation Master Fund Limited[7]	—	11,428,572	—	$ 11,428,572.00

(1) For additional information regarding these stockholders and their equity holdings, see the section titled “Principal stockholders.”

(2) Samsara beneficially owns more than 5% of our outstanding capital. Mr. Bassan, a member of our board of directors, was designated to our board by Samsara. Mr. Bassan is a Vice President at Samsara.

(3) Red Tree beneficially owns more than 5% of our outstanding capital. Dr. Lukatch, a member of our board of directors, was designated to our board by Red Tree. Dr. Lukatch is Founder and Managing Partner of Red Tree.

(4) Perceptive Xontogeny Venture Fund II, LP (Xontogeny) beneficially owns more than 5% of our outstanding capital. Dr. Hoffman-Luca, a member of our board of directors, was designated to our board by Xontogeny. Dr. Hoffman-Luca is a Principal at Xontogeny.

(5) Third Rock Ventures V, L.P. (Third Rock Ventures) beneficially owns more than 5% of our outstanding capital. Dr. Huber, a member of our board of directors, was designated to our board by Third Rock Ventures. Dr. Huber is a Partner at Third Rock Ventures.

(6) Nextech VII Oncology SCSP beneficially owns more than 5% of our outstanding capital.

(7) Janus Henderson Biotech Innovation Master Fund Limited beneficially owns more than 5% of our outstanding capital.

Investors’ rights agreement

We are party to an investors’ rights agreement with the purchasers of our outstanding convertible preferred stock, including entities with which certain of our directors are affiliated. Following the consummation of this offering, the holders of approximately 170,544,258 shares of our common stock, including the shares of common stock issuable upon the conversion of our convertible preferred stock, are entitled to rights with respect to the registration of their shares under the Securities Act. For a more detailed description of these registration rights, see the section titled “Description of capital stock—Registration rights.” The investors’ rights agreement also provides for a right of first offer in favor of certain holders of convertible preferred stock with regard to certain issuances of our capital stock. The rights of first offer will not apply to, and will terminate upon the consummation of, this offering.

Voting agreement

We are party to a voting agreement with certain holders of our common stock and convertible preferred stock. Upon the conversion of all outstanding shares of convertible preferred stock into common stock in connection with the consummation of this offering, the voting agreement will terminate. For a description of the voting agreement, see the section titled “Management—Board structure and composition—Voting arrangements.

Right of first refusal and co-sale agreement

We are party an amended and restated right of first refusal and co-sale agreement with certain holders of our common stock and convertible preferred stock. This agreement provides for rights of first refusal and co-sale relating to the shares of our common stock held by the parties to the agreement. Upon the consummation of this offering, the amended and restated right of first refusal and co-sale agreement will terminate.

Other transactions

We have entered into offer letter agreements with our executive officers that, among other things, provide for certain compensatory and change in control benefits, as well as severance benefits. For a description of these agreements with our named executive officers, see the section titled “Executive compensation—Executive compensation arrangements.”

We have also granted stock options and restricted stock to our executive officers and certain of our directors. For a description of these equity awards, see the sections titled “Executive compensation” and “Director compensation.”

Director and officer indemnification

We have entered into indemnification agreements with certain of our current executive officers and directors, and intend to enter into new indemnification agreements with each of our current executive officers and directors before the completion of this offering.

Our amended and restated certificate of incorporation also provides that, to the fullest extent permitted by law, we will indemnify any officer or director of our company against all damages, claims and liabilities arising out of the fact that the person is or was our officer or director, or served any other enterprise at our request as an officer or director. Amending this provision will not reduce our indemnification obligations relating to actions taken before an amendment.

Related-party transaction policy

We have a written related-party transaction policy, to be effective upon the completion of this offering, that applies to our executive officers, directors, director nominees, holders of more than five percent of any class of our voting securities and any member of the immediate family of, and any entity affiliated with, any of the foregoing persons. Such persons will not be permitted to enter into a related-party transaction with us without the prior consent of our audit committee, or other independent members of our board of directors in the event it is inappropriate for our audit committee to review such transaction due to a conflict of interest. Any request for us to enter into a transaction with an executive officer, director, director nominee, principal stockholder, or any of their immediate family members or affiliates, in which the amount involved exceeds $120,000 must first be presented to our audit committee for review, consideration and approval. In approving or rejecting any such proposal, our audit committee will consider the relevant facts and circumstances available and deemed relevant to our audit committee, including, but not limited to, the commercial reasonableness of the terms of the transaction and the materiality and character of the related-party’s direct or indirect interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

Principal stockholders

The following table sets forth information regarding beneficial ownership of our common stock as of August 15, 2023 by:

- each person whom we know to beneficially own more than 5% of our common stock;
- each of our directors;
- each of our named executive officers; and
- all directors and executive officers as a group.

In accordance with the rules of the SEC, beneficial ownership includes voting or investment power with respect to securities and includes the shares issuable pursuant to stock options that are exercisable within 60 days of August 15, 2023. Shares issuable pursuant to stock options are deemed outstanding for computing the percentage of the person holding such options but are not outstanding for computing the percentage of any other person.

We have based our calculation of the percentage of beneficial ownership prior to this offering on shares of our common stock outstanding and held of record by approximately stockholders as of , which gives effect to the automatic conversion of all outstanding shares of convertible preferred stock into shares of our common stock immediately prior to the completion of this offering. We have based our calculation of the percentage of beneficial ownership after this offering on shares of our common stock outstanding as of , which gives effect to the adjustments described in the prior sentence and further reflects the issuance of shares of common stock in this offering, assuming that the underwriters will not exercise their option to purchase up to an additional shares of our common stock.

Unless otherwise indicated, the address for each listed stockholder is: c/o CARGO Therapeutics, Inc., 1900 Alameda De Las Pulgas, Suite 350, San Mateo, California 94403. To our knowledge, except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock.

Name of beneficial owner	Number of shares beneficially owned	Percentage of shares beneficially owned: Before offering	Percentage of shares beneficially owned: After offering
Greater than 5% owners:			
Samsara BioCapital, L.P.(1)	41,736,657	%	%
Red Tree Venture Fund, L.P.(2)	20,852,488	%	%
Perceptive Xontogeny Venture Fund II, LP(3)	20,000,000	%	%
Third Rock Ventures V, L.P.(4)	17,142,857	%	%
Nextech VII Oncology SCSP(5)	14,285,715	%	%
Janus Henderson Biotech Innovation Master Fund Limited(6)	11,428,572	%	%
Named executive officers and directors:			
Abraham Bassan	—	%	%
Gina Chapman(7)	1,409,846	%	%
Corinne Epperly, M.D., MPH(8)	190,751	%	%
Gianna Hoffman-Luca, Ph.D.	—	%	%
Reid Huber, Ph.D.	—	%	%
David Lubner	—	%	%
Heath Lukatch, Ph.D.	—	%	%
Crystal Mackall, M.D.(9)	5,134,658	%	%
John Orwin(10)	215,218	%	%
Anup Radhakrishnan(11)	82,014	%	%
Krishnan Viswanadhan, Pharm.D(12)	9,866	%	%
All executive officers and directors as a group (11 persons)(13)	7,042,353	%	%

* Represents beneficial ownership of less than 1%.

(1) Consists of (i) 1,000,000 shares of our common stock, (ii) 9,000,000 shares of our common stock issuable upon conversion of our Series Seed convertible preferred stock directly held by Samsara BioCapital, L.P. (Samsara LP), (iii) 6,857,143 shares of our common stock issuable upon conversion of our Series A-1 convertible preferred stock directly held by Samsara LP and (iv) 24,879,514 shares of our common stock issuable upon conversion of our Series A-2 convertible preferred stock directly held by Samsara LP. Samsara BioCapital GP, LLC (Samsara LLC) is the general partner of Samsara LP and may be deemed to beneficially own the shares held by Samsara LP. Dr. Srinivas Akkaraju, MD, Ph.D. has voting and investment power over the shares held by Samsara GP and, accordingly, may be deemed to beneficially own the shares held by Samsara LP. Samsara LLC disclaims beneficial ownership in these shares except to the extent of its respective pecuniary interest therein. The principal address for Samsara BioCapital, L.P. is 628 Middlefield Road, Palo Alto, California 94301.

(2) Consists of (i) 1,000,000 shares of our common stock issuable upon conversion of our Series Seed convertible preferred stock directly held by Red Tree Venture Fund, L.P. (Red Tree), (ii) 4,857,143 shares of our common stock issuable upon conversion of our Series A-1 convertible preferred stock directly held by Red Tree and (iii) 14,995,345 shares of our common stock issuable upon conversion of our Series A-2 convertible preferred stock directly held by Red Tree. Red Tree GP, L.P. (Red Tree GP I) is the general partner of Red Tree and may be deemed to have sole voting and dispositive power over the shares held by Red Tree. Red Tree GP I and Heath Lukatch, the Managing Director of Red Tree GP I who may be deemed to share voting and dispositive power over the reported securities, disclaim beneficial ownership of the reported securities held by Red Tree except to the extent of any pecuniary interest therein. The principal address for Red Tree Venture Fund, L.P. is 2055 Woodside Road, Suite 270, Redwood City, California 94061.

(3) Consists of 20,000,000 shares of our common stock issuable upon conversion of our Series A-1 convertible preferred stock directly held by Perceptive Xontogeny Venture Fund II, LP (Xontogeny). Perceptive Venture Advisors, LLC (the Venture Advisor) serves as the investment advisor to Xontogeny and is an affiliate of Perceptive Advisors LLC (the Advisor). Joseph Edelman is the managing member of the Advisor. The Venture Advisor, the Advisor and Mr. Edelman disclaim, for purposes of Section 16 of the Securities Exchange Act of 1934, beneficial ownership of such securities, except to the extent of his or its indirect pecuniary interest therein, and this report shall not be deemed an admission that they are the beneficial owner of such securities for purposes of Section 16 or for any other purposes. The principal address for Perceptive Xontogeny Venture Fund II, LP is 51 Astor Place, 10th Floor, New York, New York 10003.

(4) Consists of 17,142,857 shares of our common stock issuable upon conversion of our Series A-1 convertible preferred stock directly held by Third Rock Ventures V, L.P. (Third Rock Ventures). The general partner of Third Rock Ventures is Third Rock Ventures GP V, L.P. (TRV GP V). The general partner of TRV GP V is TRV GP V, LLC (TRV GP V LLC). Abbie Celniker, Ph.D.; Robert Tepper, M.D.; Reid Huber,

Ph.D.; Jeffrey Tong, Ph.D.; Kevin Gillis; Neil Exter; and Cary Pfeffer, M.D. are the managing members of TRV GP V, LLC who collectively make voting and investment decisions with respect to shares held by Third Rock Ventures V, L.P. The principal address for Third Rock Ventures V, L.P. is 201 Brookline Avenue, Suite 1401, Boston, Massachusetts 02215.

(5) Consists of 14,285,715 shares of our common stock issuable upon conversion of our Series A-1 convertible preferred stock directly held by Nextech VII Oncology SCSP. Nextech VII GP S.à.r.l. is the general partner of Nextech VII Oncology SCSP and may be deemed to beneficially own the shares held by Nextech VII Oncology SCSP. Costas Constantinides, Ian Charoub and Rocco Sgobbo, as managers of Nextech VII GP S.à.r.l., have voting and investment power over the shares held by Nextech VII Oncology SCSP and, accordingly, may be deemed to beneficially own the shares held by Nextech VII Oncology SCSP. The principal address for Nextech VII Oncology SCSP is 8 rue Lou Hemmer, L 1748 Senningerberg, Luxembourg.

(6) Consists of 11,428,572 shares of our common stock issuable upon conversion of our Series A-1 convertible preferred stock directly held by Janus Henderson Biotech Innovation Master Fund Limited. Janus Henderson Investors US LLC is an investment adviser to Janus Henderson Biotech Innovation Master Fund Limited, and, in such capacity, exercises shared voting and dispositive power over the shares held by Janus Henderson Biotech Innovation Master Fund Limited and may be deemed to beneficially own such shares. Andrew Acker, Daniel S. Lyons and Agustin Mohedas serve as portfolio managers of Janus Henderson Biotech Innovation Master Fund Limited and as such may share voting and dispositive power over the shares held by Janus Henderson Biotech Innovation Master Fund Limited. The principal address for Janus Henderson Biotech Innovation Master Fund Limited is c/o Janus Henderson Investors US LLC, 151 Detroit Street, Denver, Colorado 80206.

(7) Consists of 1,409,846 shares of our common stock issued pursuant to the grant of restricted stock awards.

(8) Consists of 190,751 shares of our common stock issued pursuant to the grant of restricted stock awards.

(9) Consists of 5,134,658 shares of our common stock held directly by Dr. Mackall.

(10) Consists of 215,218 shares of our common stock that may be acquired pursuant to the exercise of stock options issuable upon conversion within 60 days of August 15, 2023.

(11) Consists of 82,014 shares of our common stock that may be acquired pursuant to the exercise of stock options issuable upon conversion within 60 days of August 15, 2023.

(12) Consists of 9,866 shares of our common stock that may be acquired pursuant to the exercise of stock options issuable upon conversion within 60 days of August 15, 2023.

(13) Consists of (i) 6,735,255 shares held by our current directors and executive officers and (ii) 307,098 shares subject to options exercisable within 60 days of August 15, 2023.

Description of capital stock

The following summary describes our capital stock and the material provisions of our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective immediately prior to the completion of this offering, the amended and restated investors' rights agreement to which we and certain of our stockholders are parties and of the Delaware General Corporation Law. Because the following is only a summary, it does not contain all of the information that may be important to you. For a complete description, you should refer to our amended and restated certificate of incorporation, amended and restated bylaws and amended and restated investors' rights agreement, copies of which have been filed as exhibits to the registration statement of which this prospectus is part.

General

Upon the completion of this offering and the filing of our amended and restated certificate of incorporation, our authorized capital stock will consist of shares of common stock, par value $0.001 per share, and shares of preferred stock, par value $0.001 per share.

Common stock

Outstanding shares

As of June 30, 2023, we had 138,391,618 shares of common stock outstanding, held of record by 44 stockholders, assuming the conversion of all of our outstanding shares of convertible preferred stock into 123,656,258 shares of common stock immediately prior to the completion of this offering.

Voting rights

Each holder of common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting shares are able to elect all of the directors. In addition, the affirmative vote of holders of 66-2/3% of the voting power of all of the then outstanding voting stock will be required to take certain actions, including amending certain provisions of our amended and restated certificate of incorporation, including the provisions relating to amending our amended and restated bylaws, the classified board and director liability.

Dividends

Subject to preferences that may be applicable to any then outstanding preferred stock, holders of our common stock are entitled to receive dividends as may be declared from time to time by our board of directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities, subject to the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of preferred stock.

Rights, preferences and privileges

Holders of our common stock have no preemptive, conversion or subscription rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Fully paid and nonassessable

All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering will be, fully paid and nonassessable.

Preferred stock

Upon the completion of this offering, all of our currently outstanding shares of convertible preferred stock will convert into common stock, and we will not have any shares of preferred stock outstanding. Immediately prior to the completion of this offering, our amended and restated certificate of incorporation will be amended and restated to delete all references to such shares of convertible preferred stock. From and after the consummation of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting, or the designation of, such series, any or all of which may be greater than the rights of our common stock. The issuance of our preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon our liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control of our company or other corporate action. Immediately after consummation of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Stock options

As of June 30, 2023, we had outstanding options to purchase an aggregate of 29,140,214 shares of our common stock, with a weighted-average exercise price of $0.35 per share. For additional information regarding terms of our equity incentive plans, see the section titled “Executive compensation—Equity compensation plans.”

Registration rights

Upon the completion of this offering and subject to the lock-up agreements entered into in connection with this offering and federal securities laws, certain holders of shares of our common stock, including those shares of our common stock that will be issued upon the conversion of our convertible preferred stock in connection with this offering, will initially be entitled to certain rights with respect to registration of such shares under the Securities Act. These shares are referred to as registrable securities. The holders of these registrable securities possess registration rights pursuant to the terms of our amended and restated investors’ rights agreement and are described in additional detail below. The registration of shares of our common stock pursuant to the exercise of the registration rights described below would enable the holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay the registration expenses, other than underwriting discounts, selling commissions and stock transfer taxes, of the shares registered pursuant to the demand, piggyback and Form S-3 registrations described below.

Generally, in an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions and limitations, to limit the number of shares the holders may include. The demand, piggyback and Form S-3 registration rights described below will terminate upon the earliest of (i) the closing of a "Deemed Liquidation Event," as such term is defined in our amended and restated certificate of incorporation (as currently in effect), (ii) with respect to each stockholder, such date, on or after the completion of this offering, on which all registrable shares held by such stockholder may immediately be sold during any three-month period pursuant to Rule 144 of the Securities Act or another similar exemption and (iii) the third anniversary of the completion of this offering.

Demand registration rights

Upon the completion of this offering, holders of approximately 170,544,258 shares of our common stock issuable upon conversion of outstanding convertible preferred stock will be entitled to certain demand registration rights. Beginning 180 days following the effectiveness of the registration statement of which this prospectus is a part, certain major investors holding, collectively, holding at least 40% of registrable securities may request that we register all or a portion of their shares, subject to certain specified exceptions. If any of these holders exercises its demand registration rights, then holders of approximately 170,544,258 shares of our common stock issuable upon the shares of our convertible preferred stock in connection with this offering will be entitled to register their shares, subject to specified conditions and limitations in the corresponding offering.

Piggyback registration rights

In connection with this offering, holders of approximately 170,544,258 shares of our common stock issuable upon conversion of outstanding convertible preferred stock are entitled to their rights to notice of this offering and to include their shares of registrable securities in this offering. The requisite percentage of these stockholders are expected to waive all such stockholders' rights to notice of this offering and to include their shares of registrable securities in this offering. In the event that we propose to register any of our securities under the Securities Act in another offering, either for our own account or for the account of other security holders, the holders of registrable securities will be entitled to certain "piggyback" registration rights allowing them to include their shares in such registration, subject to specified conditions and limitations.

S-3 registration rights

Upon the completion of this offering, the holders of approximately 170,544,258 shares of our common stock issuable upon conversion of outstanding convertible preferred stock will initially be entitled to certain Form S-3 registration rights. Certain major investors holding at least 20% of registrable securities may request that we register all or a portion of their shares on Form S-3 if we are qualified to file a registration statement on Form S-3, subject to specified exceptions. Such request for registration on Form S-3 must cover securities with an aggregate offering price which equals or exceeds $5.0 million, net of selling expenses. The right to have such shares registered on Form S-3 is further subject to other specified conditions and limitations.

Election and removal of directors; vacancies

The exact number of directors will be fixed from time to time by resolution of the board. Directors will be elected by a plurality of the votes of the shares of our capital stock present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

No director may be removed except for cause, and directors may be removed for cause only by an affirmative vote of shares representing not less than a majority of the shares then entitled to vote at an election of directors.

Any vacancy occurring on the board of directors and any newly created directorship may be filled only by a majority of the remaining directors in office.

Staggered board

Upon the completion of this offering, our board of directors will be divided into three classes serving staggered three-year terms. Class I, Class II and Class III directors will serve until our annual meetings of stockholders in 2024, 2025 and 2026, respectively. At each annual meeting of stockholders, directors will be elected to succeed the class of directors whose terms have expired. This classification of our board of directors could have the effect of increasing the length of time necessary to change the composition of a majority of the board of directors. In general, at least two annual meetings of stockholders will typically be necessary for stockholders to effect a change in a majority of the members of the board of directors.

Limitation on action by written consent

Our amended and restated certificate of incorporation and our amended and restated bylaws provide that holders of our common stock will not be able to act by written consent without a meeting.

Stockholder meetings

Our amended and restated certificate of incorporation and our amended and restated bylaws provide that special meetings of our stockholders may be called only by the chairperson of the board, our chief executive officer (or president, in the absence of a chief executive officer) or a majority of the directors. Our amended and restated certificate of incorporation and our amended and restated bylaws specifically deny any power of any other person to call a special meeting.

Amendment of certificate of incorporation

The provisions of our amended and restated certificate of incorporation described under the subsections titled “—Election and removal of directors; vacancies,” “—Stockholder meetings,” “—Limitation on action by written consent,” “—Limitation of liability of directors and officers,” “—Common stock—Voting rights” and “—Forum selection” and provisions relating to amendments to our amended and restated certificate of incorporation may be amended only by the affirmative vote of holders of at least 66-2/3% of the voting power of our outstanding shares of voting stock. The affirmative vote of holders of at least a majority of the voting power of our outstanding shares of stock will generally be required to amend other provisions of our amended and restated certificate of incorporation.

Amendment of bylaws

Certain provisions of our amended and restated bylaws may generally be altered, amended or repealed, and new bylaws may be adopted, with the affirmative vote of a majority of directors present at any regular or special meeting of the board of directors called for that purpose, provided that any alteration, amendment, or repeal of, or adoption of any bylaw inconsistent with specified provisions of the bylaws, including those related to special and annual meetings of stockholders, action of stockholders by written consent, nomination of directors, transfers of capital stock and dividends requires the affirmative vote of at least 66-2/3% of all directors in office at a meeting called for that purpose.

All other provisions of our amended and restated bylaws may generally be altered, amended or repealed, and new bylaws may be adopted, with the affirmative vote of holders of 66-2/3 % of the voting power of our outstanding shares of voting stock.

Other limitations on stockholder actions

Our amended and restated bylaws impose some procedural requirements on stockholders who wish to:

- make nominations in the election of directors;
- propose that a director be removed;
- propose any repeal or change in our amended and restated bylaws; or
- propose any other business to be brought before an annual or special meeting of stockholders.

Under these procedural requirements, in order to bring a proposal before a meeting of stockholders, a stockholder must deliver timely notice of a proposal pertaining to a proper subject for presentation at the meeting to our corporate secretary along with the following:

- a description of the business or nomination to be brought before the meeting and the reasons for conducting such business at the meeting;
- the stockholder's name and address;
- any material interest of the stockholder in the proposal;
- the number of shares beneficially owned by the stockholder and evidence of such ownership; and
- the names and addresses of all persons with whom the stockholder is acting in concert and a description of all arrangements and understandings with those persons, and the number of shares such persons beneficially own.

To be timely, a stockholder must generally deliver notice:

- in connection with an annual meeting of stockholders, not less than 120 nor more than 150 days prior to the date on which the annual meeting of stockholders was held in the immediately preceding year, but in the event that the date of the annual meeting is more than 30 days before or more than 70 days after the anniversary date of the preceding annual meeting of stockholders, a stockholder notice will be timely if received by us not later than the close of business on the later of (i) not less than 70 nor more than 120 days prior to the date of the annual meeting and (ii) the 10th day following the day on which we first publicly announce the date of the annual meeting; or
- in connection with the election of a director at a special meeting of stockholders, during the period not less than 120 nor more than 150 days prior to the date of the special meeting, or the 10th day following the day on which a notice of the date of the special meeting was mailed to the stockholders or the public disclosure of that date was made.

In order to submit a nomination for our board of directors, a stockholder must also submit all information with respect to the nominee that would be required to be included in a proxy statement, as well as other information. If a stockholder fails to follow the required procedures, the stockholder's proposal or nominee will be ineligible and will not be voted on by our stockholders.

Limitation of liability of directors and officers

Our amended and restated certificate of incorporation provides that no director will be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except as required by applicable law, as in effect from time to time. Section 102(b)(7) of the Delaware General Corporation Law

permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; and
- any transaction from which the director derived an improper personal benefit.

As a result, neither we nor our stockholders have the right, through stockholders' derivative suits on our behalf, to recover monetary damages against a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior, except in the situations described above.

Our amended and restated certificate of incorporation also provides that, to the fullest extent permitted by law, we will indemnify any officer or director of our company against all damages, claims and liabilities arising out of the fact that the person is or was our director or officer, or served any other enterprise at our request as a director or officer. Amending this provision will not reduce our indemnification obligations relating to actions taken before an amendment.

Forum selection

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on behalf of us; (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer, or other employee of our company to us or our stockholders; (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or our amended and restated certificate of incorporation and bylaws; or (iv) any action asserting a claim governed by the internal affairs doctrine. This provision would not apply to claims brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction.

Furthermore, our amended and restated certificate of incorporation will also provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Any person or entity purchasing or otherwise acquiring any interest in our shares of capital stock shall be deemed to have notice of and consented to the foregoing forum selection provisions. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering.

Our exclusive forum provision will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

The enforceability of similar federal court choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find this type of provision to be inapplicable or unenforceable. If a court were to find either of the choice of forum provisions

contained in our amended and restated certificate of incorporation or amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions.

The choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with the company or our directors, officers or other employees, which may discourage such lawsuits against the company and our directors, officers and other employees and result in increased costs for investors to bring a claim.

Delaware Business Combination Statute

We have elected to be subject to Section 203 of the Delaware General Corporation Law. Section 203 prevents an "interested stockholder," which is defined generally as a person owning 15% or more of a corporation's voting stock, or any affiliate or associate of that person, from engaging in a broad range of "business combinations" with the corporation for three years after becoming an interested stockholder unless:

- the board of directors of the corporation had previously approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, that person owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, other than statutorily excluded shares; or
- following the transaction in which that person became an interested stockholder, the business combination is approved by the board of directors of the corporation and holders of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Under Section 203, the restrictions described above also do not apply to specific business combinations proposed by an interested stockholder following the announcement or notification of designated extraordinary transactions involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of the corporation's directors, if such extraordinary transaction is approved or not opposed by a majority of the directors who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors.

Section 203 may make it more difficult for a person who would be an interested stockholder to effect various business combinations with a corporation for a three-year period. Section 203 also may have the effect of preventing changes in our management and could make it more difficult to accomplish transactions that our stockholders may otherwise deem to be in their best interests.

Anti-takeover effects of some provisions

Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws could make the following more difficult:

- acquisition of control of us by means of a proxy contest, tender offer, or otherwise; or
- removal of our incumbent officers and directors.

These provisions, as well as our ability to issue preferred stock, are designed to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased

protection give us the potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us, and that the benefits of this increased protection outweigh the disadvantages of discouraging those proposals, because negotiation of those proposals could result in an improvement of their terms.

Listing

We intend to apply to list our common stock on the Nasdaq Global Market under the symbol “CRGX,” and this offering is contingent upon obtaining such approval.

Transfer agent and registrar

The transfer agent and registrar for the common stock will be American Stock Transfer & Trust Company, LLC. The transfer agent and registrar’s address is 6201 15th Avenue, Brooklyn, New York 11219.

Material U.S. federal income tax consequences to non-U.S. holders

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership, and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local, or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the Code), Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (the IRS), in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder of our common stock. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership, and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that hold our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder’s particular circumstances, including the impact of the Medicare contribution tax on net investment income and the alternative minimum tax. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding our common stock as part of a hedge, straddle, or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers, or traders in securities;
- “controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans; and
- “qualified foreign pension funds” as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds.

If an entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership, and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP, AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a non-U.S. holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our common stock that is neither a "U.S. person" nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (i) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (ii) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section titled "Dividend policy," we do not anticipate declaring or paying dividends to holders of our common stock in the foreseeable future. However, if we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described in the subsection titled "—Sale or other taxable disposition" below.

Subject to the discussion below regarding effectively connected income, dividends paid to a Non-U.S. Holder will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption from withholding, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or other taxable disposition

A Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest (USRPI) by reason of our status as a U.S. real property holding corporation (USRPHC) for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates applicable to U.S. persons. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

A Non-U.S. Holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on gain realized upon the sale or other taxable disposition of our common stock, which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition of our common stock by a Non-U.S. Holder will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information reporting and backup withholding

Payments of dividends on our common stock will not be subject to backup withholding, provided the Non-U.S. Holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E, or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our common stock paid to the Non-U.S. Holder, regardless of whether such

distributions constitute dividends or whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person or the holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional withholding tax on payments made to foreign accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (i) the foreign financial institution undertakes certain diligence and reporting obligations, (ii) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (i) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of our common stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

Shares eligible for future sale

Prior to this offering, there has been no public market for our common stock. Future sales of substantial amounts of our common stock in the public market could adversely affect market prices prevailing from time to time. Furthermore, because only a limited number of shares will be available for sale shortly after this offering due to existing contractual and legal restrictions on resale as described below, there may be sales of substantial amounts of our common stock in the public market after the restrictions lapse. This may adversely affect the prevailing market price and our ability to raise equity capital in the future.

Based on the number of shares of our common stock outstanding as of June 30, 2023, and assuming the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of shares of common stock and the related reclassification of the carrying value of the convertible preferred stock to permanent equity immediately prior to the completion of this offering, we will have shares of common stock outstanding, assuming no exercise of the underwriters' option to purchase additional shares and no exercise of any options after June 30, 2023. Of these shares, , or shares of our common stock if the underwriters exercise their option to purchase additional shares in full, sold in this offering will be freely transferable without restriction or registration under the Securities Act, except for any shares purchased by one of our existing "affiliates," as that term is defined in Rule 144 under the Securities Act. The remaining shares of common stock outstanding will be "restricted shares" as defined in Rule 144. Restricted shares may be sold in the public market only if registered or if they qualify for an exemption from registration under Rules 144 or 701 of the Securities Act, which rules are summarized below.

Rule 144

In general, a person who has beneficially owned restricted shares of our common stock for at least six months would be entitled to sell such securities, provided that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale; and (ii) we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Persons who have beneficially owned restricted shares of our common stock for at least six months but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering, assuming no exercise of the underwriters' option to purchase additional shares; or
- the average weekly trading volume of shares of our common stock on the Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale,

provided, in each case, that we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales both by affiliates and by non-affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144 to the extent applicable.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 before the effective date of the registration statement of which this prospectus is a part (to the extent such common stock is not subject to a lock-up agreement) and

who are not our “affiliates” as defined in Rule 144 during the immediately preceding 90 days, is entitled to rely on Rule 701 to resell such shares beginning 90 days after the date of this prospectus in reliance on Rule 144, but without complying with the notice, manner of sale, public information requirements or volume limitation provisions of Rule 144. Persons who are our “affiliates” may resell those shares beginning 90 days after the date of this prospectus without compliance with minimum holding period requirements under Rule 144 (subject to the terms of the lock-up agreement referred to below, if applicable).

Lock-up agreements

In connection with this offering, we, our directors, officers and substantially all of our securityholders have agreed with the underwriters that for a period of 180 days after the date of this prospectus, among other things and subject to certain exceptions more fully described under the section titled “Underwriting,” not to sell or otherwise transfer or dispose of any of our securities during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior consent of J.P. Morgan Securities LLC, Jefferies LLC and Cowen and Company, LLC. See the section titled “Underwriting” for additional information.

Registration rights

Upon the completion of this offering, the holders of approximately 170,544,258 shares of our common stock will be entitled to rights with respect to the registration of their shares under the Securities Act, subject to the lock-up agreements described in the subsection titled “—Lock-up agreements” above. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates, immediately upon the effectiveness of the registration statement of which this prospectus is a part. Any sales of securities by these stockholders could have a material adverse effect on the trading price of our common stock. The requisite percentage of these stockholders will waive all such stockholders’ rights to notice of this offering and to include their shares of registrable securities in this offering. See the section titled “Description of capital stock—Registration rights.”

Equity incentive plans

We intend to file with the SEC a registration statement on Form S-8 under the Securities Act covering the shares of common stock reserved for issuance under the 2021 Plan, the 2023 Plan and the ESPP. Such registration statement is expected to be filed and become effective as soon as practicable after the completion of this offering. Accordingly, shares registered under such registration statement will be available for sale in the open market following its effective date, subject to Rule 144 volume limitations and the lock-up agreements described above, if applicable.

Underwriting

We are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC, Jefferies LLC and Cowen and Company, LLC are acting as joint book-running managers of the offering and as representatives of the underwriters. Truist Securities, Inc. is also acting as a book-running manager of the offering. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name	Number of shares
J.P. Morgan Securities LLC	
Jefferies LLC	
Cowen and Company, LLC	
Truist Securities, Inc.	
Total	

The underwriters are committed to purchase all the shares of common stock offered by us if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the common stock directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. After the initial offering of the shares to the public, if all of the shares of common stock are not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms. Sales of any shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Without option to purchase additional shares exercise	With full option to purchase additional shares exercise
Per share	$	$
Total	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be

approximately $. We have agreed to reimburse the underwriters for expenses relating to the clearance of this offering with the Financial Industry Regulatory Authority, Inc. in an amount up to $.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not, subject to certain exceptions, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, hedge, lend, or otherwise transfer or dispose of, directly or indirectly, or submit to, or file with, the SEC a registration statement under the Securities Act relating to, any shares of our common stock or any securities convertible into or exercisable or exchangeable for any shares of our common stock, or (ii) enter into any swap, hedging, or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any shares of common stock or any such other securities, or publicly disclose the intention to undertake any of the foregoing (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities LLC, Jefferies LLC and Cowen and Company, LLC for a period of 180 days after the date of this prospectus, other than the shares of our common stock to be sold in this offering.

The restrictions on our actions, as described above, do not apply to certain transactions, including (i) the issuance of shares of common stock or securities convertible into or exercisable for shares of our common stock pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options (including net exercise) or the settlement of RSUs (including net settlement), in each case outstanding on the date of the underwriting agreement and described in this prospectus; (ii) grants of stock options, stock awards, restricted stock, RSUs, or other equity awards and the issuance of shares of common stock or securities convertible into or exercisable or exchangeable for shares of our common stock (whether upon the exercise of stock options or otherwise) to our employees, officers, directors, advisors, or consultants pursuant to the terms of an equity compensation plan in effect as of the closing date of this offering and described in this prospectus, provided that such recipients enter into a lock-up agreement with the underwriters; (iii) the issuance of up to 5% of the outstanding shares of common stock, or securities convertible into, exercisable for, or which are otherwise exchangeable for, common stock, immediately following the closing date of this offering, in acquisitions or other similar strategic transactions, provided that such recipients enter into a lock-up agreement with the underwriters; or (iv) the filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to any plan in effect on the date of the underwriting agreement and described in this prospectus or any assumed benefit plan pursuant to an acquisition or similar strategic transaction.

Our directors, officers and substantially all of our securityholders (collectively, the lock-up parties) have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each lock-up party, with limited exceptions, for a period of 180 days after the date of this prospectus (such period, the restricted period), may not and may not cause any of their direct or indirect affiliates to, without the prior written consent of J.P. Morgan Securities LLC, Jefferies LLC and Cowen and Company, LLC, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including without limitation, our common stock or such other securities which may be deemed to be beneficially owned by the lock-up party in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant) (collectively with the common

stock, the lock-up securities), (ii) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the lock-up securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of the lock-up securities, in cash or otherwise, (iii) make any demand for or exercise any right with respect to the registration of any the lock-up securities, or (iv) publicly disclose the intention to do any of the foregoing. Such persons or entities have further acknowledged that these undertakings preclude them from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (whether by the lock-up party or any other person) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any lock-up securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of lock-up securities, in cash or otherwise. Such persons or entities further confirm that they have furnished the representatives with the details of any transaction such persons or entities, or any of their respective affiliates, is a party to as of the date hereof, which transaction would have been restricted by the lock-up agreements if it had been entered into by such persons or entities during the restricted period.

The restrictions described in the immediately preceding paragraph and contained in the lock-up agreements between the underwriters and the lock-up parties do not apply, subject in certain cases to various conditions, to certain transactions, including (a) transfers, distributions, dispositions or surrenders of lock-up securities: (i) as bona fide gifts, or for bona fide estate planning purposes, (ii) by will, other testamentary documents or intestacy, (iii) to any trust for the direct or indirect benefit of the lock-up party or any immediate family member, (iv) to a corporation, partnership, limited liability company or other entity of which the lock-up party and/or its immediate family members are the legal and beneficial owner of all of the outstanding equity securities or similar interests, (v) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iv), (vi) in the case of a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate of the lock-up party, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the lock-up party or its affiliates or (B) as part of a distribution to partners, direct or indirect members, stockholders or other equityholders of the lock-up party; (vii) by operation of law, (viii) to us from an employee upon death, disability or termination of employment of such employee, (ix) as part of a sale or transfer of lock-up securities acquired in this offering or in open market transactions after the completion of this offering, (x) to us in connection with the vesting, settlement or exercise of restricted stock units, options, warrants or other rights to purchase shares of our common stock (including “net” or “cashless” exercise), including for the payment of exercise price and tax and remittance payments, (xi) to us pursuant to any contractual arrangement in effect on the date of this prospectus and disclosed herein that provides for the repurchase of shares of our common stock in connection with the termination of the lock-up party’s employment with or service to us or (xii) pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction approved by our board of directors and made to all stockholders involving a change in control, provided that if such transaction is not completed, all such lock-up securities would remain subject to the restrictions in the immediately preceding paragraph; (b) exercise of the options, settlement of RSUs or other equity awards, or the exercise of warrants granted pursuant to plans described in in this prospectus or filed as exhibits to our registration statement relating to this offering, provided that any lock-up securities received upon such exercise, vesting or settlement would be subject to restrictions similar to those in the immediately preceding paragraph; (c) the conversion of outstanding preferred stock, warrants to acquire preferred stock, or convertible securities into shares of our common stock or warrants to acquire shares of our common stock, provided that any common stock or warrant received upon such conversion would be subject to restrictions

similar to those in the immediately preceding paragraph; and (d) the establishment by lock-up parties of trading plans under Rule 10b5-1 under the Exchange Act, provided that such plan does not provide for the transfer of lock-up securities during the restricted period.

J.P. Morgan Securities LLC, Jefferies LLC and Cowen and Company, LLC, in their sole discretion, may release the securities subject to any of the lock-up agreements with the underwriters described above, in whole or in part at any time.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

We intend to apply to list our common stock on the Nasdaq Global Market under the symbol “CRGX,” and this offering is contingent upon obtaining such approval.

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ option to purchase additional shares referred to above, or may be “naked” shorts, which are short positions in excess of that amount.

The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on Nasdaq, in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;

- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for shares of our common stock, or that the shares will trade in the public market at or above the initial public offering price.

Other relationships

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Selling restrictions

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to prospective investors in the European Economic Area

In relation to each Member State of the European Economic Area (each a Relevant State), no shares have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the shares may be offered to the public in that Relevant State at any time:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require us or any of the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Notice to prospective investors in the United Kingdom

No shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares which has been approved by the Financial Conduct Authority, except that the shares may be offered to the public in the United Kingdom at any time:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(iii) in any other circumstances falling within Section 86 of the FSMA, provided that no such offer of the shares shall require the Issuer or any Manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Notice to prospective investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to prospective investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a

prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to prospective investors in the Dubai International Financial Centre

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority (DFSA). This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the Dubai International Financial Centre (DIFC), this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

Notice to prospective investors in the United Arab Emirates

The shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Notice to prospective investors in Australia

This prospectus:

- does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the Corporations Act);
- has not been, and will not be, lodged with the Australian Securities and Investments Commission (ASIC), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under Section 708 of the Corporations Act (Exempt Investors).

The shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under Section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in Section 708 applies to that resale. By applying for the shares you undertake to us that you will not, for a period of 12 months from the date of issue of the shares, offer, transfer, assign or otherwise alienate those shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Notice to prospective investors in Japan

The shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any “resident” of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to prospective investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or the SFO, of Hong Kong and any rules made thereunder; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, or the CO, or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

Notice to prospective investors in Singapore

Each representative has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each representative has represented and agreed that it has not offered or sold any shares or caused the shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any shares or cause the shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares, whether directly or indirectly, to any person in Singapore other than:

(i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time, or the SFA) pursuant to Section 274 of the SFA;

(ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification—In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of the shares, the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the shares are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to prospective investors in Bermuda

Shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

Notice to prospective investors in Saudi Arabia

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority, or CMA, pursuant to resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1-28-2008, as amended. The CMA does not make any representation as to the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorized financial adviser.

Notice to prospective investors in the British Virgin Islands

The shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Company. The shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), or BVI Companies, but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

Notice to prospective investors in China

This prospectus will not be circulated or distributed in the PRC and the shares will not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to any residents of the PRC except pursuant to any applicable laws and regulations of the PRC. Neither this prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with applicable laws and regulations.

Notice to prospective investors in Korea

The shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder, or the FSCMA, and the shares have been and will be offered in Korea as a private placement under the FSCMA. None of the shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder, or the FETL. The shares have not been listed on any of the securities exchanges in the world including, without limitation, the Korea Exchange in Korea. Furthermore, the purchaser of the shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the shares. By the purchase of the shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the shares pursuant to the applicable laws and regulations of Korea.

Notice to prospective investors in Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the shares has been or will be registered with the Securities Commission of Malaysia, or Commission, for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services License; (iii) a person who acquires the shares, as principal, if the offer is on terms that the shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the shares is made by a holder of a Capital

Markets Services License who carries on the business of dealing in securities. The distribution in Malaysia of this prospectus is subject to Malaysian laws. This prospectus does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Notice to prospective investors in Taiwan

The shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the shares in Taiwan.

Notice to prospective investors in South Africa

Due to restrictions under the securities laws of South Africa, no “offer to the public” (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted), or the South African Companies Act) is being made in connection with the issue of the shares in South Africa. Accordingly, this document does not, nor is it intended to, constitute a “registered prospectus” (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

Section 96 (1)(a) the offer, transfer, sale, renunciation or delivery is to:

(i) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, as principal or agent;

(ii) the South African Public Investment Corporation;

(iii) persons or entities regulated by the Reserve Bank of South Africa;

(iv) authorized financial service providers under South African law;

(v) financial institutions recognized as such under South African law;

(vi) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorized portfolio manager for a pension fund, or as manager for a collective investment scheme (in each case duly registered as such under South African law); or

(vi) any combination of the person in (i) to (vi), or

Section 96 (1) (b) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this prospectus should not be considered as “advice” as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

Notice to prospective investors in Israel

In the State of Israel this prospectus supplement shall not be regarded as an offer to the public to purchase shares of common stock under the Israeli Securities Law, 5728—1968, which requires a prospectus to be published and authorized by the Israel Securities Authority, if it complies with certain provisions of Section 15 of the Israeli Securities Law, 5728–1968, including, inter alia, if: (i) the offer is made, distributed or directed to not more than 35 investors, subject to certain conditions, or the Addressed Investors; or (ii) the offer is made, distributed or directed to certain qualified investors defined in the First Addendum of the Israeli Securities Law, 5728—1968, subject to certain conditions, or the "Qualified Investors." The Qualified Investors shall not be taken into account in the count of the Addressed Investors and may be offered to purchase securities in addition to the 35 Addressed Investors. We have not and will not take any action that would require us to publish a prospectus in accordance with and subject to the Israeli Securities Law, 5728—1968. We have not and will not distribute this prospectus supplement or make, distribute or direct an offer to subscribe for our shares of common stock to any person within the State of Israel, other than to Qualified Investors and up to 35 Addressed Investors.

Qualified Investors may have to submit written evidence that they meet the definitions set out in of the First Addendum to the Israeli Securities Law, 5728—1968. In particular, we may request, as a condition to be offered shares of common stock, that Qualified Investors will each represent, warrant and certify to us and/or to anyone acting on our behalf: (i) that it is an investor falling within one of the categories listed in the First Addendum to the Israeli Securities Law, 5728—1968; (ii) which of the categories listed in the First Addendum to the Israeli Securities Law, 5728—1968 regarding Qualified Investors is applicable to it; (iii) that it will abide by all provisions set forth in the Israeli Securities Law, 5728—1968 and the regulations promulgated thereunder in connection with the offer to be issued shares of common stock; (iv) that the shares of common stock that it will be issued are, subject to exemptions available under the Israeli Securities Law, 5728—1968 (A) for its own account, (B) for investment purposes only, and (C) not issued with a view to resale within the State of Israel, other than in accordance with the provisions of the Israeli Securities Law, 5728—1968; and (v) that it is willing to provide further evidence of its Qualified Investor status. Addressed Investors may have to submit written evidence in respect of their identity and may have to sign and submit a declaration containing, inter alia, the Addressed Investor's name, address and passport number or Israeli identification number.

Legal matters

The validity of the issuance of the shares of common stock offered hereby will be passed upon for CARGO Therapeutics, Inc. by Latham & Watkins LLP, Menlo Park, California. Cooley LLP, San Francisco, California, is representing the underwriters.

Experts

The financial statements of Cargo Therapeutics, Inc. as of December 31, 2022 and 2021, and for each of the two years in the period ended December 31, 2022, included in this Prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report. Such financial statements are included in reliance upon the report of such firm given their authority as experts in accounting and auditing.

Where you can find more information

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the common stock offered hereby. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. For further information with respect to the company and our common stock, reference is made to the registration statement and the exhibits and any schedules filed therewith. Statements contained in this prospectus as to the contents of any contract or other document referred to are not necessarily complete and in each instance, if such contract or document is filed as an exhibit, reference is made to the copy of such contract or other document filed as an exhibit to the registration statement, each statement being qualified in all respects by such reference. The SEC maintains a website at www.sec.gov, from which interested persons can electronically access the registration statement, including the exhibits and any schedules thereto.

As a result of the offering, we will be required to file periodic reports and other information with the SEC. We also maintain a website at www.cargo-tx.com, at which, following this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this prospectus or the registration statement of which it forms a part. We have included our website address as an inactive textual reference only.

Cargo Therapeutics, Inc.

Index to financial statements

Report of independent registered public accounting firm

To the stockholders and the Board of Directors of Cargo Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Cargo Therapeutics, Inc. (the “Company”) as of December 31, 2022 and 2021, the related statements of operations and comprehensive loss, stockholders’ deficit, and cash flows, for each of the two years in the period ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Going concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has sustained significant operating losses and negative cash flows since inception that raise substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for opinion

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

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

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

/s/ Deloitte & Touche LLP

San Francisco, California

September 1, 2023

We have served as the Company’s auditor since 2023.

Cargo Therapeutics, Inc.
Balance sheets

(in thousands, except share and per share data)	December 31, 2021	December 31, 2022
Assets		
Current assets:		
Cash	$ 41	$ 1,872
Prepaid expenses and other current assets	143	2,055
Total current assets	184	3,927
Operating lease right-of-use asset	3,205	2,165
Property and equipment, net	673	3,368
Other non-current assets	442	783
Total assets	$ 4,504	$ 10,243
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 818	$ 3,483
Accrued clinical and research and development expenses	299	1,646
Accrued expenses and other current liabilities	394	3,391
Operating lease liability, current	938	1,006
Convertible notes—related party	—	11,635
Convertible notes	—	9,619
Derivative liabilities	—	12,705
Financial commitment liabilities—related party	—	412
Financial commitment liabilities	—	240
Total current liabilities	2,449	44,137
Operating lease liability, non-current	2,230	1,092
Other non-current liabilities	—	250
Total liabilities	4,679	45,479
Commitments and contingencies (Note 6)		
Stockholders' deficit:		
Convertible preferred stock, $0.001 par value; 11,000,000 shares authorized at December 31, 2021 and 2022, respectively; 5,500,000 and 11,000,000 shares issued and outstanding at December 31, 2021 and 2022, respectively, (aggregate liquidation preference of $5,500 and $11,000 at December 31, 2021 and 2022, respectively)	6	11
Common stock, $0.001 par value; 25,433,526 and 29,000,000 shares authorized at December 31, 2021 and 2022, respectively; 11,000,000 and 14,814,245 shares issued and outstanding at December 31, 2021 and 2022, respectively	11	15
Additional paid-in capital	5,856	11,737
Accumulated deficit	(6,048)	(46,999)
Total stockholders' deficit	(175)	(35,236)
Total liabilities and stockholders' deficit	$ 4,504	$ 10,243

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

Cargo Therapeutics, Inc.
Statements of operations and comprehensive loss

(in thousands, except share and per share data)	Year ended December 31, 2021	2022
Operating expenses:		
Research and development	$ 4,461	$ 29,373
General and administrative	1,516	5,398
Total operating expenses	5,977	34,771
Loss from operations	(5,977)	(34,771)
Interest expense	—	(4,942)
Change in fair value of derivative liabilities	—	(1,216)
Other income (expense), net	127	(22)
Net loss and comprehensive loss	$ (5,850)	$ (40,951)
Net loss per share attributable to common stockholders, basic and diluted	$ (2.83)	$ (7.69)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	2,068,321	5,323,465

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

Cargo Therapeutics, Inc.
Statements of stockholders' deficit

(in thousands, except share data)	Convertible preferred stock Shares	Convertible preferred stock Amount	Common stock Shares	Common stock Amount	Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
Balances at January 1, 2021	**—**	**$ —**	**1,583,334**	**$ 2**	**$ —**	**$ (198)**	**$ (196)**
Issuance of Series Seed convertible preferred stock, net of issuance costs of $145	5,500,000	6	—	—	5,279	—	5,285
Issuance of Series Seed tranche commitment	—	—	—	—	70	—	70
Issuance of restricted stock awards	—	—	9,416,666	9	—	—	9
Stock-based compensation expense	—	—	—	—	507	—	507
Net loss	—	—	—	—	—	(5,850)	(5,850)
Balances at December 31, 2021	**5,500,000**	**6**	**11,000,000**	**11**	**5,856**	**(6,048)**	**(175)**
Issuance of Series Seed convertible preferred stock	5,500,000	5	—	—	5,495	—	5,500
Issuance of restricted stock awards	—	—	2,896,869	3	—	—	3
Vesting of restricted stock awards	—	—	—	—	18	—	18
Issuance of common shares for license	—	—	917,376	1	71	—	72
Stock-based compensation expense	—	—	—	—	297	—	297
Net loss	—	—	—	—	—	(40,951)	(40,951)
Balances at December 31, 2022	**11,000,000**	**$ 11**	**14,814,245**	**$ 15**	**$ 11,737**	**$ (46,999)**	**$ (35,236)**

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

Cargo Therapeutics, Inc.
Statements of cash flows

(in thousands)	Year ended December 31, 2021	2022
OPERATING ACTIVITIES		
Net loss	$(5,850)	$(40,951)
Adjustments to reconcile net loss to net cash used in operating activities:		
Noncash interest expense	—	4,942
Change in fair value of derivative liabilities	—	1,216
Amortization of operating lease right-of-use asset	130	1,040
Acquired in-process research and development	—	1,013
Depreciation	17	404
Stock-based compensation expense	507	297
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(143)	(1,912)
Other non-current assets	(442)	(267)
Accounts payable	332	2,819
Accrued clinical and research and development costs	299	1,222
Accrued expenses and other current liabilities	375	2,175
Operating lease liability	(167)	(1,070)
Net cash used in operating activities	(4,942)	(29,072)
INVESTING ACTIVITIES		
Purchase of property and equipment	(442)	(2,724)
Purchase of in-process research and development	—	(558)
Net cash used in investing activities	(442)	(3,282)
FINANCING ACTIVITIES		
Proceeds from issuance of convertible notes, net of issuance costs—related party	—	15,948
Proceeds from issuance of convertible notes, net of issuance costs	—	12,505
Proceeds from issuance of convertible preferred stock and tranche commitment, net of issuance costs	5,414	5,500
Proceeds from issuance of restricted stock awards	—	232
Net cash provided by financing activities	5,414	34,185
Net increase in cash	30	1,831
Cash, beginning of the year	11	41
Cash, end of the year	$ 41	$ 1,872
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES		
Purchase of property and equipment in accounts payable and accrued expenses and other current liabilities	$ 248	$ 623
In-process research and development costs in accounts payable, accrued expenses, other current liabilities and other non-current liabilities	$ —	$ 383
Deferred issuance costs for Series A-1 redeemable convertible preferred stock in accounts payable and accrued expenses and other current liabilities	$ —	$ 74
Issuance of shares in exchange for in-process research and development	$ —	$ 72

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

Cargo Therapeutics, Inc.
Notes to financial statements

1. Organization

Description of the business

Cargo Therapeutics, Inc. (the "Company") was incorporated in the state of Delaware in December 2019 as Syncopation Life Sciences, Inc. and changed its name to Cargo Therapeutics, Inc. in September 2022. It is a clinical-stage biotechnology company positioned to advance next generation, potentially curative cell therapies for cancer patients. The Company's programs, platform technologies, and manufacturing strategy are designed to directly address the key limitations of approved cell therapies, including limited durability of effect, suboptimal safety and unreliable supply. The Company's lead program, CRG-022, an autologous CD22 chimeric antigen receptor ("CAR") T-cell therapy, has demonstrated robust safety, activity and manufacturability in clinical trials and is currently being studied in a potentially pivotal Phase 2 clinical trial for the treatment of large B-cell lymphoma ("LBCL"). The Company is also leveraging its proprietary cell engineering platform technologies to develop a pipeline of programs that incorporate multi-functional genetic "cargo" designed to enhance CAR T-cell persistence and trafficking to tumor lesions, as well as help safeguard against tumor resistance and T-cell exhaustion.

Since its founding, the Company has devoted substantially all of its resources to organizing and staffing the Company, business planning, raising capital, establishing licensing arrangements, building its proprietary platform technologies, discovering its product candidates, establishing its intellectual property portfolio, conducting research, preclinical studies, and clinical trials, establishing arrangements with third parties for the manufacture of its product candidates and related raw materials, and providing general and administrative support for these operations.

Liquidity and going concern

Management is required to evaluate whether there are relevant conditions or events, when considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern and to meet its obligations as they become due within one year after the date the financial statements are issued.

Since inception, the Company has incurred significant operating losses and negative cash flows, and it expects that it will continue to incur losses and negative cash flows for the foreseeable future as it continues its research and development efforts, advances its product candidates through preclinical and clinical development, enhances its platforms and programs, expands its product pipeline, seeks regulatory approval, prepares for commercialization, hires additional personnel, protects its intellectual property and grows its business. As of and for the year ended December 31, 2022, the Company had an accumulated deficit of $47.0 million, cash of $1.9 million and negative cash flows from operations of $29.1 million. In February and July 2023, the Company issued and sold, primarily to existing and new investors, 68,832,003 shares and 45,888,000 shares, respectively, of its Series A-1 redeemable convertible preferred stock, resulting in aggregate net proceeds of $68.1 million and aggregate gross proceeds of $45.9 million, respectively. Based on its recurring losses from operations incurred since inception, expectation of continuing operating losses and negative cash flows for the foreseeable future, and need to raise additional capital to finance its future operations, the Company has concluded that there is substantial doubt regarding the Company's ability to continue as a going concern within one year after the date that these financial statements are issued.

The Company does not have any products approved for sale and has not generated any revenue from product sales since its inception. The Company does not expect to generate revenue from any product candidates that it

Cargo Therapeutics, Inc.
Notes to financial statements

develops until it obtains regulatory approval for one or more of such product candidates and commercialize its products or enters into collaboration agreements with third parties. The Company is seeking to complete an initial public offering ("IPO") of its common stock. In the event the Company does not complete an IPO, the Company expects to fund its operations through equity offerings or debt financings or other sources. There can be no assurance that the Company will be successful in raising additional funding. As a result, the Company has concluded that management's plans do not alleviate substantial doubt about the Company's ability to continue as a going concern.

The Company's ability to actively pursue its development programs and maintain their scope is dependent on obtaining sufficient funding on acceptable terms when needed and management of discretionary spending.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The accompanying financial statements do not reflect any adjustments relating to the recoverability and reclassification of assets and liabilities that might be necessary if the Company is unable to continue as a going concern.

2. Summary of significant accounting policies

Basis of presentation

The Company has prepared the accompanying financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"). The financial statements are presented in U.S. dollars.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. The Company bases its estimates on historical experience and on various other assumptions believed to be reasonable. Actual results could differ from those estimates and such differences could be material to the financial position and results of operations.

Significant estimates and assumptions reflected in these financial statements include, but are not limited to, the accrual of research and development expenses, the fair value of derivative liabilities and the initial fair value of the financial commitment liabilities related to the convertible notes, valuation of deferred tax assets, the fair value of equity instruments, equity-based instruments, stock-based compensation, and the determination of the incremental borrowing rate.

Risks and uncertainties

The Company is subject to all of the risks inherent in an early-stage company advancing new biotechnologies. These risks include, but are not limited to, the need for substantial additional financing, limited management resources, dependence upon medical acceptance of the product in development, regulatory approvals, successful clinical trials, availability, and willingness of patients to participate in human trials, and competition in the biopharmaceutical industry. The Company's operating results may be materially affected by the preceding factors.

Cargo Therapeutics, Inc.
Notes to financial statements

Segments

Operating segments are defined as components of an entity for which separate financial information is available and regularly reviewed by the chief operating decision maker, its Chief Executive Officer, in deciding how to allocate resources to an individual segment and in assessing performance. The Company has determined that it operates as one operating and reporting segment.

Concentration of credit risk and off-balance sheet risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. Cash is deposited in checking and money market accounts at one financial institution, which at times may exceed federally insured limits. The Company has not experienced any losses historically in these accounts and believes it is not exposed to significant credit risk on its cash balances. The Company has no significant off-balance sheet concentrations of credit risk.

Property and equipment, net

Property and equipment, net is stated at cost, subject to adjustments for impairment, less accumulated depreciation. Depreciation is calculated using the straight-line method over the useful lives of the assets as follows:

Asset	Estimated useful life
Equipment and furniture	Three to five years
Leasehold improvements	Shorter of useful life or remaining lease term

Maintenance and repairs are charged to expense as incurred, and improvements are capitalized and depreciated over their useful life as indicated above. Upon retirement or sale of the assets, the cost and related accumulated depreciation are removed from the balance sheet and the resulting gains or losses are recorded in the statement of operations and comprehensive loss.

Impairment of long-lived assets

The Company reviews long lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to the future net undiscounted cash flows the assets are expected to generate. If such assets are considered to be impaired, the impairment charge is measured by the amount by which the carrying amount of the assets exceeds the projected discounted future net cash flows arising from the asset. There have been no such impairments of long-lived assets during the periods presented.

Asset acquisitions

The Company measures and recognizes asset acquisitions that are not deemed to be business combinations based on the cost to acquire the assets, which includes transaction costs. Goodwill is not recognized in asset acquisitions. In an asset acquisition, the cost allocated to acquire in-process research and development, (“IPR&D”) with no alternative future use is charged to research and development expense at the acquisition date.

Cargo Therapeutics, Inc.
Notes to financial statements

Financial commitment liabilities

The Company's convertible note purchase agreements executed in April 2022 and October 2022 ("2022 Convertible Notes") included financial commitments to issue additional convertible notes to the noteholders in tranches (see Note 7) that were determined to be freestanding instruments that should be classified as liabilities. The freestanding instruments met the scope exception from derivative accounting. The proceeds of the first tranche of each of the 2022 Convertible Notes were allocated to the convertible notes and financial commitment liabilities based on their relative fair value at the date of issuance and not subsequently remeasured. The proceeds allocated to the financial commitment liabilities create a discount on the respective convertible note that is amortized as interest expense in the statements of operations and comprehensive loss using the effective interest rate method over the term of the respective convertible note. Upon settlement of each tranche, the respective portion of the financial commitment liabilities is reclassified to the carrying amount of the respective convertible note.

Derivative liabilities

The Company's 2022 Convertible Notes contain certain embedded redemption features that are not clearly and closely related to the debt host instruments (see Note 7). These features are bifurcated from the host instruments and recorded at fair value on the date of issuance as derivative liabilities in accordance with Accounting Standards Codification ("ASC") 815-15, *Derivatives and Hedging—Embedded Derivatives*. The derivative liabilities are remeasured to fair value each reporting period until settlement or extinguishment, with changes in the fair value recorded as a change in fair value of derivative liabilities in the statements of operations and comprehensive loss. Derivative liabilities are classified in the balance sheets as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Income taxes

The Company accounts for income taxes using the asset and liability method whereby deferred tax asset and liability accounts are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are currently in effect. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Financial statement effects of uncertain tax positions are recognized when it is more likely than not, based on the technical merits of the position, that it will be sustained upon examination. Interest and penalties related to unrecognized tax benefits are included within the provision (benefit) for income tax. To date, there have been no interest or penalties charged in relation to the unrecognized tax benefits.

Leases

The Company is a lessee in a non-cancellable operating lease for laboratory and office facilities. The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and has the right to control how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

Cargo Therapeutics, Inc.
Notes to financial statements

For arrangements that meet the definition of a lease, the Company determines the initial classification and measurement of its right-of-use ("ROU") asset and lease liability at the lease commencement date and thereafter if modified. Operating lease ROU assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent the Company's obligation to make the contractual lease payments over the lease term. The operating lease ROU asset is initially measured at cost, which comprises the initial amount of the operating lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received. The operating lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. The operating lease liability is subsequently measured at amortized cost using the effective-interest method. The lease term includes any renewal options that the Company is reasonably assured to exercise. The present value of lease payments is determined by using the interest rate implicit in the lease, if that rate is readily determinable, otherwise, the Company uses its estimated collateralized incremental borrowing rate for the lease term. The Company has elected not to record leases with an original term of 12 months or less on its balance sheets and recognizes those lease payments in operating expenses in the statements of operations and comprehensive loss.

In addition, the Company's leases may require payment of additional costs, such as utilities, maintenance, and other operating costs, which are generally referred to as non-lease components and vary based on future outcomes. The Company has elected not to separate lease and non-lease components. Only the fixed costs for lease components and their associated non-lease components are accounted for as a single lease component and recognized as part of an operating ROU asset and lease liability. Any variable expenses are recognized in operating expenses as incurred. Rent expense for an operating lease liability is recognized on a straight-line basis over the lease term and is included in operating expenses in the statements of operations and comprehensive loss.

Research and development expenses

Research and development expenses represent direct and indirect costs incurred on the Company's development programs. These expenses include employee salaries, bonuses, benefits and stock-based compensation, third-party research and development expenses, including contract manufacturing and research services, consulting expenses, laboratory supplies, and certain allocated expenses, as well as amounts incurred under license agreements. Research and development costs are expensed as incurred. Non-refundable advance payments for goods or services that will be used or rendered for future research and development activities are deferred and capitalized as prepaid expenses until the related goods are delivered or services are performed. Such payments are evaluated for current or long-term classification based on when such services are expected to be received.

The Company estimates preclinical study and clinical trial and research and development expenses based on the services performed, pursuant to contracts with research institutions and third-party service providers that conduct and manage preclinical studies and clinical trials and research services on its behalf. The Company records the costs of research and development activities based on the estimated services provided but not yet invoiced and includes these costs in accrued expenses and other current liabilities in the balance sheets. These costs are a component of the Company's research and development expenses.

Cargo Therapeutics, Inc.
Notes to financial statements

The Company accrues these costs based on factors such as estimates of the work completed in accordance with agreements established with its third-party service providers. The Company makes judgments and estimates in determining the accrued expenses balance. As actual costs become known, the Company adjusts its accrued expenses. The Company has not experienced any material differences between accrued costs and actual costs incurred. However, the status and timing of actual services performed may vary from the Company's estimates, resulting in adjustments to expenses in future periods. Changes in these estimates that result in material changes to the Company's accrued expenses could materially affect the Company's results of operations. Contingent milestone payments, if any, are expensed when the milestone results are probable and estimable, which is generally upon the achievement of the milestone.

Stock-based compensation

The Company provides share-based payments in the form of stock options and restricted stock awards. For awards only subject to service conditions, the Company uses the straight-line attribution method for recognizing compensation expense over the requisite service period, which is generally the vesting period of the award. Compensation expense is recognized on awards ultimately expected to vest. Forfeitures are recorded when they occur.

For awards with performance vesting conditions, the Company evaluates the probability of achieving the performance condition at each reporting date. No compensation expense is recognized for awards subject to performance conditions until it is probable that the performance condition will be met. If the performance condition is probable of being achieved, the Company recognizes expense for such performance awards over the requisite service period using the accelerated attribution method.

The Company estimates the fair value of stock option awards and restricted stock awards on the grant date using a Black-Scholes option pricing model. The Company estimates the expected option lives using the simplified method, volatility using stock prices of peer companies, risk-free rates using the implied yield currently available on U.S. Treasury zero-coupon issues with a remaining term equal to the expected term, and dividend yield based on the Company's history of paying no dividends and expectation of paying no cash dividends on its common stock.

Net loss per share attributable to common stockholders

The Company follows the two-class method when computing net loss per share as the Company has issued shares that meet the definition of participating securities. The two-class method determines net loss per share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed.

Basic net loss per share attributable to common stockholders is computed using the weighted-average number of shares of common stock outstanding during the period excluding unvested restricted stock subject to repurchase. Diluted net loss per share attributable to common stockholders is computed using the sum of the weighted-average number of shares of common stock outstanding during the period and the effect of dilutive securities.

The Company's convertible preferred stock contractually entitles the holders of such shares to participate in dividends but does not contractually require the holders of such shares to participate in losses of the Company.

Cargo Therapeutics, Inc.
Notes to financial statements

Accordingly, in periods in which the Company reports a net loss, such losses are not allocated to such participating securities. As the Company was in a net loss position for the years ended December 31, 2021 and 2022, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders because the effects of potentially dilutive securities are antidilutive.

Comprehensive loss

Comprehensive loss represents the change in the Company's stockholders' deficit from all sources other than investments by or distributions to stockholders. The Company has no items of other comprehensive loss; as such, net loss equals comprehensive loss.

Emerging growth company status

The Company is an emerging growth company ("EGC"), as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued after the enactment of the JOBS Act until those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an EGC or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

Recently adopted accounting pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842), or ASC 842, which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. ASC 842 establishes an ROU model that requires a lessee to recognize an ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

On January 1, 2021, the Company early adopted ASC 842 using the modified retrospective transition method and elected the package of practical expedients which permitted, which among other things, permits entities not to reassess: (i) whether any expired or existing contracts are or contain leases, (ii) lease classification for any expired or existing leases and, (iii) initial direct costs for any existing leases. Upon adoption of ASC 842 on January 1, 2021, the Company did not have any existing leases in place and the Company did not recognize any impact as a result of adoption, including no adjustment to the opening balance sheet or accumulated deficit.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. ASU 2019-12 is effective for the Company beginning on January 1, 2022, with early adoption permitted. The Company adopted this standard on January 1, 2022. The adoption did not have a material impact on the Company's financial statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt—Debt with Conversion and Other Options* (Subtopic 470-20) and *Derivatives and Hedging— Contracts in Entity's Own Equity* (Subtopic 815-40): *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which simplifies the accounting for convertible instruments by eliminating the requirement to separate embedded conversion features from the host contract when the conversion features are not required to be accounted for as derivatives under Topic 815, Derivatives

and Hedging, or that do not result in substantial premiums accounted for as paid-in capital. By removing the separation model, a convertible debt instrument will be reported as a single liability instrument with no separate accounting for embedded conversion features. This new standard also removes certain settlement conditions that are required for contracts to qualify for equity classification and simplifies the diluted earnings per share calculations by requiring that an entity use the if-converted method and that the effect of potential share settlement be included in diluted earnings per share calculations. The Company early adopted this standard on January 1, 2021. The adoption did not have a material impact on the Company's financial statements.

In May 2021, the FASB issued ASU No. 2021-04, *Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options*. The amendments in ASU No. 2021-04 provide guidance to clarify and reduce diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. The Company adopted ASU 2021-04 on January 1, 2022. The adoption did not have a material impact on the Company's financial statements.

Recently issued accounting pronouncements not yet adopted

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments—Credit Losses (Topic 326)*: *Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which replaces the existing incurred loss impairment model with an expected credit loss model and requires a financial asset measured at amortized cost to be presented at the net amount expected to be collected. The Company adopted ASU 2016-13 on January 1, 2023, using a modified retrospective approach. The adoption did not have a material impact on the Company's financial statements.

3. Fair value measurement

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

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

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

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

Carrying amounts of certain of the Company's financial instruments including, cash, prepaid expenses and other current assets, accounts payable and accrued expenses and other current liabilities approximate fair value due to the short-term nature of these instruments.

Cargo Therapeutics, Inc.
Notes to financial statements

On a recurring basis, the Company measures certain financial liabilities at fair value. The Company has no Level 1, 2 or 3 financial assets or liabilities carried at fair value as of December 31, 2021. There were no transfers between levels during the years ended December 31, 2021 and 2022. The following table summarizes the Company's financial liabilities measured at fair value on a recurring basis by level within the fair value hierarchy:

	December 31, 2022			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities:				
Derivative liabilities	$ —	$ —	$12,705	$12,705
Total financial liabilities	$ —	$ —	$12,705	$12,705

Derivative liabilities

In April and October 2022, the Company executed convertible note purchase agreements with its existing investors (see Note 7). The 2022 Convertible Notes contained certain embedded features requiring bifurcation as a single compound derivative instrument for each tranche funded. The derivative liabilities were measured at fair value using Level 3 inputs. The fair value of the derivative liabilities was estimated using a "with-and-without" method. The "with-and-without" methodology involves valuing the whole instrument on an as-is basis and then valuing the instrument without the embedded derivative. The difference between the entire instrument with the embedded derivatives compared to the instrument without the embedded derivatives is the fair value of the derivative liabilities. The estimated probability and timing of underlying events triggering the exercisability of the put option and conversion features contained within the 2022 Convertible Notes, forecasted cash flows and the discount rate were significant unobservable inputs used to determine the estimated fair value of the entire instrument with the embedded derivative. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. The derivative liabilities are remeasured at each reporting period and the changes are recognized as a change in fair value of derivative liabilities on the statement of operations and comprehensive loss.

The following table summarizes the significant inputs used in the valuation of the derivative liabilities:

	On issuance	**December 31, 2022**
Expected term to underlying triggering event (in years)	0.2 – 0.9	0.2 – 0.3
Probability of achievement of triggering event	0.0% – 95.0%	0.0% – 95.0%
Discount rate	74.4% – 75.0%	75.0%

The following table provide a summary of the change in the estimated fair value of the Company's derivative liabilities during the year ended December 31, 2022:

(in thousands)	**Derivative liabilities**
Balance as of January 1, 2022	$ —
Initial fair value of derivative liabilities	11,489
Change in fair value of derivative liabilities	1,216
Balance as of December 31, 2022	$ 12,705

Cargo Therapeutics, Inc.
Notes to financial statements

Financial commitment liabilities

The 2022 Convertible Notes included financial commitments to issue additional convertible notes to the noteholders in tranches (see Note 7). The proceeds of the issuance of the first tranche of each of the convertible notes issued in April 2022 and October 2022 were allocated to the convertible notes and financial commitment liabilities based on their relative fair value of $0.7 million and $1.2 million, respectively, of which $0.4 million and $0.7 million were associated with a related party, respectively, at the date of issuance and not subsequently remeasured. The fair value of the financial commitment liabilities on issuance was measured using the “with-and-without” method based on Level 3 inputs. The estimated probability and timing of underlying events triggering the closing of the subsequent tranches, forecasted cash flows and the discount rate were significant unobservable inputs used to determine the estimated fair value of the entire instrument.

The following table summarizes the significant inputs used in the valuation of the financial commitment liabilities on issuance:

	April 2022 convertible notes	October 2022 convertible notes
Expected term to achievement of milestone (in years)	0.3 – 0.5	0.1 – 0.3
Probability of achievement of milestone	81.0% – 90.0%	90.3% – 95.0%
Discount rate	1.2% – 1.9%	3.9% – 4.4%

Series Seed tranche commitment

The Series Seed stock purchase agreement included an obligation to issue additional shares of Series Seed convertible preferred stock in a future closing (see Note 8). The Series Seed tranche commitment was recorded at relative fair value upon the issuance of shares in the first closing and was not subsequently remeasured. The Series Seed tranche commitment is considered a contingent forward and the standard forward pricing model was used to measure the fair value on issuance using Level 3 inputs as follows:

	Series Seed tranche commitment
Expected term to achievement of milestone (in years)	0.9
Probability of achievement of milestone	90.0%
Discount rate	0.1%

4. Balance sheet components

Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following:

	December 31,	
(in thousands)	2021	2022
Prepaid research and development	$108	$1,428
Other receivables	—	476
Prepaid other	35	151
Total prepaid expenses and other current assets	$143	$2,055

Cargo Therapeutics, Inc.
Notes to financial statements

Property and equipment, net

Property and equipment, net consisted of the following:

(in thousands)	December 31, 2021	December 31, 2022
Furniture and equipment	$255	$2,793
Leasehold improvements	17	105
Construction in progress	418	891
Property and equipment at cost	690	3,789
Less: accumulated depreciation	(17)	(421)
Property and equipment, net	$673	$3,368

Depreciation expense for the years ended December 31, 2021 and 2022 was $17,000 and $0.4 million, respectively.

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following:

(in thousands)	December 31, 2021	December 31, 2022
Accrued compensation and related expenses	$294	$2,385
Accrued purchases of property and equipment	—	623
Other	100	383
Total accrued expenses and other current liabilities	$394	$3,391

5. Leases

In November 2021, the Company entered into a three-year operating lease for 15,400 square feet of lab and office space in San Mateo, California. The agreement provides one option to renew for one year, which the Company is not reasonably certain to exercise. The Company's variable lease cost is comprised primarily of the Company's proportionate share of operating expenses, property taxes and insurance as the Company elected not to separate lease and non-lease components. The Company paid $0.2 million in deposits upon execution of the lease which is recorded in other assets on the balance sheet. The Company is a sublessor in two agreements with initial terms of six months for a combined 2,300 square feet of the Company's leased premises. The future payments associated with the Company's operating lease liability as of December 31, 2022 were as follows:

(in thousands)	Amount
2023	$ 1,187
2024	1,147
Total undiscounted lease payments	2,334
Less: imputed interest	(236)
Total operating lease liability balance	$ 2,098

Cargo Therapeutics, Inc.
Notes to financial statements

A summary of total lease costs and other information for the periods relating to the Company's operating leases was as follows:

(in thousands)	Year ended December 31, 2021	2022
Operating lease cost	$183	$1,282
Variable lease cost	40	317
Short-term lease cost	88	—
Sublease income	—	(240)
Total lease cost	$311	$1,359

	December 31, 2021	2022
Other information:		
Remaining lease term (in years)	2.9	1.9
Discount rate	9.6%	9.6%

Supplemental cash flow and noncash information related to the Company's operating leases were as follows:

(in thousands)	Year ended December 31, 2021	2022
Cash flows from operating activities:		
Cash paid for amounts included in the measurement of lease liabilities	$ 220	$1,312
Right-of-use assets obtained in exchange for lease obligations:		
Total right-of-use assets capitalized	$3,335	$ —

The disclosures above exclude the lease of an additional premises of 15,717 square feet that was executed in August but had not yet commenced as of December 31, 2022. This additional lease expands the total leased premises at the Company's San Mateo, California headquarters to 31,117 square feet and commenced in February 2023. The total undiscounted lease payments related to this lease are $2.6 million, of which $1.3 million is due within 12 months.

6. Commitments and contingencies

Indemnification agreements

In the ordinary course of business, the Company may provide indemnifications of varying scope and terms to vendors, lessors, business partners, members of its Board of Directors ("Board of Directors"), officers, and other parties with concerning certain matters, including, but not limited to, losses arising out of breach of such agreements, services to be provided by the Company, negligence or willful misconduct of the Company, violations of law by the Company, or from intellectual property infringement claims made by third parties. In

addition, the Company has entered into indemnification agreements with directors and certain officers and employees that will require the Company, among other things, to indemnify them against certain liabilities that may arise because of their status or service as directors, officers, or employees.

No demands have been made upon the Company to provide indemnification under such agreements, and thus, there are no claims that the Company is aware of that could have a material effect on the Company's balance sheets, statements of operations and comprehensive loss, or statements of cash flows.

Litigation

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. There are no matters currently outstanding for which any liabilities have been accrued. The Company was not a defendant in any lawsuit for the years ended December 31, 2021 and 2022.

7. Convertible notes

In April 2022, the Company executed a convertible note purchase agreement with its existing investors for total proceeds of up to $25.0 million (the "April 2022 Convertible Notes"). The investors committed to purchase the notes in three tranches upon achievement of certain milestones, which were funded in April, August and October 2022 for aggregate gross proceeds of $20.0 million, of which $10.6 million was from a related party (see Note 12). The Company incurred $0.1 million in issuance costs for the April 2022 Convertible Notes. All three tranches had a maturity date of April 26, 2023. The Company had the option to request a fourth tranche of up to $5.0 million at the discretion of the investors under certain specific criteria. In February 2023, the April 2022 Convertible Notes were settled in connection with the Series A redeemable convertible preferred stock financing (see Note 15) and the option to request the fourth tranche expired.

In October 2022, the Company executed a convertible note purchase agreement with the same terms and with the same investors as the April 2022 Convertible Notes for total proceeds of up to $12.0 million (the "October 2022 Convertible Notes"), of which $5.4 million was from a related party. The investors committed to purchase the notes in three tranches upon achievement of certain milestones, of which the first two tranches were issued in October and December 2022 for aggregate gross proceeds of $8.5 million. The Company incurred $16,000 in issuance costs for the funded October 2022 Convertible Notes. As of December 31, 2022, the milestone for the third tranche had not been met. Subsequent to December 31, 2022, the third tranche for gross proceeds of $3.5 million was funded upon achieving the third milestone in January 2023 (see Note 15). All three tranches had a maturity date of October 28, 2023. In February 2023, the October 2022 Convertible Notes were settled in connection with the Series A-1 redeemable convertible preferred stock financing (see Note 15).

The 2022 Convertible Notes bear simple interest at 6.0% per annum. The principal and accrued interest can only be repaid prior to maturity upon consent of a majority of the investors or immediately upon demand.

The 2022 Convertible Notes are subject to automatic conversion upon the next financing whereby the Company issues preferred equity securities and raises aggregate gross proceeds of at least $50.0 million (a "Qualified Financing"). On automatic conversion, the outstanding principal and accrued interest automatically converts into the convertible preferred stock issued in the Qualified Financing at 75% of the lowest cash price per share. The 2022 Convertible Notes are also subject to settlement by way of voluntary conversion that is not a Qualified Financing (a "Non-Qualified Financing") where a majority of the active investors (investors who have fulfilled their

funding commitments) may elect to convert the outstanding principal and interest into convertible preferred stock issued at 75% of the lowest cash price per share. In the event of a “Strategic Transaction” such as upon a change in control whereby another entity acquires the Company or the Company disposes of substantially all its assets upon sale, lease, liquidation, dissolution or winding up, whether voluntary or involuntary, or an IPO, then each active investor may choose to convert their note into the Company’s common stock at a conversion price of $1.50 per share or redeem the note in cash for 200% of the outstanding balance and 100% of accrued and unpaid interest. For investors who have not fulfilled their funding commitments related to the second and third tranches where the respective milestone conditions have been met, upon a Qualified Financing, a Non-Qualified Financing or a Strategic Transaction, the outstanding principal and interest of the note will automatically convert into shares of common stock at 10% of the then current common stock price.

The Company determined that the financial commitments to issue future tranches were freestanding instruments that do not meet the definition of a derivative and should be classified as liabilities. Upon issuance of the first tranche of the April 2022 Convertible Notes and October 2022 Convertible Notes, the Company recognized $0.7 million and $1.2 million, respectively, for the relative fair value of the financial commitment liabilities, of which $0.4 million and $0.7 million, respectively, were associated with a related party (see Note 3). Upon settlement of the financial commitments, for the year ended December 31, 2022, $1.2 million in financial commitment liabilities were reclassified to the carrying amount of the respective convertible notes, and as of December 31, 2022, $0.7 million of financial commitment liabilities remained on the balance sheet, of which $0.4 million was associated with a related party.

Due to the conversion and redemption features embedded within the 2022 Convertible Notes, the Company bifurcated compound derivative liabilities related to all tranches funded through to December 31, 2022 (see Note 3). The aggregate fair value at issuance of the derivative liabilities was $11.5 million and is subsequently remeasured each reporting period. The allocation of proceeds of the 2022 Convertible Notes to the financial commitment liabilities and embedded derivatives created a discount on the respective convertible note that is amortized using the effective interest rate method over the term of the respective note. For the year ended December 31, 2022, the Company recognized $4.9 million of interest expense, including accrued interest, amortization of the debt discount and amortization of debt issuance costs, in the statement of operations and comprehensive loss.

8. Convertible preferred stock

In February 2021, the Company entered into a Series Seed stock purchase agreement for issuance of up to 11,000,000 shares of the Company’s Series Seed convertible preferred stock at a purchase price of $1.00 per share (the “Original Issuance Price”) in two closings. Concurrent with the execution of the agreement, the Company completed its first closing. In the first closing, the Company issued 5,500,000 shares of its Series Seed convertible preferred stock for aggregate gross proceeds of $5.5 million, less issuance costs of $0.1 million.

On issuance, the Company determined that its obligation to issue 5,500,000 shares of Series Seed convertible preferred stock in a future closing was a freestanding instrument that met the requirements of equity classification in accordance with ASC 815-40, *Derivatives and Hedging — Contracts in Entity’s Own Equity*, as it was indexed to the Company’s shares and could only be settled in shares. The proceeds of the issuance of the Series Seed convertible preferred stock and issuance costs were allocated to the Series Seed convertible preferred stock and the Series Seed tranche commitment based on their relative fair value. The Company recognized $0.1 million of the proceeds of the Series Seed convertible preferred stock in equity for the relative

Cargo Therapeutics, Inc.
Notes to financial statements

fair value of the Series Seed tranche commitment on issuance, with the remaining proceeds allocated to the Series Seed convertible preferred stock. No subsequent remeasurement of the freestanding instrument was required (see Note 3).

In January 2022, the Company completed the second closing and received aggregate net proceeds of $5.5 million for the issuance of 5,500,000 shares of Series Seed convertible preferred stock at a purchase price of $1.00 per share. Upon the second closing, the $0.1 million related to the Series Seed tranche commitment was reclassified to the carrying value of the Series Seed convertible preferred stock.

Convertible preferred stock consisted of the following:

	December 31, 2021				
(in thousands, except shares and per share amounts)	Shares authorized	Shares issued and outstanding	Original issue price	Liquidation preference	Carrying value
Series Seed	11,000,000	5,500,000	$ 1.00	$ 5,500	$ 5,285
Total	11,000,000	5,500,000		$ 5,500	$ 5,285

	December 31, 2022				
(in thousands, except shares and per share amounts)	Shares authorized	Shares issued and outstanding	Original issue price	Liquidation preference	Carrying value
Series Seed	11,000,000	11,000,000	$ 1.00	$ 11,000	$ 10,855
Total	11,000,000	11,000,000		$ 11,000	$ 10,855

The holders of convertible preferred stock have various rights, preferences and privileges as follows:

Voting rights

The holders of convertible preferred stock shares are entitled to vote on all matters on which the common stockholders are entitled to vote. Holders of convertible preferred and common stock vote together as a single class, not as separate classes. Each holder of convertible preferred stock is entitled to the number of votes equal to the number of whole shares of common stock into which the shares held by such holder are convertible. Holders of shares of convertible preferred stock are entitled to elect two directors of the Company. Holders of shares of common stock are entitled to elect three directors of the Company. Holders of convertible preferred stock and common stock, voting together as a single class on an as-converted basis, are entitled to elect the balance of the total number of directors of the Company.

As long as any convertible preferred stock shares remain outstanding, the Company must obtain approval from a majority of the holders of the then outstanding shares of convertible preferred stock to alter or change the rights, preferences and privileges of convertible preferred stock, change the authorized number of convertible preferred and common stock, create a new class or series of shares having any rights, preferences or privileges superior to or on parity with any outstanding shares of convertible preferred stock, declare or pay any distribution, merge, consolidate with or implement a reorganization that would result in the transfer of 50% of the voting power of the Company, sell all or substantially all of the Company's assets, voluntarily dissolve or liquidate the Company, change the authorized number of directors, incur indebtedness greater than $0.3 million and appoint or remove the chief executive officer.

Cargo Therapeutics, Inc.
Notes to financial statements

Dividends

The Company's certificate of incorporation permits the holders of shares of convertible preferred stock to receive, only when, as and if declared by the Board of Directors, dividends at a rate of 8% of the applicable original issue price of $1.00 per share, as adjusted for stock dividend, stock split, combination or other similar recapitalization (the "Original Issue Price"), prior and in preference to any declaration or payment of any other dividend (other than dividends on shares of common stock payable in common stock). Such dividends are non-cumulative. The Company shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Company (other than dividends on shares of common stock payable in common stock) unless the holders of convertible preferred stock then outstanding shall first receive, or simultaneously received, in addition to the 8% dividend noted above, an equal dividend on an as converted basis, if the dividend is declared on common stock or securities convertible in common stock. If the dividend is declared on non-common stock or securities not convertible in common stock, the holders of convertible preferred stock then outstanding must also receive an equal dividend to the dividend of such class, divided by its issuance price and multiplied by the applicable Original Issue Price, provided that if the Company declares a dividend on the same date on shares on more than one class or series of stock the dividend payable to the convertible preferred stockholders shall be based on the dividend on the class or series that would result in the highest preferred dividend. No dividends were declared as of December 31, 2021 and 2022.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, including a merger or consolidation in which the Company or a subsidiary of the Company is a constituent party and the Company issues its shares as a part of such merger of consolidation, or the sale of substantially all of the assets of the Company, or any other transaction or series of transactions in which more than 50% of the voting power of the Company is disposed of, the holders of convertible preferred stock will receive in preference to any distribution of assets to the holders of common stock, an amount per share equal the Original Issue Price, plus any declared and unpaid dividends. If the assets available for distribution are insufficient then proceeds will be distributed ratably among the holders of convertible preferred stock in proportion to the full preferential amount that each such holder is entitled to receive. If there are remaining assets of the Company legally available for distribution after the payment of the full liquidation preference of the convertible preferred stock, those remaining assets shall be distributed ratably to the holders of common stock and convertible preferred stock on an as-if-converted to common stock basis, provided however that if the aggregate amount which the holders of convertible preferred stock are entitled to receive shall exceed $3.00 per share, then the holder of convertible preferred stock will receive an amount per share equal to the greater of (i) $3.00 and (ii) the amount that would have been payable if all shares of convertible preferred stock had been converted into common stock immediately prior to the liquidation event.

Conversion

Each share of convertible preferred stock is convertible, at the option of the holder, into the number of shares of common stock into which such shares are convertible at the then-effective conversion ratio. The conversion ratio is determined by dividing the applicable Original Issue Price by the then applicable conversion price. The initial conversion price per share for convertible preferred stock is the Original Issue price of $1.00 per share.

Cargo Therapeutics, Inc.
Notes to financial statements

The initial conversion price is subject to adjustment from time to time. Each share of convertible preferred stock shall automatically be converted into fully-paid, non-assessable shares of common stock at the then-effective conversion rate for such share (i) immediately prior to the closing of a firm commitment underwritten IPO pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, covering the offer and sale of the Company's common stock, provided that the offering price per share is not less than $5.00 (as adjusted for stock dividend, stock split, combination or other similar recapitalization) and the aggregate gross proceeds to the Company are not less than $75.0 million, or (ii) at the date and time, or occurrence, of an event specified in a vote or written consent of the holders of the majority of the outstanding shares of convertible preferred stock.

Classification

A liquidation or winding up of the Company, including a merger or consolidation in which the Company or a subsidiary of the Company is a constituent party and the Company issues its shares as a part of such merger of consolidation, or the sale of substantially all of the assets, sales or exclusive license of all or substantially all of the intellectual property of the Company, or any other transaction or series of transactions in which more than 50% of the voting power of the Company is disposed of would constitute a redemption event. These redemption events were deemed to be within the control of the Company, and all shares of convertible preferred stock have accordingly been presented within permanent equity.

9. Common stock

Each share of common stock is entitled to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to prior rights of the convertible preferred stockholders. Common stock issued and outstanding on the balance sheets and statements of stockholders' deficit includes shares related to restricted stock that are subject to repurchase and therefore are excluded from the reserved common stock in the table below.

The Company's reserved common stock on an as-converted basis for issuance was as follows:

	December 31,	
	2021	2022
Convertible preferred stock	5,500,000	11,000,000
Common stock options issued and outstanding under the Plan	—	2,278,100
Remaining shares available for issuance under the Plan	2,543,353	311,099
Total reserved common stock	8,043,353	13,589,199

The 2022 Convertible Notes, which are excluded from the table above, converted into shares of Series A-2 redeemable convertible preferred stock subsequent to December 31, 2022 (see Note 15).

10. Stock-based compensation

2021 stock option and grant plan

In July 2021, the Company established its 2021 Stock Option and Grant Plan (the "Plan") which provides for the granting of stock options, restricted and unrestricted stock units and restricted and unrestricted stock awards to employees and consultants of the Company. Options granted under the Plan may be either incentive stock

Cargo Therapeutics, Inc.
Notes to financial statements

options (“ISOs”) or nonqualified stock options (“NSOs”). ISOs may be granted only to Company employees (including officers and directors who are also employees). NSOs may be granted to Company employees and consultants. The number of shares of common stock available for issuance under the Plan may be increased from time to time by the Board of Directors. In 2022, the Board of Directors amended shares authorized for issuance under the Plan. As of December 31, 2022, shares authorized for issuance under the Plan were 5,336,068.

The exercise price of an ISO and NSO shall not be less than 100% of the estimated fair value of the shares on the date of grant, as determined by the Board of Directors. The exercise price of an ISO granted to an employee who at the time of grant is a 10% stockholder shall not be less than 110% of the estimated fair value of the shares on the date of grant, as determined by the Board of Directors. To date, options have a term of ten years and generally vest over a four-year period.

Stock options

Stock option activity for year ended December 31, 2022 was as follows:

	Number of options	Weighted-average exercise price	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Outstanding at December 31, 2021	—	$ —	—	$ —
Granted	2,278,100	$ 0.08		
Outstanding at December 31, 2022	2,278,100	$ 0.08	9.65	$ —
Vested and expected to vest, December 31, 2022	2,278,100	$ 0.08	9.65	$ —
Exercisable at December 31, 2022	976,049	$ 0.08	9.77	$ —

Aggregate intrinsic value in the above table is calculated as the difference between the exercise price of the options and the Company’s estimated fair value of its common stock as of December 31, 2022.

The estimated weighted-average grant-date fair value of options granted during the year ended December 31, 2022 was $0.06 per share. As of December 31, 2022, there was $0.1 million of unrecognized stock-based compensation related to stock options, which is expected to be recognized over a weighted-average period of 3.2 years.

The Company did not grant any stock options as of and prior to December 31, 2021.

Restricted stock awards

The Company has issued restricted stock awards to certain employees, directors and consultants in exchange for cash consideration equal to the fair value of common stock on the grant date. The restricted stock awards are subject to the repurchase right upon termination of services at a repurchase price equal to lower of (i) the fair market value on the date of repurchase or (ii) their original purchase price no later than six months after such termination. Shares purchased by employees pursuant to restricted stock awards are not deemed, for accounting purposes, to be issued until those shares vest according to their respective vesting schedules.

Cargo Therapeutics, Inc.
Notes to financial statements

Proceeds received from issuance of restricted stock awards are recorded as a share repurchase liability within accrued expenses and other current liabilities on the balance sheet and reclassified to additional paid-in capital as such awards vest.

In conjunction with the closing of the first closing of the Series Seed convertible preferred stock in February 2021, the Company entered into restricted stock agreements with the principal owners and directors of the Company (the "Founders") to grant 9,416,666 shares of restricted stock awards to the Founders (the "Founder Awards"). Under the Founder restricted stock agreements, 6,416,666 shares of the Founder Awards vest based on continuous service (the "Service Awards") and 3,000,000 shares vest based on both continuous service and achievement of performance conditions (the "Performance Awards"). All unvested shares were subject to repurchase by the Company upon termination of continuous service at a repurchase price equal to lower of (i) the fair market value on the date of repurchase or (ii) their original purchase price. As the Founder Awards vest based on continuous service, the Founder Awards were accounted as a compensatory arrangement under *ASC Topic 718, Compensation-Stock Compensation* ("ASC 718"). The Company determined that the service condition of the Founder Awards was not substantive and immediately expensed $0.5 million, the grant date fair value of the Service Awards on issuance in February 2021. For the Performance Awards, the Company determined that achievement of the performance condition was not probable as of December 31, 2021 and did not recognize any stock-based compensation expense for these awards for the year ended December 31, 2021.

In April 2022, the Performance Awards were modified to remove the performance condition which was accounted for as an improbable-to-probable modification. As the Company determined that the service condition for these awards was not substantive, the Company recorded $0.2 million of stock-based compensation expense equal to the fair value of the modified awards in April 2022.

The following table summarizes the Company's restricted stock activity;

	Number of awards		Weighted-average grant date fair value
Unvested as of December 31, 2021	7,958,334	$	0.08
Issued	2,896,869		0.05
Vested	(3,677,479)		0.08
Unvested as of December 31, 2022	7,177,724	$	0.07

The purchase price of the restricted stock awards is the fair value of common stock as determined by the Board of Directors at the issuance date. The shares generally vest monthly over four years from the grant date.

The Company recorded $8,000 and $0.2 million in share repurchase liability for restricted stock awards in accrued expenses and other current liabilities in the balance sheets as of December 31, 2021 and 2022, respectively. No restricted stock awards were repurchased or cancelled during the years ended December 31, 2021 and 2022.

As of December 31, 2022, unrecognized stock-based compensation expense related to outstanding unvested restricted stock awards was $0.1 million, which is expected to be recognized over a weighted-average period of 3.1 years.

Cargo Therapeutics, Inc.
Notes to financial statements

Stock-based compensation expense

Total stock-based compensation expense recorded in the statements of operations and comprehensive loss was as follows:

(in thousands)	Year ended December 31, 2021	2022
General and administrative	$ 426	$ 217
Research and development	81	80
Total stock-based compensation expense	$ 507	$ 297

The determination of the fair value of share-based payment awards on the date of grant is affected by the stock price, as well as assumptions regarding a number of complex and subjective variables. These variables include expected stock price volatility over the term of the awards, the expected period of time that stock options are expected to be outstanding, risk-free interest rates, and expected dividends. Estimating the fair value of equity-settled awards as of the grant date using valuation models, such as the Black-Scholes option pricing model, is affected by assumptions regarding a number of complex variables. These inputs include:

Fair Value of Common Stock—The fair value of the common stock underlying the stock awards was determined by the Company's Board of Directors. Given the absence of a public trading market, the Board of Directors considered numerous objective and subjective factors to determine the fair value of the Company's common stock at each meeting at which awards were approved. These factors included, but were not limited to (i) contemporaneous third-party valuations of common stock; (ii) the rights, preferences, and privileges of convertible preferred stock relative to common stock; (iii) the Company's financial condition and operating results; (iv) the conditions of the biotechnology industry and the economy in general, (v) the stock price performance and volatility of comparable public companies; and (vi) the lack of marketability of the Company's common stock.

Expected Term—The expected term assumption represents the weighted-average period that the Company's share-based awards are expected to be outstanding. The Company has opted to use the "simplified method" for estimating the expected term of the options, whereby the expected term equals the arithmetic average of the vesting term and the original contractual term of the option. The expected term of restricted stock awards was determined using the vesting term of the award.

Expected Volatility—For all stock awards granted to date, the volatility data was estimated based on a study of publicly traded industry peer companies. To identify these peer companies, the Company considered the industry, stage of development, size, and financial leverage of potential comparable companies.

Expected Dividend—The Black-Scholes option pricing model calls for a single expected dividend yield as an input. The Company has no history or expectation of paying cash dividends on its common stock.

Risk-Free Interest Rate—The risk-free interest rate is based on the yield available on U.S. Treasury zero-coupon issues similar in duration to the expected term of the equity-settled award.

Cargo Therapeutics, Inc.
Notes to financial statements

The estimated grant-date fair value of awards granted was calculated based on the following assumptions:

	Year ended December 31,	
	2021	2022
Expected term (in years)	3.6	2.8 – 6.1
Expected volatility	97.1%	84.6% – 89.8%
Expected dividend	—	—
Risk-free interest rate	0.3%	3.0% – 4.7%

11. License and research and development agreements

Stanford license agreement

In August 2022, the Company entered into a license agreement with the Board of Trustees of the Leland Stanford Junior University ("Stanford University") relating to the Company's platform technologies relating to CAR T-cell therapies (the "Stanford License Agreement"). Pursuant to the Stanford License Agreement, Stanford University granted the Company a worldwide, exclusive license under certain patent rights, and a worldwide non-exclusive license under certain technology, in each case, owned or controlled by Stanford University, to make, use and sell products, methods or services in the field of human therapeutic and diagnostic products.

As consideration for the licenses granted under the Stanford License Agreement, the Company made an upfront payment of $50,000 and issued 917,376 shares of its common stock with a fair value of $0.1 million, of which 302,820 shares were issued to Stanford University, 367,717 shares were issued to two non-profit organizations that supported the research, and 246,839 shares were issued to various Stanford University inventors. The Company determined that the purchase of the licenses under the Stanford License Agreement represented an asset acquisition as it did not meet the definition of a business. As the acquired licenses represented IPR&D assets with no alternative future use, the Company recorded the upfront consideration of $0.2 million as research and development expense in August 2022, upon entering into the Stanford License Agreement.

In addition to annual license maintenance fees of up to $0.1 million per year, the Company may be required to pay up to $7.5 million for sales milestone payments, up to $4.0 million in development milestone payments for each product covered by licensed patent rights that achieves specific clinical trials or regulatory approvals, up to $0.6 million in milestone payments upon achievement of commercial milestone events and double-digit percentage milestone payments on non-patented products and, subject to certain royalty reductions, low single-digit percentage royalties on net sales of products. Subject to the terms of the Stanford License Agreement, the Company also agreed to pay Stanford University a certain percentage of non-royalty sublicense-related revenue that the Company may receive from third-party sublicensees.

Crystal Mackall and Robbie Majzner, who were the Company's principal owners and directors when the Company entered into the license agreement, are employees and faculty members leading CAR T-cell therapy research programs at Stanford University.

Oxford license and supply agreement

In June 2022, the Company entered into a License and Supply Agreement (the "Oxford Agreement"), with Oxford Biomedica (UK) Limited ("Oxford") for the manufacture and supply of lentiviral vectors for clinical and potentially commercial purposes by the Company. Pursuant to the Oxford Agreement, Oxford granted to the Company a non-exclusive worldwide, sub-licensable, royalty-bearing license under certain intellectual property

rights for the purposes of research, development and commercialization of products transduced with the vectors manufactured by Oxford or by the Company following a technology transfer by Oxford, which products are directed against certain initial targets, and upon payment of certain fees, additional targets as agreed by Oxford and the Company.

As consideration for the license granted under the Oxford Agreement, the Company paid an upfront license fee of $0.2 million. The Company determined that the purchase of the license under the Oxford Agreement represented an asset acquisition as it did not meet the definition of a business. As the acquired license represented IPR&D assets with no alternative future use, the Company recorded the upfront payment of $0.2 million as research and development expense in June 2022, upon entering into the Oxford Agreement.

The Company may be required to pay up to an aggregate of $9.3 million for each target if certain development, regulatory and commercial milestones are achieved by licensed products directed to such target. Additionally, the Company is obligated to pay an earned royalty on net sales of products manufactured with the Oxford vector at a low single-digit percentage.

Unless terminated earlier, the Oxford Agreement will expire when no further payments are due to Oxford. The Company can terminate the agreement at will upon advance written notice and may be subject to certain manufacturing slot cancellation fees.

National Cancer Institute

In March 2022, the Company entered into an exclusive license agreement (the “2022 NCI License Agreement”) with the U.S. Department of Health and Human Services, as represented by The National Cancer Institute (“NCI”), pursuant to which the Company obtained a worldwide, royalty-bearing, exclusive license under certain patent rights to make, use, sell, offer for sale, and import certain autologous products covered by such licensed patents in the field of CAR-T immunotherapies for the treatment of B-cell malignancies that express CD22, and a non-sublicenseable exclusive license to make, use, and import, but not sell, certain allogenic products and to practice processes in the field of certain CAR-T immunotherapies for the treatment of B-cell malignancies that express CD22 for evaluation purposes, with an exclusive option to negotiate a non-exclusive or exclusive commercialization license.

As consideration for the licenses granted under the 2022 NCI License Agreement, the Company is required to pay NCI a non-refundable license fee of $0.6 million, of which $0.2 million was paid in 2022, and the remaining balance of $0.4 million is payable in three equal annual installments beginning on the first anniversary of the effective date of the agreement. The Company determined that the purchase of the license under the 2022 NCI License Agreement represented an asset acquisition as it did not meet the definition of a business. As the acquired license represented IPR&D assets with no alternative future use, the Company recorded the initial consideration of $0.6 million under the 2022 NCI License Agreement as research and development expense in March 2022, upon entering into the 2022 NCI License Agreement. The Company accrued the non-refundable fees of $0.4 million payable upon entering into the 2022 NCI License Agreement of which $0.3 million is classified as other non-current liabilities on the balance sheet as of December 31, 2022.

The Company agreed to pay up to $0.2 million in regulatory milestone payments upon achieving specific regulatory filings, up to $1.8 million in development milestone payments upon achieving specific clinical trials or registration trials, and up to $16.0 million in sales milestones upon achievement of specific commercial milestone events for up to three distinct licensed products, and an earned royalty on net sales of autologous

cell therapy products covered by the licensed patent rights at a low single-digit percentage, depending on the amount of annual net sales and subject to the terms of the 2022 NCI License Agreement. The Company is also required to make minimum annual royalty payments of $50,000 per year, which will be creditable against royalties due for sales in that year. In addition, the Company is obligated to pay the NCI a low double-digit percentage of non-royalty revenue received by the Company from its right to sublicense. Additionally, in the event the Company is granted a priority review voucher ("PRV"), the Company would be obligated to pay NCI a minimum of $5.0 million upon the sale, transfer or lease of the PRV or $0.5 million upon submission of the PRV for use by the U.S. Food and Drug Administration ("FDA"). The Company is also obligated to pay NCI low single-digit to a low double-digit percentage of the fair market value of the consideration the Company receives for any assignment of the 2022 NCI License Agreement to a non-affiliate (upon NCI's prior written consent) or an allocated portion of the fair value of consideration received in connection with a change in control.

NCI may terminate or modify the 2022 NCI License Agreement in the event of an uncured material breach, including, but not limited to, if the Company does not meet certain milestones by certain dates, or upon certain insolvency events that remain uncured following the date that is 90 days following written notice of such breach or insolvency event. The Company may terminate the license, or any portion thereof, at its sole discretion at any time upon 60 days written notice to NCI.

12. Related parties

The 2022 Convertible Notes (see Note 7) were issued in part to a related party, a significant investor, for an aggregate principal amount of $16.0 million. As of December 31, 2022, $16.4 million in principal and accrued interest was outstanding to the related party.

Apart from the transactions and balances detailed in Note 7 and Note 11, the Company has no other significant or material related party transactions during the years ended December 31, 2022 and 2021.

13. Income taxes

The loss before provision for income taxes for the years ended December 31, 2021 and 2022 is entirely domestic. The Company has no current or deferred income tax expense for federal or state purposes for the years ended December 31, 2021 and 2022.

The reconciliation of the effective tax rate for income taxes from the federal statutory rate were as follows:

	Year ended December 31,	
	2021	2022
U.S. federal taxes at statutory rate	21.0%	21.0%
State tax – net of federal	1.8	(1.8)
Federal tax credits	—	7.8
Change in valuation allowance	(21.2)	(23.4)
Stock-based compensation	—	(0.1)
Non-deductible expenses	(0.7)	(3.2)
Other	(0.9)	(0.3)
Total	—%	—%

Cargo Therapeutics, Inc.
Notes to financial statements

The income tax effect of temporary differences that give rise to significant portions of the Company's deferred tax assets at December 31, 2021 and 2022 is presented below:

(in thousands)	December 31, 2021	December 31, 2022
Deferred tax assets:		
Depreciation and amortization	$ (52)	$ 1,220
Capitalized research and development costs	—	6,009
Net operating loss carryforwards	560	1,244
Accrued expenses and other current liabilities	730	97
Operating lease liabilities	680	441
Tax credit carryforwards	83	2,350
Right of use assets	(688)	(465)
Stock-based compensation	—	3
Total net deferred tax assets	1,313	10,899
Less: valuation allowance	(1,313)	(10,899)
Net deferred tax assets	$ —	$ —

As of December 31, 2022, the Company has net operating loss carryforwards of approximately $5.9 million and $2.3 million available to reduce future taxable income, if any, for Federal and California income tax purposes, respectively. The Federal net operating loss carryforwards do not expire and are limited to 80% of taxable income and California net operating loss carryforwards begin to expire in 2040.

The Company has established a full valuation allowance against its deferred tax assets due to the uncertainty surrounding realization of such assets. The net increase in the valuation allowance for the years ended December 31, 2021 and 2022 was $1.2 million and $9.6 million, respectively. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax-planning strategies in making this assessment. Based on these factors, management has provided a full valuation allowance for its deferred tax assets.

As of December 31, 2022, the Company has Federal and California research and development credit carryforwards of $1.8 million and $1.7 million, respectively. The Federal research and development credit carryforwards will expire beginning in 2042 if not utilized. The California research and development credits have no expiration date.

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "IRC"), if a corporation undergoes an "ownership change" (generally defined as a greater than 50 percentage points change (by value) in the ownership of its equity over a rolling three-year period), the corporation's ability to use its pre-change net operating loss carryforwards and certain other pre-change tax attributes to offset its post-change income and taxes may be limited. California has similar rules. The Company has not conducted an analysis and the Company may have experienced ownership changes in the past or may experience the change in the future.

Cargo Therapeutics, Inc.
Notes to financial statements

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	December 31,	
(in thousands)	**2021**	**2022**
Balance at the beginning of the year	$ —	$ 35
Increases based on tax positions related to current year	35	837
Balance at end of year	$ 35	$ 872

As of December 31, 2022, the Company had $0.9 million of unrecognized tax benefits which are comprised of federal of $0.5 million and California of $0.4 million. The Company's unrecognized gross tax benefits would not reduce its annual effective tax rate if recognized because the Company has recorded a full valuation allowance on deferred tax assets. The Company does not foresee any material changes to its gross unrecognized tax benefit within the next 12 months. The Company recognizes interest and/or penalties related to income tax matters in income tax expense. The Company did not recognize any accrued interest and penalties related to gross unrecognized tax benefits related to the years ended December 31, 2021, and 2022. All years are open for examination by federal and state authorities. The Company currently has no federal or state tax examinations in progress.

14. Net loss per share

A reconciliation of net loss attributable to common stockholders and the number of shares in the calculation of basic and diluted loss per share was as follows:

	Year ended December 31,	
(in thousands, except share and per share amounts)	**2021**	**2022**
Numerator:		
Net loss attributable to common stockholders	$ (5,850)	$ (40,951)
Denominator:		
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	2,068,321	5,323,465
Net loss per share attributable to common stockholders, basic and diluted	$ (2.83)	$ (7.69)

The following potentially dilutive shares were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented, because including them would have been anti-dilutive (on an as-converted basis):

	December 31,	
	2021	**2022**
Convertible preferred stock, as converted	5,500,000	11,000,000
2022 Convertible Notes, as converted	—	38,947,060
Outstanding stock options	—	2,278,100
Restricted stock awards subject to repurchase	7,958,334	7,177,724
Total	13,458,334	59,402,884

Cargo Therapeutics, Inc.
Notes to financial statements

15. Subsequent events

Management has reviewed and evaluated material subsequent events from the balance sheet date of December 31, 2022 through September 1, 2023, the day the financial statements were available for issuance.

Issuance of convertible notes

In January 2023, the third tranche of the convertible note purchase agreement executed in October 2022 (see Notes 3 and 7) was issued for gross proceeds of $3.5 million, including $2.2 million issued to a related party. The Company allocated a portion of the proceeds to an embedded derivative liability at fair value of $2.1 million, creating a debt discount to the convertible note to be amortized using the effective interest rate method. The Company reclassified the outstanding financial commitment liabilities of $0.7 million to the carrying amount of the third tranche of the convertible note.

Series A redeemable convertible preferred stock financing

In February 2023, the Company's existing and new investors executed the Series A Preferred Stock Purchase Agreement (the "Series A Agreement") pursuant to which the Company is obligated to issue and sell shares of its redeemable convertible preferred stock for $1.00 per share immediately at execution and through a second and third tranche. In February 2023, the Company issued 68,832,003 shares of its Series A-1 redeemable convertible preferred stock as part of the first tranche and received aggregate net proceeds of approximately $68.1 million.

Pursuant to the Series A Agreement, through the second tranche, the Company is obligated to sell 45,888,000 shares of its Series A-1 redeemable convertible preferred stock upon satisfaction of certain developmental milestones by the end of the third quarter of 2023. For the third tranche, the Company is obligated to sell 86,039,997 shares of its Series A-1 redeemable convertible preferred stock upon the satisfaction of certain developmental milestones by the middle of the first quarter of 2024.

Concurrent with the closing of the Series A-1 redeemable convertible preferred stock, the Company amended the terms of the 2022 Convertible Notes to convert those notes into shares of the Company's Series A-2 redeemable convertible preferred stock at a conversion price of $0.75 per share. The $32.9 million in outstanding principal and accrued interest was converted into 43,824,255 shares of Series A-2 redeemable convertible preferred stock, of which $18.7 million related to a related party converted into 24,879,514 shares.

Upon closing of the first tranche of shares of Series A-1 redeemable convertible preferred stock and conversion of the 2022 Convertible Notes to shares of Series A-2 redeemable convertible preferred stock, the redeemable convertible preferred stockholders collectively have the ability to elect a majority of the directors on the Company's Board of Directors such that a redemption event pursuant to the various rights of shares of the Series Seed convertible preferred stock (see Note 9) is no longer within the control of the Company. In accordance with ASC 480, *Distinguishing Liabilities from Equity*, equity instruments with redemption features that are not solely within the control of the issuer must be classified outside of permanent equity. Accordingly, all shares of Series Seed convertible preferred stock were reclassified from permanent equity to mezzanine equity prospectively.

In July 2023, pursuant to the Series A Agreement, upon satisfaction of certain developmental milestones, the Company issued and sold 45,888,000 shares of its Series A-1 redeemable convertible preferred stock as part of the second tranche and received aggregate gross proceeds of approximately $45.9 million.

Cargo Therapeutics, Inc.
Notes to financial statements

Amendment and restatement of certificate of incorporation

In conjunction with the Series A redeemable convertible preferred stock financing, in February 2023, the Company amended and restated its Certificate of Incorporation to increase the authorized shares of common stock to 320,000,000 shares and to authorize issuable shares of Series A-1 and Series A-2 redeemable convertible preferred stock of 200,760,000 and 43,824,255 shares, respectively. The Company also amended the election of the Board of Directors in the Certificate of Incorporation. The holders of Series A redeemable convertible preferred stock are entitled to elect two directors. Prior to the closing of the third tranche of Series A-1 redeemable convertible preferred stock, the holders of Series Seed convertible preferred stock are entitled to elect two directors. Subsequent to the closing of the third tranche of Series A-1 redeemable convertible preferred stock, the holders of Series Seed convertible preferred stock are entitled to elect one director. The holders of common stock are entitled to elect one director and one director will be the Company's Chief Executive Officer. The remaining two directors will be independent directors that are elected by stockholder vote and must be mutually acceptable to the other directors.

Additionally, the Company amended the Plan to increase the shares reserved and available for issuance under the Plan from 5,336,068 to 44,347,282 shares.

2023 NCI license agreement

In February 2023, the Company entered into an exclusive license agreement (the "2023 NCI License Agreement") with NCI, pursuant to which the Company obtained to acquire a worldwide, royalty-bearing, exclusive license under certain patent rights to research, develop and commercialize products covered by such licensed patents owned by NCI to make, use, sell and import products and to practice processes in the field of certain CAR-T immunotherapies for the treatment of B-cell malignancies, wherein the T cells are engineered to express CD22 in combination with both: receptors targeting CD19, CD20, and/or CD79b; and using STASH platform and/or a technology to activate CD2 signaling in the CAR T cell.

As consideration for the licenses granted under the 2023 NCI License Agreement, the Company must pay NCI a non-refundable license fee of $0.3 million in three installments, whereby the first installment is payable within 60 days of the execution of the agreement and the remaining two payments due on the first and second anniversaries of the effective date of the agreement. Additionally, the Company must reimburse NCI for $0.1 million in expenses incurred by NCI prior to January 1, 2022 related to the preparation, filing, prosecution, and maintenance of all patent applications and patents included in the license under the 2023 NCI Agreement.

The Company agreed to pay up to $0.1 million in regulatory milestone payments upon achieving specific regulatory filings, up to $1.7 million in development milestone payments upon achieving specific clinical trials or registration trials, and up to $16.0 million in sales milestones upon achievement of specific commercial milestone events. Subject to the terms of the 2023 NCI License Agreement, the Company also agreed to pay a low single-digit percentage on earned royalties on net sales of products covered by the licensed patent rights. The Company also agreed to make minimum annual royalty payments of $50,000 per year, which will be creditable against royalties due for sales in that year. In addition, the Company is obligated to pay the NCI a percentage of non-royalty revenue received by the Company from its right to sublicense at defined percentages. Additionally, if the Company is granted a PRV, the Company would be obligated to pay NCI a minimum of $5.0 million upon the sale, transfer or lease of the PRV or $0.5 million upon submission of the PRV for use by the FDA. The Company is also obligated to pay NCI a low single-digit to a low double-digit percentage of the fair market value of the consideration the Company receives for any assignment of the 2023 NCI License Agreement

Cargo Therapeutics, Inc.
Notes to financial statements

to a non-affiliate (upon NCI's prior written consent) or an allocated portion of the fair value of consideration received in connection with a change in control.

Unless earlier terminated, the 2023 NCI License Agreement will expire upon the expiration of the last to expire licensed patent right. NCI may terminate or modify the 2023 NCI License Agreement in the event of an uncured material breach, including, but not limited to, if the Company does not meet certain milestones by certain dates, or upon certain insolvency events that remain uncured following the date that is 90 days following written notice of such breach or insolvency event. The Company may terminate the license, or any portion thereof, at its sole discretion at any time upon 60 days written notice to NCI.

Silicon Valley Bank

On March 10, 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation as receiver. The balance of the Company's cash accounts at SVB was $62.6 million at the time of SVB's closure. The Company received access to all of its cash on March 13, 2023. The Company has since diversified the financial institutions where its cash and money market accounts are held.

Grant of stock options

In April and August 2023, the Company granted options for 26,934,673 and 14,638,444 shares of the Company's common stock to its employees, with exercise prices of $0.37 and $0.70 per share, respectively.

Amendment to the Plan

In July 2023, the Company amended the Plan to increase shares reserved and available for issuance under the Plan from 44,347,282 to 49,103,103 shares.

Cargo Therapeutics, Inc.
Condensed balance sheets

(in thousands, except share and per share data)	December 31, 2022 (Note 2)	June 30, 2023 (Unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 1,872	$ 42,371
Prepaid expenses and other current assets	2,055	2,351
Redeemable convertible preferred stock tranche asset	—	2,016
Total current assets	3,927	46,738
Operating lease right-of-use asset	2,165	3,413
Property and equipment, net	3,368	5,912
Other non-current assets	783	4,434
Total assets	$ 10,243	$ 60,497
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 3,483	$ 5,822
Accrued clinical and research and development expenses	1,646	6,677
Accrued expenses and other current liabilities	3,391	3,088
Operating lease liabilities, current	1,006	2,495
Redeemable convertible preferred stock tranche liability	—	10,025
Convertible notes—related party	11,635	—
Convertible notes	9,619	—
Derivative liabilities	12,705	—
Financial commitment liabilities—related party	412	—
Financial commitment liabilities	240	—
Total current liabilities	44,137	28,107
Operating lease liabilities, non-current	1,092	978
Other non-current liabilities	250	225
Total liabilities	45,479	29,310
Redeemable convertible preferred stock, $0.001 par value; 255,584,255 shares authorized and 123,656,258 shares issued and outstanding at June 30, 2023, respectively, (aggregate liquidation preference of $112,700 at June 30, 2023)	—	106,166
Stockholders' deficit:		
Convertible preferred stock, $0.001 par value; 11,000,000 shares authorized and issued at December 31, 2022 (aggregate liquidation preference of $11,000 at December 31, 2022)	11	—
Common stock, $0.001 par value; 29,000,000 and 320,000,000 shares authorized at December 31, 2022 and June 30, 2023, respectively; 14,814,245 and 14,735,360 shares issued and outstanding at December 31, 2022 and June 30, 2023, respectively	15	15
Additional paid-in capital	11,737	2,604
Accumulated deficit	(46,999)	(77,598)
Total stockholders' deficit	(35,236)	(74,979)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	$ 10,243	$ 60,497

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

Cargo Therapeutics, Inc.
Condensed statements of operations and comprehensive loss

(in thousands, except share and per share data) (unaudited)	Six months ended June 30, 2022	2023
Operating expenses:		
Research and development	$ 11,673	$ 26,491
General and administrative	2,044	6,552
Total operating expenses	13,717	33,043
Loss from operations	(13,717)	(33,043)
Interest expense	(776)	(1,604)
Net change in fair value of redeemable convertible preferred stock tranche obligations	—	(692)
Change in fair value of derivative liabilities	(407)	6,453
Loss on extinguishment of convertible notes	—	(2,316)
Other income (expense), net	(17)	603
Net loss and comprehensive loss	$ (14,917)	$ (30,599)
Net loss per share attributable to common stockholders, basic and diluted	$ (3.68)	$ (3.55)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	4,048,112	8,613,993

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

Cargo Therapeutics, Inc.
Condensed statements of stockholders' deficit

(in thousands, except share data) (unaudited)	Convertible preferred stock Shares	Convertible preferred stock Amount	Common stock Shares	Common stock Amount	Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
Balances at January 1, 2022	**5,500,000**	**$ 6**	**11,000,000**	**$ 11**	**$ 5,856**	**$ (6,048)**	**$ (175)**
Issuance of Series Seed convertible preferred stock	5,500,000	5	—	—	5,495	—	5,500
Issuance of restricted stock awards	—	—	1,894,846	2	—	—	2
Stock-based compensation expense	—	—	—	—	241	—	241
Net loss	—	—	—	—	—	(14,917)	(14,917)
Balances at June 30, 2022	**11,000,000**	**$ 11**	**12,894,846**	**$ 13**	**$ 11,592**	**$ (20,965)**	**$ (9,349)**

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

Cargo Therapeutics, Inc.
Condensed statements of redeemable convertible preferred stock and stockholders' deficit

(in thousands, except share data) (unaudited)	Redeemable convertible preferred stock		Convertible preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balances at January 1, 2023	**—**	**$ —**	**11,000,000**	**$ 11**	**14,814,245**	**$ 15**	**$ 11,737**	**$ (46,999)**	**$ (35,236)**
Reclassification of Series Seed redeemable convertible preferred stock	11,000,000	9,830	(11,000,000)	(11)	—	—	(9,819)	—	(9,830)
Issuance of Series A-1 redeemable convertible preferred stock, net of issuance costs of $755 and redeemable convertible preferred stock tranche obligations of $7,317	68,832,003	60,760	—	—	—	—	—	—	—
Issuance of Series A-2 redeemable convertible preferred stock upon conversion of convertible notes	43,824,255	35,576	—	—	—	—	—	—	—
Exercise of stock options	—	—	—	—	23,015	—	2	—	2
Issuance of restricted stock awards	—	—	—	—	25,434	—	—	—	—
Vesting of restricted stock awards	—	—	—	—	—	—	61	—	61
Repurchase of restricted stock awards	—	—	—	—	(127,334)	—	—	—	—
Stock-based compensation expense	—	—	—	—	—	—	623	—	623
Net loss	—	—	—	—	—	—	—	(30,599)	(30,599)
Balances at June 30, 2023	**123,656,258**	**$106,166**	**—**	**$ —**	**14,735,360**	**$ 15**	**$ 2,604**	**$ (77,598)**	**$ (74,979)**

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

Cargo Therapeutics, Inc.
Condensed statements of cash flows

(in thousands) (unaudited)	Six months ended June 30, 2022	2023
OPERATING ACTIVITIES		
Net loss	$(14,917)	$(30,599)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on extinguishment of convertible notes	—	2,316
Amortization of operating lease right-of-use asset	527	1,043
Noncash interest expense	776	1,604
Net change in fair value of redeemable convertible preferred stock tranche obligations	—	692
Acquired in-process research and development	850	466
Stock-based compensation expense	241	623
Depreciation	125	499
Change in fair value of derivative liabilities	407	(6,453)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(1,176)	(296)
Other non-current assets	(100)	(3,836)
Accounts payable	2,887	1,384
Accrued clinical and research and development expenses	1,387	5,031
Accrued expenses and other current liabilities	215	(523)
Operating lease liabilities	(468)	(916)
Net cash used in operating activities	(9,246)	(28,965)
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,185)	(2,054)
Purchase of in-process research and development	(257)	(59)
Net cash used in investing activities	(1,442)	(2,113)
FINANCING ACTIVITIES		
Proceeds from issuance of convertible notes, net of issuance costs—related party	6,354	2,212
Proceeds from issuance of convertible notes, net of issuance costs	5,636	1,286
Proceeds from issuance of convertible preferred stock and tranche commitment, net of issuance costs	5,500	—
Proceeds from issuance of redeemable convertible preferred stock and tranche obligations, net of issuance costs	—	68,077
Proceeds from exercise of stock options	—	2
Net cash provided by financing activities	17,490	71,577
Net increase in cash and cash equivalents	6,802	40,499
Cash and cash equivalents at beginning of period	41	1,872
Cash and cash equivalents at end of period	$ 6,843	$ 42,371

Cargo Therapeutics, Inc.
Condensed statements of cash flows—(Continued)

(in thousands) (unaudited)	Six months ended June 30, 2022	 2023
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES		
Conversion of convertible notes to shares of Series A-2 redeemable convertible preferred stock	$ —	$35,576
Reclassification of shares of Series Seed redeemable convertible preferred stock to mezzanine equity	$ —	$ 9,830
Purchase of property and equipment in accounts payable, accrued expenses and other current liabilities	$279	$ 1,612
In-process research and development costs in accounts payable, accrued expenses, other current liabilities and other non-current liabilities	$593	$ 790
Deferred offering costs related to initial public offering included in accounts payable, accrued expenses and other current liabilities	$ —	$ 218
Deferred issuance costs for the second tranche of Series A-1 redeemable convertible preferred stock in accounts payable, accrued expenses and other current liabilities	$ —	$ 33
Convertible notes payable issuance costs in accounts payable, accrued expenses and other current liabilities	$ 27	$ —

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

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

1. Organization

Description of the business

Cargo Therapeutics, Inc. (the "Company") was incorporated in the state of Delaware in December 2019 as Syncopation Life Sciences, Inc. and changed its name to Cargo Therapeutics, Inc. in September 2022. It is a clinical-stage biotechnology company positioned to advance next generation, potentially curative cell therapies for cancer patients. The Company's programs, platform technologies, and manufacturing strategy are designed to directly address the key limitations of approved cell therapies, including limited durability of effect, suboptimal safety and unreliable supply. The Company's lead program, CRG-022, an autologous CD22 chimeric antigen receptor ("CAR") T-cell therapy, has demonstrated robust safety, activity and manufacturability in clinical trials and is currently being studied in a potentially pivotal Phase 2 clinical trial for the treatment of large B-cell lymphoma ("LBCL"). The Company is also leveraging its proprietary cell engineering platform technologies to develop a pipeline of programs that incorporate multi-functional genetic "cargo" designed to enhance CAR T-cell persistence and trafficking to tumor lesions, as well as help safeguard against tumor resistance and T-cell exhaustion.

Since its founding, the Company has devoted substantially all of its resources to organizing and staffing the Company, business planning, raising capital, establishing licensing arrangements, building its proprietary platform technologies, discovering its product candidates, establishing its intellectual property portfolio, conducting research, preclinical studies, and clinical trials, establishing arrangements with third parties for the manufacture of its product candidates and related raw materials, and providing general and administrative support for these operations.

Liquidity and going concern

Management is required to evaluate whether there are relevant conditions or events, when considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern and to meet its obligations as they become due within one year after the date the financial statements are issued.

Since inception, the Company has incurred significant operating losses and negative cash flows, and it expects that it will continue to incur losses and negative cash flows for the foreseeable future as it continues its research and development efforts, advances its product candidates through preclinical and clinical development, enhances its platforms and programs, expands its product pipeline, seeks regulatory approval, prepares for commercialization, hires additional personnel, protects its intellectual property and grows its business. As of and for the six months ended June 30, 2023, the Company had an accumulated deficit of $77.6 million, cash and cash equivalents of $42.4 million and negative cash flows from operations of $29.0 million. In July 2023, the Company issued and sold, primarily to existing and new investors, 45,888,000 shares of its Series A-1 redeemable convertible preferred stock, resulting in aggregate gross proceeds of $45.9 million. Based on its recurring losses from operations incurred since inception, expectation of continuing operating losses for the foreseeable future, and need to raise additional capital to finance its future operations, the Company has concluded that there is substantial doubt regarding the Company's ability to continue as a going concern within one year after the date that these financial statements are issued.

The Company does not have any products approved for sale and has not generated any revenue from product sales since its inception. The Company does not expect to generate revenue from any product candidates that it develops until it obtains regulatory approval for one or more of such product candidates and commercialize its

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

products or enters into collaboration agreements with third parties. The Company is seeking to complete an initial public offering ("IPO") of its common stock. In the event the Company does not complete an IPO, the Company expects to fund its operations through equity offerings or debt financings or other sources. There can be no assurance that the Company will be successful in raising additional funding. As a result, the Company has concluded that management's plans do not alleviate substantial doubt about the Company's ability to continue as a going concern.

The Company's ability to actively pursue its development programs and maintain their scope is dependent on obtaining sufficient funding on acceptable terms when needed and management of discretionary spending.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The accompanying financial statements do not reflect any adjustments relating to the recoverability and reclassification of assets and liabilities that might be necessary if the Company is unable to continue as a going concern.

2. Summary of significant accounting policies

Basis of presentation

The Company has prepared the accompanying condensed financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") and the requirements of the Securities and Exchange Commission ("SEC") for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by GAAP can be condensed or omitted. The financial statements are presented in U.S. dollars.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. The Company bases its estimates on historical experience and on various other assumptions believed to be reasonable. Actual results could differ from those estimates and such differences could be material to the financial position and results of operations.

Significant estimates and assumptions reflected in these financial statements include, but are not limited to, the accrual of research and development expenses, the fair value of derivative liabilities, the initial fair value of the financial commitment liabilities related to the convertible notes, valuation of the redeemable convertible preferred stock tranche asset and liability, valuation of deferred tax assets, the fair value of equity instruments, equity-based instruments, stock-based compensation, and the determination of the incremental borrowing rate.

Unaudited interim condensed financial statements

The interim condensed balance sheet as of June 30, 2023 and the interim condensed statements of operations and comprehensive loss, redeemable convertible preferred stock and stockholders' deficit, and cash flows for the six months ended June 30, 2022 and 2023 are unaudited. These unaudited interim condensed financial

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

statements have been prepared on the same basis as the Company's annual financial statements and, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) that are necessary for the fair statement of the Company's financial position, results of operations and cash flows for the interim periods presented. The condensed results of operations for the six months ended June 30, 2023 are not necessarily indicative of the results to be expected for the full year or for any other future annual or interim period. The condensed balance sheet as of December 31, 2022 included herein was derived from the audited financial statements as of that date. These interim condensed financial statements should be read in conjunction with the Company's audited financial statements included elsewhere in this prospectus.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less on the date of purchase to be cash equivalents. Cash equivalents primarily consist of money market funds that are stated at fair value.

Issuance costs related to equity

The Company allocates issuance costs between the individual freestanding instruments identified on a relative fair value basis. Issuance costs associated with the issuance of stock or equity contracts (i.e., redeemable convertible preferred stock) are recorded as a charge against the gross proceeds of the offering.

Financial commitment liabilities

The Company's convertible note purchase agreements executed in April 2022 and October 2022 ("2022 Convertible Notes") included financial commitments to issue additional convertible notes to the noteholders in tranches (see Note 6) that were determined to be freestanding instruments that should be classified as liabilities. The freestanding instruments met the scope exception from derivative accounting. The proceeds of issuance of the first tranche of each of the 2022 Convertible Notes were allocated to the convertible notes and financial commitment liabilities based on their relative fair value at the date of issuance and not subsequently remeasured. The proceeds allocated to the financial commitment liabilities create a discount on the respective convertible note that is amortized as interest expense in the statements of operations and comprehensive loss using the effective interest rate method over the term of the respective convertible note. Upon settlement of each tranche, the respective portion of the financial commitment liabilities is reclassified to the carrying amount of the respective convertible note.

Derivative liabilities

The 2022 Convertible Notes contain certain embedded redemption features that are not clearly and closely related to the debt host instruments (see Note 6). These features are bifurcated from the host instruments and recorded at fair value on the date of issuance as derivative liabilities in accordance with Accounting Standards Codification ("ASC") 815-15, Derivatives and Hedging—Embedded Derivatives. The derivative liabilities are remeasured to fair value each reporting period until settlement or extinguishment, with changes in the fair value recorded as a change in fair value of derivative liabilities in the statements of operations and comprehensive loss. Derivative liabilities are classified in the balance sheets as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

Redeemable convertible preferred stock tranche obligations

The obligations to issue additional shares of the Company's Series A-1 redeemable convertible preferred stock in two tranches at a fixed price at future dates were determined to be freestanding financial instruments within the scope of ASC 480, Distinguishing Liabilities From Equity ("ASC 480"). On issuance, the Company recorded the redeemable convertible preferred stock tranche asset and liability on the balance sheet at their respective fair values. These tranche obligations are subject to remeasurement at each balance sheet date, with the net change in fair value recognized as a gain or loss on remeasurement within net change in fair value of redeemable convertible preferred stock tranche obligations in the statements of operations and comprehensive loss until settlement or extinguishment.

Recently adopted accounting pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments—Credit Losses (Topic 326)*: *Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which replaces the existing incurred loss impairment model with an expected credit loss model and requires a financial asset measured at amortized cost to be presented at the net amount expected to be collected. The Company adopted ASU 2016-13 on January 1, 2023, using a modified retrospective approach. The adoption did not have a material impact on the Company's financial statements.

Recently Issued accounting pronouncements not yet adopted

From time to time, new accounting pronouncements are issued by the FASB or other standard-setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on the accompanying financial statements and disclosures.

3. Fair Value Measurement

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

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

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

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

Carrying amounts of certain of the Company's financial instruments including, cash and cash equivalents, prepaid expenses and other current assets, accounts payable and accrued expenses and other current liabilities approximate fair value due to the short-term nature of these instruments.

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

On a recurring basis, the Company measures certain financial liabilities at fair value. There were no transfers between levels during the six months ended June 30, 2023 and year ended December 31, 2022. The following tables summarize the Company's financial assets and financial liabilities measured at fair value on a recurring basis by level within the fair value hierarchy:

	December 31, 2022			
(in thousands)	Level 1	Level 2	Level 3	Total
Liabilities:				
Derivative liabilities	$ —	$ —	$12,705	$12,705
Total financial liabilities	$ —	$ —	$12,705	$12,705

	June 30, 2023			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$38,790	$ —	$ —	$38,790
Redeemable convertible preferred stock tranche asset	—	—	2,016	2,016
Total financial assets	$38,790	$ —	$ 2,016	$40,806
Liabilities:				
Redeemable convertible preferred stock tranche liability	$ —	$ —	$10,025	$10,025
Total financial liabilities	$ —	$ —	$10,025	$10,025

Derivative liabilities

In April and October 2022, the Company executed convertible note purchase agreements with its existing investors (see Note 6). The 2022 Convertible Notes contained certain embedded features requiring bifurcation as a single compound derivative instrument for each tranche funded. The derivative liabilities were measured at fair value using Level 3 inputs. The fair value of the derivative liabilities was estimated using a "with-and-without" method. The "with-and-without" methodology involves valuing the whole instrument on an as-is basis and then valuing the instrument without the embedded derivative. The difference between the entire instrument with the embedded derivatives and the instrument without the embedded derivatives is the fair value of the derivative liabilities. The estimated probability and timing of underlying events triggering the exercisability of the put option and conversion features contained within the 2022 Convertible Notes, forecasted cash flows and the discount rate were significant unobservable inputs used to determine the estimated fair value of the entire instrument with the embedded derivative. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. The derivative liabilities are remeasured at each reporting period and the changes are recognized as a change in fair value of derivative liabilities on the statement of operations and comprehensive loss. The derivative liabilities were settled in February 2023 upon conversion of the 2022 Convertible Notes into Series A-2 redeemable convertible preferred stock (see Note 6).

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

The following table summarizes the significant inputs used in the valuation of the derivative liabilities:

	On issuance date of January 18, 2023	February 9, 2023
Expected term to achievement underlying triggering event (in years)	0.1 – 0.2	—
Probability of achievement of triggering event	0.0% – 95.0%	100.0%
Discount rate	75.0%	75.0%

The following table summarizes the changes in the derivative liabilities:

(in thousands)	Derivative liabilities
Balance as of December 31, 2022	$ 12,705
Additions[1]	2,133
Change in fair value	(6,453)
Settlement	(8,385)
Balance as of June 30, 2023	$ —

(1) The additions to derivative liabilities in the six months ended June 30, 2023 relate to the embedded derivative bifurcated from the final tranche of the 2022 Convertible Notes that was issued in January 2023.

Redeemable convertible preferred stock tranche obligations

The fair value of the Company's redeemable convertible preferred stock tranche asset and liability (see Note 7) was calculated using an option pricing model using Level 3 inputs not observable in the market. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. The redeemable convertible preferred stock tranche obligations are considered a contingent forward and the standard forward pricing model was used with the following key assumptions:

	Redeemable convertible preferred stock tranche asset		Redeemable convertible preferred stock tranche liability	
	On issuance date February 9, 2023	As of June 30, 2023	On issuance date February 9, 2023	As of June 30, 2023
Expected term to achievement of milestone (in years)	0.4	—	0.8	0.4
Probability of achievement of milestone	90.0%	97.5%	63.0%	68.3%
Discount rate	4.9%	5.5%	4.9%	5.5%

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

The following table summarizes the changes in the fair value of the redeemable convertible preferred stock tranche asset and liability:

(in thousands)	Redeemable convertible preferred stock tranche asset	Redeemable convertible preferred stock tranche liability
Balance as of December 31, 2022	$ —	$ —
Initial recognition	1,788	(9,105)
Change in fair value	228	(920)
Balance as of June 30, 2023	$ 2,016	$ (10,025)

4. Balance sheet components

Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following:

(in thousands)	December 31, 2022	June 30, 2023
Prepaid research and development	$ 1,428	$ 1,794
Other receivables	476	475
Prepaid other	151	82
Total prepaid expenses and other current assets	$ 2,055	$ 2,351

Property and equipment, net

Property and equipment, net consisted of the following:

(in thousands)	December 31, 2022	June 30, 2023
Furniture and equipment	$ 2,793	$ 6,388
Leasehold improvements	105	105
Construction in progress	891	339
Property and equipment at cost	3,789	6,832
Less: accumulated depreciation	(421)	(920)
Property and equipment, net	$ 3,368	$ 5,912

Depreciation expense for the six months ended June 30, 2022 and 2023 was $0.1 million and $0.5 million, respectively.

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following:

(in thousands)	December 31, 2022	June 30, 2023
Accrued compensation and related expenses	$ 2,385	$ 1,426
Accrued purchases of property and equipment	623	623
Other	383	1,039
Total accrued expenses and other current liabilities	$ 3,391	$ 3,088

5. Leases

In November 2021, the Company entered into a three-year operating lease for 15,400 square feet of lab and office space in San Mateo, California. The agreement provides for one option to renew for one year which the Company is not reasonably certain to exercise. In February 2023, the operating lease commenced for an additional premises for 15,717 square feet of lab and office space, increasing the total leased premises to 31,117 square feet at the existing San Mateo, California location. The new lease has a term of two years. The Company paid an additional $0.3 million in deposits upon commencement of the new lease which is recorded in other assets on the balance sheet. The Company is a sublessor in two agreements with initial terms of six months for a combined 2,300 square feet of the Company's leased premises. The future payments associated with the Company's operating lease liabilities as of June 30, 2023 were as follows:

(in thousands)	Amount
2023 (remaining six months)	$ 1,367
2024	2,404
Total undiscounted lease payments	3,771
Less: imputed interest	(298)
Total operating lease liabilities	$ 3,473

A summary of total lease costs and other information for the periods relating to the Company's operating leases was as follows:

	Six months ended June 30,	
(in thousands)	2022	2023
Operating lease cost	$636	$1,246
Variable lease cost	160	308
Sublease income	—	(220)
Total lease cost	$796	$1,334

	December 31, 2022	June 30, 2023
Other information:		
Weighted-average remaining lease term (in years)	1.9	1.4
Weighted-average discount rate	9.6%	11.6%

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

Supplemental cash flow and noncash information related to the Company's operating leases were as follows:

(in thousands)	Six months ended June 30, 2022	2023
Cash flows from operating activities:		
Cash paid for amounts included in the measurement of lease liabilities	$684	$1,127
Right-of-use assets obtained in exchange for lease obligations:		
Total right-of-use assets capitalized	$ —	$2,291

6. Convertible notes

In April 2022, the Company executed a convertible note purchase agreement with its existing investors for total proceeds of up to $25.0 million (the "April 2022 Convertible Notes"). The investors committed to purchase the notes in three tranches upon achievement of certain milestones, which occurred in April, August and October 2022 for aggregate gross proceeds of $20.0 million, of which $10.6 million was from a related party (see Note 11). The Company incurred $0.1 million in issuance costs for the April 2022 Convertible Notes. All three tranches had a maturity date of April 26, 2023. The Company had the option to request a fourth tranche of up to $5.0 million at the discretion of the investors under certain specific criteria. In February 2023, the April 2022 Convertible Notes were settled in connection with the Series A redeemable convertible preferred stock financing (see Note 7) and the option to request the fourth tranche expired.

In October 2022, the Company executed a convertible note purchase agreement with the same terms and with the same investors in the April 2022 Convertible Notes for total proceeds of up to $12.0 million (the "October 2022 Convertible Notes"), of which $5.4 million was from a related party. The investors committed to purchase the notes in three tranches upon achievement of certain milestones, of which the first two tranches were issued in October and December 2022 for aggregate gross proceeds of $8.5 million. The Company incurred $16,000 in issuance costs for the funded October 2022 Convertible Notes. In January 2023, the third tranche was issued upon achieving the third milestone for gross proceeds of $3.5 million, including $2.2 million issued to a related party. All three tranches had a maturity date of October 28, 2023. In February 2023, the October 2022 Convertible Notes were settled in connection with the Series A redeemable convertible preferred stock financing (see Note 7).

The 2022 Convertible Notes bear simple interest at 6.0% per annum. The principal and accrued interest can only be repaid prior to maturity upon consent of a majority of the investors or immediately upon demand.

The 2022 Convertible Notes are subject to automatic conversion upon the next financing whereby the Company issues its preferred equity securities and raises aggregate gross proceeds of at least $50.0 million (a "Qualified Financing"). On automatic conversion, the outstanding principal and accrued interest automatically convert into the convertible preferred stock issued in the Qualified Financing at 75% of the lowest cash price per share. The 2022 Convertible Notes are also subject to settlement by way of voluntary conversion that is not a Qualified Financing (a "Non-Qualified Financing") where a majority of the active investors (investors who have fulfilled their funding commitments) may elect to convert the outstanding principal and interest into convertible preferred stock issued at 75% of the lowest cash price per share. In the event of a "Strategic Transaction" such as upon a change in control whereby another entity acquires the Company or the Company disposes of

substantially all its assets upon sale, lease, liquidation, dissolution or winding up, whether voluntary or involuntary or an IPO, then each active investor may choose to convert the note into the Company's common stock at a conversion price of $1.50 per share or redeem the note in cash for 200% of the outstanding balance and 100% of accrued and unpaid interest. For investors who have not fulfilled their funding commitments related to the second and third tranches, where the respective milestone conditions have been met, upon a Qualified Financing, a Non-Qualified Financing or a Strategic Transaction, the outstanding principal and interest of the note will automatically convert into shares of common stock at 10% of the then current common stock price.

The Company determined that the financial commitments to issue future tranches were freestanding instruments that do not meet the definition of a derivative and should be classified as liabilities. Upon issuance of the first tranche of the April 2022 Convertible Notes and October 2022 Convertible Notes, the Company recognized $0.7 million and $1.2 million, respectively, for the relative fair value of the financial commitment liabilities, of which $0.4 million and $0.7 million, respectively, were associated with a related party (see Note 3). Upon settlement of the financial commitments, for the year ended December 31, 2022 and the six months ended June 30, 2023, $1.2 million and $0.7 million in financial commitment liabilities, respectively, were reclassified to the carrying amount of the respective convertible notes.

Due to the conversion and redemption features embedded within the 2022 Convertible Notes, the Company bifurcated compound derivative liabilities related to all tranches issued through to June 30, 2023 (see Note 3). The aggregate fair value at issuance of the derivative liabilities was $13.6 million and is subsequently remeasured each reporting period. The allocation of proceeds of the 2022 Convertible Notes to the financial commitment liabilities and embedded derivatives created a discount on the respective convertible note that is amortized using the effective interest rate method over the term of the respective note. For the six months ended June 30, 2022 and 2023, the Company recognized $0.8 million and $1.6 million, respectively, of interest expense, including accrued interest, amortization of the debt discount and amortization of debt issuance costs, in the statements of operations and comprehensive loss.

In February 2023, concurrent with the Series A redeemable convertible preferred stock financing (see Note 7), the terms of the 2022 Convertible Notes were amended to specify that the notes would convert into Series A-2 redeemable convertible preferred stock. The other contractual terms including the settlement method and the conversion price of $0.75 per share remained unchanged. Pursuant to the share settled redemption features as per the original contractual terms of the 2022 Convertible Notes, the Company issued 43,824,255 shares thereby settling $32.9 million in outstanding principal and accrued interest. Upon settlement, the carrying values of the 2022 Convertible Notes of $24.9 million and the derivative liabilities of $8.4 million were derecognized and the Series A-2 redeemable convertible preferred stock was recorded at its fair value of $35.6 million. The Company recognized a loss on extinguishment of $2.3 million in the statement of operations and comprehensive loss for the six months ended June 30, 2023.

7. Convertible preferred stock

In February 2023, the Company's existing and new investors executed the Series A Preferred Stock Purchase Agreement (the "Series A Agreement") pursuant to which the Company is obligated to sell shares of its redeemable convertible preferred stock immediately at execution and through a second and third tranche. In February 2023, the Company received net proceeds of $68.1 million from the issue and sale of 68,832,003

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

shares of Series A-1 redeemable convertible preferred stock and issued 43,824,255 shares of Series A-2 redeemable convertible preferred stock upon conversion of the 2022 Convertible Notes (see Note 6).

Pursuant to the Series A Agreement, through the second tranche, the Company is obligated to sell 45,888,000 shares of its Series A-1 redeemable convertible preferred stock for $1.00 per share ("Series A-1 Tranche 2") upon the satisfaction of certain developmental milestones by the end of the third quarter of 2023. Additionally, the Company is obligated to sell 86,039,997 shares of its Series A-1 redeemable convertible preferred stock for $1.00 per share ("Series A-1 Tranche 3") upon the satisfaction of certain developmental milestones by the middle of the first quarter of 2024.

On issuance, the Company determined that its obligation to issue additional shares of its Series A-1 redeemable convertible preferred stock in future closings were freestanding instruments in accordance with ASC 480. The Series A-1 Tranche 2 obligation was determined to be an asset as the issuance price was deemed to be in excess of the estimated fair value of the stock on the expected milestone achievement date. Conversely, the Series A-1 Tranche 3 obligation was determined to be a liability as the estimated fair value of the stock on the expected milestone achievement date was deemed to be in excess of the issuance price. Accordingly, the Company recognized $1.8 million and $9.1 million for the fair value of the redeemable convertible preferred stock tranche asset and liability, respectively, on the balance sheet and the remaining proceeds were allocated to the first tranche of Series A-1 redeemable convertible preferred stock. Changes in fair value of redeemable convertible preferred stock tranche asset and liability in subsequent reporting periods are recognized as a component of change in fair value of preferred stock tranche obligations in the statement of operations and comprehensive loss (see Note 3).

Convertible preferred stock consisted of the following:

	December 31, 2022				
(in thousands, except shares and per share amounts)	**Shares authorized**	**Shares issued and outstanding**	**Original issue price**	**Liquidation preference**	**Carrying value**
Series Seed	11,000,000	11,000,000	$ 1.00	$ 11,000	$ 10,855
Total	11,000,000	11,000,000		$ 11,000	$ 10,855

Redeemable convertible preferred stock consisted of the following:

	June 30, 2023				
(in thousands, except shares and per share amounts)	**Shares authorized**	**Shares issued and outstanding**	**Original issue price**	**Liquidation preference**	**Carrying value**
Series Seed	11,000,000	11,000,000	$ 1.00	$ 11,000	$ 9,830
Series A-1	200,760,000	68,832,003	$ 1.00	$ 68,832	$ 60,760
Series A-2	43,824,255	43,824,255	$ 0.75	$ 32,868	$ 35,576
Total	255,584,255	123,656,258		$ 112,700	$ 106,166

The holders of redeemable convertible preferred stock have various rights, preferences and privileges as follows:

Voting rights

The holders of redeemable convertible preferred stock shares are entitled to vote on all matters on which the common stockholders are entitled to vote. Each holder of redeemable convertible preferred stock is entitled to

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

the number of votes equal to the number of whole shares of common stock into which the shares held by such holder are convertible. Holders of the shares of Series A-1 redeemable convertible preferred stock, as a separate class, are entitled to elect two directors of the Company. Holders of the shares of Series Seed convertible preferred stock, as a separate class, are entitled to elect (i) prior to the issuance of the third tranche, two directors of the Company and (ii) on or after the issuance of the third tranche, one director of the Company. The holders of common stock are entitled to elect one director and one director will be the Company's Chief Executive Officer. The remaining two directors will be independent directors that are elected by stockholder vote and must be mutually acceptable to the other directors.

As long as at least 25,903,239 shares of redeemable convertible preferred stock shares remain outstanding, the Company must obtain approval from a majority of the holders of the then outstanding shares of redeemable convertible preferred stock, provided that prior to the issuance of third tranche such approval must include the affirmative vote of the holders of a majority of the outstanding shares of Series A-1 redeemable convertible preferred stock, to alter or change the rights, preferences and privileges of redeemable convertible preferred stock, change the authorized number of redeemable convertible preferred and common stock, create a new class or series of shares having any rights, preferences or privileges superior to or on parity with any outstanding shares of redeemable convertible preferred stock, declare or pay any distribution, merge, consolidate with or implement a reorganization that would result in the transfer of 50% of the voting power of the Company, sell all or substantially all of the Company's assets, voluntarily dissolve or liquidate the Company, change the authorized number of directors, incur indebtedness greater than $0.3 million and appoint or remove the chief executive officer.

Dividends

The Company's certificate of incorporation permits the holders of shares of redeemable convertible preferred stock to receive, only when, as and if declared by the Board of Directors, dividends at a rate of 8% of the applicable original issuance price of $1.00 per share for shares of Series Seed and Series A-1 redeemable convertible preferred stock and $0.75 per share for shares of Series A-2 redeemable convertible preferred stock, as adjusted for stock dividend, stock split, combination or other similar recapitalization (the "Original Issue Price"). Such dividend may be received prior and in preference to any declaration or payment of any other dividend (other than dividends on shares of common stock payable in common stock). Such dividends are non-cumulative. The Company shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Company (other than dividends on shares of common stock payable in common stock) unless the holders of redeemable convertible preferred stock then outstanding shall first receive, or simultaneously received, in addition to the 8% dividend noted above, an equal dividend on an as converted basis, if the dividend is declared on common stock or securities convertible in common stock. If the dividend is declared on non-common stock or securities not convertible in common stock, the holders of redeemable convertible preferred stock then outstanding must also receive an equal dividend to the dividend of such class, divided by its issuance price and multiplied by the applicable Original Issue Price, provided that if the Company declares a dividend on the same date on shares on more than one class or series of stock the dividend payable to the redeemable convertible preferred stockholders shall be based on the dividend on the class or series that would result in the highest preferred dividend. No dividends were declared as of December 31, 2022 and June 30, 2023.

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, including a merger or consolidation in which the Company or a subsidiary of the Company is a constituent party and the Company issues its shares as a part of such merger of consolidation, or the sale of substantially all of the assets of the Company, or any other transaction or series of transactions in which more than 50% of the voting power of the Company is disposed of, the holders of redeemable convertible preferred stock will receive in preference to any distribution of assets to the holders of common stock, an amount per share equal to the greater of (i) per share equal the Original Issue Price, plus any declared and unpaid dividends, or (ii) such amount as would have been payable had all shares of the redeemable convertible preferred stock been converted into common stock. If the assets available for distribution are insufficient then proceeds will be distributed ratably among the holders of redeemable convertible preferred stock in proportion to the full preferential amount that each such holder is entitled to receive. If there are remaining assets of the Company legally available for distribution after the payment of the full liquidation preference of the preferred stock, those remaining assets shall be distributed ratably to the holders of common stock based on the number of shares held by each common stockholder.

Conversion

Each share of redeemable convertible preferred stock is convertible, at the option of the holder, into the number of shares of common stock into which such shares are convertible at the then-effective conversion ratio. The conversion ratio is determined by dividing the applicable Original Issue Price by the then applicable conversion price. The initial conversion price per share is $1.00 for Series Seed preferred stock, $1.00 for Series A-1 preferred stock, and $0.75 for the Series A-2 preferred stock. The initial conversion price is subject to adjustment from time to time. Each share of redeemable convertible preferred stock shall automatically be converted into fully-paid, non-assessable shares of common stock at the then-effective conversion rate for such share (i) immediately prior to the closing of a firm commitment underwritten IPO pursuant to an effective registration statement filed under the Securities Act of 1933, as amended , resulting in at least $50.0 million of gross proceeds and in which the pre-money valuation of the Company is at least $400.0 million and in connection with such offering the common stock is listed for trading on the Nasdaq Stock Market's National Market or the New York Stock Exchange (ii) immediately prior to the consummation of a transaction by merger, consolidation, share exchange or otherwise in which the pre-money valuation of the Company is at least $400.0 million, with a publicly-traded special purpose acquisition company (a "SPAC"), immediately following the consummation of which the common stock or share capital of the SPAC or its successor entity is listed on the Nasdaq Stock Market or the New York Stock Exchange or another exchange approved by the Board of Directors, or (iii) at the date and time, or occurrence, of an event specified in a vote or written consent of the holders of the majority of the outstanding shares of redeemable convertible preferred stock.

Classification

A liquidation or winding up of the Company, including a merger or consolidation in which the Company or a subsidiary of the Company is a constituent party and the Company issues its shares as a part of such merger of consolidation, or the sale of substantially all of the assets, sales or exclusive license of all or substantially all of the intellectual property of the Company, or any other transaction or series of transactions in which more than 50% of the voting power of the Company is disposed of would constitute a redemption event. As of December 31, 2022, these redemption events were deemed to be within the control of the Company; therefore, in accordance with ASC 480, all shares of Series Seed convertible preferred stock were presented within permanent equity.

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

Upon closing of the first tranche of shares of Series A-1 redeemable preferred stock and conversion of the 2022 Convertible Notes to shares of Series A-2 redeemable preferred stock on February 7, 2023, the convertible preferred stockholders collectively had the ability to elect a majority of the directors on the Company's Board of Directors such that a redemption event pursuant to the various rights of shares of the convertible preferred stock was no longer within the control of the Company. In accordance with ASC 480, all shares of Series Seed convertible preferred stock were reclassified from permanent equity to mezzanine equity at fair value, and, on issuance, all shares of Series A-1 and A-2 redeemable convertible preferred stock were classified as mezzanine equity.

The Company has elected not to adjust the carrying values of the redeemable convertible preferred stock to the redemption value of such shares, since it is not probable that a redemption event will occur. Subsequent adjustments to increase the carrying value to the redemption values will be made when it becomes probable that such redemption will occur.

8. Common stock

Each share of common stock is entitled to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to prior rights of the redeemable convertible preferred stockholders. In February 2023, the Company amended and restated its certificate of incorporation to increase the authorized shares of common stock to 320,000,000.

Common stock issued and outstanding on the balance sheets and statements of stockholders' deficit includes shares related to restricted stock that are subject to repurchase and therefore are excluded from the reserved common stock in the table below.

The Company's reserved common stock, on an as-converted basis for issuance was as follows:

	December 31, 2022	June 30, 2023
Redeemable convertible preferred stock	—	123,656,258
Convertible preferred stock	11,000,000	—
Common stock options issued and outstanding under the Plan	2,278,100	29,140,214
Remaining shares available for issuance under the Plan	311,099	6,813,511
Total reserved common stock	13,589,199	159,609,983

The 2022 Convertible Notes, which are excluded from the table above as of December 31, 2022, converted into shares of Series A-2 redeemable convertible preferred stock in February 2023 (see Notes 6 and 7).

9. Stock-based compensation

2021 Stock Option and Grant Plan

In July 2021, the Company established its 2021 Stock Option and Grant Plan (the "Plan") which provides for the granting of stock options, restricted and unrestricted stock units and restricted and unrestricted stock awards to employees and consultants of the Company. In October 2022 and February 2023, the Board of Directors

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

amended shares authorized for issuance under the Plan. As of December 31, 2022 and June 30, 2023, shares authorized for issuance under the Plan were 5,336,068 and 44,347,282, respectively.

Stock options

Stock option activity for the six months ended June 30, 2023 was as follows:

	Number of options	Weighted-average exercise price	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Outstanding at December 31, 2022	2,278,100	$ 0.08	9.65	$ —
Granted	26,934,673	$ 0.37		
Exercised	(23,015)	$ 0.08		
Cancelled and forfeited	(49,544)	$ 0.11		
Outstanding at June 30, 2023	29,140,214	$ 0.35	9.76	$ 641
Vested and expected to vest, June 30, 2023	29,140,214	$ 0.35	9.76	$ 641
Exercisable at June 30, 2023	725,840	$ 0.11	9.21	$ 190

Aggregate intrinsic value in the above table is calculated as the difference between the exercise price of the options and the Company's estimated fair value of its common stock as of June 30, 2023.

The aggregate intrinsic value of options exercised during the six months ended June 30, 2023 was $7,000. No options were exercised during the six months ended June 30, 2022. The estimated weighted-average grant-date fair value of options granted during the six months ended June 30, 2022 and 2023 was $0.06 and $0.27 per share, respectively. As of June 30, 2023, there was $6.9 million of unrecognized stock-based compensation related to stock options, which is expected to be recognized over a weighted-average period of 2.7 years.

Restricted stock awards

The Company has issued restricted stock awards to certain employees, directors and consultants in exchange for cash consideration equal to the fair value of common stock on the grant date. The restricted stock awards are subject to the repurchase right upon termination of services at a repurchase price lower of (i) the fair market value on the date of repurchase or (ii) their original purchase price no later than six months after such termination. Shares purchased by employees pursuant to restricted stock awards are not deemed, for accounting purposes, to be issued until those shares vest according to their respective vesting schedules. Proceeds received from issuance of restricted stock awards are recorded as a share repurchase liability within accrued expenses and other current liabilities on the balance sheet and reclassified to additional paid-in capital as such awards vest.

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

The following table summarizes the Company's restricted stock activity;

	Number of awards		Weighted-average grant date fair value
Unvested as of December 31, 2022	7,177,724	$	0.07
Issued	25,434		0.29
Repurchased	(127,334)		0.05
Vested	(2,021,259)		0.07
Unvested as of June 30, 2023	5,054,565	$	0.07

The purchase price of the restricted stock awards is the fair value of common stock as determined by the Board of Directors at the issuance date. The shares generally vest monthly over four years from the grant date.

The Company recorded $0.2 million and $0.1 million as a share repurchase liability for restricted stock awards in accrued expenses and other current liabilities on the balance sheets as of December 31, 2022 and June 30, 2023, respectively.

As of June 30, 2023, unrecognized stock-based compensation expense related to outstanding unvested restricted stock awards was $0.1 million, which is expected to be recognized over a weighted-average period of 2.6 years.

Stock-based compensation expense

Total stock-based compensation expense recorded in the statements of operations and comprehensive loss was as follows:

	Six months ended June 30,	
(in thousands)	**2022**	**2023**
General and administrative	$ 200	$ 427
Research and development	41	196
Total stock-based compensation expense	$ 241	$ 623

The estimated grant-date fair value of awards granted during the six months ended June 30, 2022 and 2023 was calculated based on the following assumptions:

	Six months ended June 30,	
	2022	**2023**
Expected term (in years)	3.6 – 6.1	5.7 – 6.3
Expected volatility	84.6% – 88.7%	85.5% – 86.8%
Expected dividend	—	—
Risk-free interest rate	0.6% – 3.2%	3.6%

10. License and research and development agreements

Stanford license agreement

In August 2022, the Company entered into a license agreement with the Board of Trustees of the Leland Stanford Junior University ("Stanford University") relating to the Company's platform technologies relating to

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

CAR T-cell therapies (the “Stanford License Agreement”). Pursuant to the Stanford License Agreement, Stanford University granted the Company a worldwide, exclusive license under certain patent rights, and a worldwide non-exclusive license under certain technology, in each case, owned or controlled by Stanford University, to make, use and sell products, methods or services in the field of human therapeutic and diagnostic products.

As consideration for the licenses granted under the Stanford License Agreement, the Company made an upfront payment of $50,000 and issued 917,376 shares of its common stock with a fair value of $0.1 million, of which 302,820 shares were issued to Stanford University, 367,717 shares were issued to two non-profit organizations that supported the research, and 246,839 shares were issued to various Stanford University inventors. The Company determined that the purchase of the licenses under the Stanford License Agreement represented an asset acquisition as it did not meet the definition of a business. As the acquired licenses represented in-process research and development (“IPR&D”) assets with no alternative future use, the Company recorded the upfront consideration of $0.2 million as research and development expense in August 2022, upon entering into the Stanford License Agreement.

In addition to annual license maintenance fees of up to $0.1 million per year, the Company may be required to pay up to $7.5 million for sales milestone payments, up to $4.0 million in development milestone payments for each product covered by licensed patent rights that achieves specific clinical trials or regulatory approvals, up to $0.6 million in milestone payments upon achievement of commercial milestone events and double-digit percentage milestone payments on non-patented products, and, subject to certain royalty reductions, low single-digit percentage royalties on net sales of products. Subject to the terms of the Stanford License Agreement, the Company also agreed to pay Stanford University a certain percentage of non-royalty sublicense-related revenue that the Company receives from third-party sublicenses.

Crystal Mackall and Robbie Majzner, who were the Company’s principal owners and directors when the Company entered into the Stanford License Agreement, are employees and faculty members leading CAR T-cell therapy research programs at Stanford University.

Oxford license and supply agreement

In June 2022, the Company entered into a License and Supply Agreement (the “Oxford Agreement”), with Oxford Biomedica (UK) Limited (“Oxford”) for the manufacture and supply of lentiviral vectors for clinical and potentially commercial purposes by the Company. Pursuant to the Oxford Agreement, Oxford granted to the Company a non-exclusive worldwide, sub-licensable, royalty-bearing license under certain intellectual property rights for the purposes of research, development and commercialization of products transduced with the vectors manufactured by Oxford or by the Company following a technology transfer by Oxford, which products are directed against certain initial targets, and upon payment of certain fees, additional targets as agreed by Oxford and the Company.

As consideration for the license granted under the Oxford Agreement, the Company paid an upfront license fee of $0.2 million. The Company determined that the purchase of the license under the Oxford Agreement represented an asset acquisition as it did not meet the definition of a business. As the acquired license represented IPR&D assets with no alternative future use, the Company recorded the upfront payment of $0.2 million as research and development expense in June 2022, upon entering into the Oxford Agreement. No research and development expense related to the license was recognized during the six months ended June 30, 2023.

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

The Company may be required to pay up to an aggregate of $9.3 million for each target if certain development, regulatory and commercial milestones are achieved by licensed products directed to such target. Additionally, the Company is obligated to pay an earned royalty on net sales of products manufactured with the Oxford vector at a low single-digit percentage.

Unless terminated earlier, the Oxford Agreement will expire when no further payments are due to Oxford. The Company can terminate the agreement at will upon advance written notice and may be subject to certain manufacturing slot cancellation fees.

National Cancer Institute

In March 2022, the Company entered into an exclusive license agreement (the “2022 NCI License Agreement”) with the U.S. Department of Health and Human Services, as represented by The National Cancer Institute (the “NCI”), pursuant to which the Company obtained a worldwide, royalty-bearing, exclusive license under certain patent rights to make, use, sell, offer for sale, and import certain autologous products covered by such licensed patents in the field of CAR-T immunotherapies for the treatment of B-cell malignancies that express CD22, and a non-sublicenseable exclusive license to make, use, and import, but not sell, certain allogenic products and to practice processes in the field of certain CAR-T immunotherapies for the treatment of B-cell malignancies that express CD22 for evaluation purposes, with an exclusive option to negotiate a non-exclusive or exclusive commercialization license.

As consideration for the licenses granted under the 2022 NCI License Agreement, the Company is required to pay NCI a non-refundable license fee of $0.6 million, of which $0.2 million was paid in 2022, and the remaining balance of $0.4 million is payable in three equal annual installments beginning on the first anniversary of the effective date of the agreement. The Company accrued the non-refundable upfront fees of $0.4 million upon entering into the 2022 NCI License Agreement of which $0.3 million and $0.1 million are classified as other non-current liabilities on the balance sheet as of December 31, 2022 and as of June 30, 2023, respectively. The Company determined that the purchase of the license under the 2022 NCI License Agreement represented an asset acquisition as it did not meet the definition of a business. As the acquired license represented IPR&D assets with no alternative future use, the Company recorded the initial consideration of $0.6 million under the 2022 NCI License Agreement as research and development expense in March 2022, upon entering into the 2022 NCI License Agreement. During the six months ended June 30, 2023, the Company recorded research and development expense of $0.1 million related to the minimum annual royalty and the achievement of the first clinical milestone.

The Company agreed to pay up to $0.2 million in regulatory milestone payments upon achieving specific regulatory filings, up to $1.8 million in development milestone payments upon achieving specific clinical trials or registration trials, and up to $16.0 million in sales milestones upon achievement of specific commercial milestone events for up to three distinct licensed products, and an earned royalty on net sales of autologous cell therapy products covered by the licensed patent rights at a low single-digit percentage, depending on the amount of annual net sales and subject to the terms of the 2022 NCI License Agreement. The Company is also required to make minimum annual royalty payments of $50,000 per year, which will be creditable against royalties due for sales in that year. In addition, the Company is obligated to pay the NCI a low double-digit percentage of non-royalty revenue received by the Company from its right to sublicense. Additionally, in the event the Company is granted a priority review voucher (“PRV”), the Company would be obligated to pay NCI a minimum of $5.0 million upon the sale, transfer or lease of the PRV or $0.5 million upon submission of the PRV

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

for use by the U.S. Food and Drug Administration (“FDA”). The Company is also obligated to pay NCI low single-digit to a low double-digit percentage of the fair market value of the consideration the Company receives for any assignment of the 2022 NCI License Agreement to a non-affiliate (upon NCI’s prior written consent) or an allocated portion of the fair value of consideration received in connection with a change in control.

NCI may terminate or modify the 2022 NCI License Agreement in the event of an uncured material breach, including, but not limited to, if the Company does not meet certain milestones by certain dates, or upon certain insolvency events that remain uncured following the date that is 90 days following written notice of such breach or insolvency event. The Company may terminate the license, or any portion thereof, at its sole discretion at any time upon 60 days written notice to NCI.

In February 2023, the Company entered into an exclusive license agreement (the “2023 NCI License Agreement”) with NCI, pursuant to which the Company obtained a worldwide, royalty-bearing, exclusive license under certain patent rights owned by NCI to make, use, sell and import products and to practice processes in the field of certain CAR-T immunotherapies for the treatment of B-cell malignancies, wherein the T cells are engineered to express CD22 in combination with both: receptors targeting CD19, CD20, and/or CD79b; and using STASH platform and/or a technology to activate CD2 signaling in the CAR T cell.

As consideration for the licenses granted under the 2023 NCI License Agreement, the Company must pay NCI a non-refundable license fee of $0.3 million in three installments whereby the first installment is payable within 60 days of the execution of the agreement and the remaining two payments due on the first and second anniversaries of the effective date of the agreement. Additionally, the Company must reimburse NCI for $0.1 million in expenses incurred by NCI prior to January 1, 2022 related to the preparation, filing, prosecution, and maintenance of all patent applications and patents included in the license under the 2023 NCI Agreement. The Company determined that the purchase of the license under the 2023 NCI License Agreement represented an asset acquisition as it did not meet the definition of a business. As the acquired license represented IPR&D assets with no alternative future use, the Company recorded the initial consideration of $0.4 million under the 2023 NCI Agreement, consisting of the non-refundable upfront fees and patent expense reimbursement, as research and development expense in February 2023, upon entering the 2023 NCI License Agreement. The Company accrued these amounts upon entering into the 2023 NCI License Agreement of which $0.1 million is classified as other non-current liabilities on the balance sheet as of June 30, 2023.

The Company agreed to pay up to $0.1 million in regulatory milestone payments upon achieving specific regulatory filings, up to $1.7 million in development milestone payments upon achieving specific clinical trials or registration trials, and up to $16.0 million in sales milestones upon achievement of specific commercial milestone events. Subject to the terms of the 2023 NCI License Agreement, the Company also agreed to pay a low single-digit percentage on earned royalties on net sales of products covered by the licensed patent rights. The Company also agreed to make minimum annual royalty payments of $50,000 per year, which will be creditable against royalties due for sales in that year. In addition, the Company is obligated to pay the NCI a percentage of non-royalty revenue received by the Company from its right to sublicense at defined percentages. Additionally, if the Company is granted a PRV, the Company would be obligated to pay NCI a minimum of $5.0 million upon the sale, transfer or lease of the PRV or $0.5 million upon submission of the PRV for use by the FDA. The Company is also obligated to pay NCI a low single-digit to a low double-digit percentage of the fair market value of the consideration the Company receives for any assignment of the 2023 NCI License Agreement to a non-affiliate (upon NCI’s prior written consent) or an allocated portion of the fair value of consideration received in connection with a change in control.

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

Unless earlier terminated, the 2023 NCI License Agreement will expire upon the expiration of the last to expire licensed patent right. NCI may terminate or modify the 2023 NCI License Agreement in the event of an uncured material breach, including, but not limited to, if the Company does not meet certain milestones by certain dates, or upon certain insolvency events that remain uncured following the date that is 90 days following written notice of such breach or insolvency event. The Company may terminate the license, or any portion thereof, at its sole discretion at any time upon 60 days written notice to NCI.

11. Related parties

The 2022 Convertible Notes (see Note 6) were issued in part to a related party, a significant investor, for an aggregate principal amount of $16.0 million. As of December 31, 2022, $16.4 million in principal and accrued interest was outstanding to the related party. In February 2023, $18.7 million in principal and accrued interest outstanding to the related party was settled through conversion into 24,879,514 shares of Series A-2 redeemable convertible preferred stock (see Note 7).

Apart from the transactions and balances detailed in Note 6, Note 7 and Note 11, the Company has no other significant or material related party transactions during the six months ended June 30, 2022 and 2023.

12. Net loss per share

A reconciliation of net loss attributable to common stockholders and the number of shares in the calculation of basic and diluted loss per share was as follows:

(in thousands, except share and per share amounts)	Six months ended June 30, 2022	2023
Numerator:		
Net loss attributable to common stockholders	$ (14,917)	$ (30,599)
Denominator:		
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	4,048,112	8,613,993
Net loss per share attributable to common stockholders, basic and diluted	$ (3.68)	$ (3.55)

The following potentially dilutive shares were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented, because including them would have been anti-dilutive (on an as-converted basis):

	June 30, 2022	June 30, 2023
Redeemable convertible preferred stock, as converted	—	123,656,258
Convertible preferred stock, as converted	11,000,000	—
2022 Convertible Notes, as converted	16,170,950	—
Outstanding stock options	1,021,576	29,140,214
Restricted stock awards subject to repurchase	7,520,835	5,054,565
Total	35,713,361	157,851,037

Cargo Therapeutics, Inc.
Notes to unaudited condensed financial statements

13. Subsequent events

Management has reviewed and evaluated material subsequent events from the balance sheet date of June 30, 2023 through September 1, 2023, the day the financial statements were available for issuance.

Series A redeemable convertible preferred stock financing

In July 2023, the Company achieved the milestone under the Series A-1 Tranche 2 and issued and sold 45,888,000 shares of its Series A-1 redeemable convertible preferred stock for gross net proceeds of approximately $45.9 million.

Grant of stock options

In August 2023, the Company granted options for 14,638,444 shares of the Company's common stock to its employees, with an exercise price of $0.70 per share.

Amendment to the Plan

In July 2023, the Company amended the Plan to increase shares reserved and available for issuance under the Plan from 44,347,282 to 49,103,103 shares.

Table of Contents

shares

Common stock

Prospectus

J.P. Morgan	**Jefferies**	**TD Cowen**	**Truist Securities**

, 2023

Part II
Information not required in prospectus

Item 13. Other expenses of issuance and distribution.

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of the common stock being registered. All amounts are estimates except for the Securities and Exchange Commission (SEC) registration fee, the Financial Industry Regulatory Authority (FINRA) filing fee and the Nasdaq Global Market (Nasdaq) listing fee.

	Amount paid or to be paid
SEC registration fee	$ *
FINRA filing fee	*
Nasdaq listing fee	*
Transfer agent's fees and expenses	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue Sky fees and expenses	*
Miscellaneous	*
Total	$ *

* To be completed by amendment.

Item 14. Indemnification of directors and officers.

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending, or completed actions, suits, or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee, or agent to the registrant. The Delaware General Corporation Law provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. Article 9 of the registrant's amended and restated certificate of incorporation provides for indemnification by the registrant of its directors, officers and employees to the fullest extent permitted by the Delaware General Corporation Law. The registrant has entered into indemnification agreements with each of its current directors, executive officers and certain other officers to provide these directors and officers additional contractual assurances regarding the scope of the indemnification set forth in the registrant's amended and restated certificate of incorporation and amended and restated bylaws and to provide additional procedural protections. There is no pending litigation or proceeding involving a director or executive officer of the registrant for which indemnification is sought.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of

dividends or unlawful stock repurchases, redemptions, or other distributions, or (iv) for any transaction from which the director derived an improper personal benefit. The registrant's amended and restated certificate of incorporation provides for such limitation of liability.

The registrant maintains standard policies of insurance under which coverage is provided (i) to its directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act and (ii) to the registrant with respect to payments that may be made by the registrant to such officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

The proposed form of underwriting agreement to be filed as Exhibit 1.1 to this registration statement provide for indemnification of directors and officers of the registrant by the underwriters against certain liabilities.

Item 15. Recent sales of unregistered securities.

Since January 1, 2020, the registrant has sold the following securities without registration under the Securities Act of 1933:

Common stock issuances

From January 1, 2020 through the date of this registration statement, we issued and sold an aggregate of 14,757,814 shares of our common stock, par value $0.001 per share, for aggregate proceeds of approximately $248,422.

Preferred stock issuances

In February 2021, we issued and sold an aggregate of 5,500,000 shares of our series seed convertible preferred stock, par value $0.001 per share (the Series Seed Preferred Stock), to (i) Samsara BioCapital, L.P. (Samsara), (ii) Red Tree Venture Fund, L.P. (Red Tree) and (iii) Emerson Collective Investments, LLC (Emerson and together with Samara and Red Tree, the Series Seed Investors) at a purchase price of $1.00 per share, for an aggregate price of approximately $5,500,000.00.

In January 2022, we issued and sold an aggregate of 5,500,000 shares of our Series Seed Preferred Stock to the Series Seed Investors at a purchase price of $1.00 per share, for an aggregate price of approximately $5,500,000.00.

In February 2023, we issued and sold an aggregate of 68,832,003 shares of our series A-1 convertible preferred stock, par value $0.001 per share (the Series A-1 Preferred Stock), to the purchasers listed on Exhibit A of the Series A Preferred Stock Purchase Agreement (the Series A Investors) at a purchase price of $1.00 per share, for an aggregate price of approximately $68,832,003.00 (collectively, the Series A-1 Financing).

In February 2023, we issued and sold an aggregate of 43,824,255 shares of our series A-2 convertible preferred stock, par value $0.001 per share (the Series A-2 Preferred Stock), through the conversion of approximately $32,868,192 aggregate principal amount of Convertible Notes outstanding at a conversion rate equal to the quotient obtained by dividing the (i) outstanding principal and unpaid accrued interest on the Convertible Notes converted, or portion thereof, on the date of conversion ($32,868,191.77), by (ii) the product of (A) seventy-five percent (75%) and (B) the lowest price paid per share of equity securities of the Company by investors in the Series A-1 Financing ($0.75), for a total of 43,824,255 shares of Series A-2 Preferred Stock to the Series Seed Investors at a purchase price of $0.75 per share, for an aggregate purchase price of approximately $32,868,192.

In July 2023, we issued and sold an aggregate of 45,888,000 shares of our Series A-1 Preferred Stock to the Series A Investors at a purchase price of $1.00 per share, for an aggregate price of approximately $45,888,000.00 (the Second Tranche Closing).

Equity Awards

From January 1, 2020 through the date of this registration statement, we granted to our team members, officers and directors options to purchase an aggregate of 43,621,216 shares of common stock at per share exercise prices ranging from $0.08 to $0.70 under the 2021 Plan. From January 1, 2020 through the date of this registration statement, we issued an aggregate of 75,094 shares of common stock at per share purchase prices ranging from $0.08 to $0.37 pursuant to the exercise of options by our team members, officers and directors.

The offers, sales and issuances of the securities described in Item 15(a) through 15(f) were exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder as transactions by an issuer not involving any public offering. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about our company.

The offers, sales and issuances of the securities described in Item 15(f) were exempt from registration under the Securities Act under either Rule 701, in that the transaction were under compensatory benefit plans and contracts relating to compensation, or under Section 4(a)(2) of the Securities Act in that the transactions were between an issuer and members of its senior executive management and did not involve any public offering within the meaning of Section 4(a)(2). The recipients of such securities were our employees, directors or consultants. Appropriate legends were affixed to the securities issued in these transactions.

Item 16. Exhibits and financial statement schedules.

(a) **Exhibits.** See the Exhibit Index attached to this registration statement, which Exhibit Index is incorporated herein by reference.

(b) **Financial Statement Schedules.** Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

(a) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(b) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Exhibit index

Exhibit number	Exhibit description
1.1*	Form of Underwriting Agreement
3.1	Second Amended and Restated Certificate of Incorporation, as currently in effect
3.2*	Form of Amended and Restated Certificate of Incorporation, to be in effect immediately prior to the completion of this offering
3.3	Bylaws, currently in effect
3.4*	Form of Amended and Restated Bylaws, to be in effect immediately prior to the completion of this offering
4.1*	Reference is made to Exhibits 3.1 through 3.4
4.2*	Form of Common Stock Certificate
4.3	Investors' Rights Agreement, dated, February 9, 2023, by and among the Registrant and the investors listed therein
5.1*	Opinion of Latham & Watkins LLP
10.1(a)*†	Exclusive License Agreement effective August 1, 2022, by and between the Registrant and the Board of Trustees of the Leland Stanford Junior University
10.1(b)*†	Amendment No. 1 to Exclusive License Agreement effective August 1, 2022, by and between the Registrant and the Board of Trustees of the Leland Stanford Junior University
10.2*†	License and Supply Agreement, dated June 24, 2022, by and between the Registrant and Oxford Biomedica (UK) Limited
10.3*†	Patent License Agreement, dated March 16, 2022, by and between the Registrant and the National Institutes of Health
10.4*†	Patent License Agreement, dated February 24, 2023, by and between the Registrant and the National Institutes of Health
10.5(a)#	CARGO Therapeutics, Inc. 2021 Stock Option and Grant Plan and forms of option agreements thereunder
10.5(b)#	Amendment No. 5 to CARGO Therapeutics, Inc. 2021 Stock Option and Grant Plan
10.5(c)#	Form Agreements under the CARGO Therapeutics, Inc. 2021 Stock Option and Grant Plan
10.6(a)*#	2023 Incentive Award Plan
10.6(b)*#	Form of Stock Option Grant Notice and Stock Option Agreement under the 2023 Incentive Award Plan
10.6(c)*#	Form of Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement under the 2023 Incentive Award Plan
10.7*#	Employee Stock Purchase Plan
10.8*#	Employment Agreement by and between the Registrant and Gina Chapman
10.9*#	Employment Agreement by and between the Registrant and Anup Radhakrishnan
10.10*#	Employment Agreement by and between the Registrant and Shishir Gadam
10.11*#	Non-Employee Director Compensation Program

Exhibit number	Exhibit description
10.12*	Form of Indemnification and Advancement Agreement for directors and officers
10.13(a)	Sublease Agreement, dated November 4, 2021, by and between BigHat Biosciences, Inc. and the Registrant (f/k/a Syncopation Life Sciences, Inc.)
10.13(b)	First Amendment to Sublease Agreement, dated August 17, 2022, by and between BigHat Biosciences, Inc. and the Registrant (f/k/a Syncopation Life Sciences, Inc.)
21.1*	List of Subsidiaries
23.1*	Consent of Independent Registered Public Accounting Firm
23.2*	Consent of Latham & Watkins LLP (included in Exhibit 5.1)
24.1*	Power of Attorney (reference is made to the signature page to the Registration Statement)
107*	Filing Fee Table

* To be filed by amendment.
# Indicates management contract or compensatory plan.
† Certain portions of this document that constitute confidential information have been redacted in accordance with Regulation S-K, Item 601(b)(10).

Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Mateo, State of California, on the day of , 2023.

CARGO Therapeutics, Inc.

By: _____
Name: Gina Chapman
Title: Chief Executive Officer

Signatures and power of attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Gina Chapman and Anup Radhakrishnan and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any and all additional registration statements pursuant to Rule 462(b) of the Securities Act of 1933, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agents full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
Gina Chapman	Chief Executive Officer and Director (principal executive officer)	, 2023
Anup Radhakrishnan	Chief Financial Officer (principal financial officer and principal accounting officer)	, 2023
Abraham Bassan	Director	, 2023
Gianna Hoffman-Luca	Director	, 2023
Reid Huber	Director	, 2023
David Lubner	Director	, 2023
Heath Lukatch	Director	, 2023

Signature	Title	Date
Crystal Mackall	Director	, 2023
John Orwin	Director and Chairperson	, 2023
Krishnan Viswanadhan	Director	, 2023

SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF CARGO THERAPEUTICS, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Cargo Therapeutics, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is Cargo Therapeutics, Inc. and that this corporation was originally incorporated pursuant to the General Corporation Law, by the filing of a Certificate of Incorporation with the Delaware Secretary of State on December 18, 2019 (the "**Original Certificate**"). The Original Certificate was amended by the filing of a Certificate of Amendment with the Delaware Secretary of State on October 15, 2020 and amended and restated by the filing of an Amended and Restated Certificate of Incorporation with the Delaware Secretary of State on February 18, 2021 (the "**Amended Certificate**"). The Amended Certificate was amended by the filing of Certificates of Amendment with the Delaware Secretary of State on April 25, 2022 and on September 15, 2022 (the "**Certificates of Amendment**"; as amended, the "**Amended and Restated Certificate of Incorporation**").

2. That the Board of Directors duly adopted resolutions proposing to amend and restate the Amended and Restated Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Amended and Restated Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is CARGO Therapeutics, Inc. (the "**Corporation**").

SECOND: The address of the registered office of the Corporation in the State of Delaware is County of Kent at 838 Walker Road, Suite 21-2, Dover, Delaware 19904. The name of its registered agent at such address is Registered Agent Solutions, Inc.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 320,000,000 shares of Common Stock, $0.001 par value per share ("**Common Stock**") and (ii) 255,584,255 shares of Preferred Stock, $0.001 par value per share ("**Preferred Stock**").

The following is a statement of the designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. **General**. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. **Voting**. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings); provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Second Amended and Restated Certificate of Incorporation (this "**Restated Certificate**") that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Restated Certificate or pursuant to the General Corporation Law. There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of this Restated Certificate) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

B. PREFERRED STOCK

11,000,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series Seed Preferred Stock**", 200,760,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series A-1 Preferred Stock**", and 43,824,255 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series A-2 Preferred Stock**", each with the following rights, preferences, powers and restrictions, qualifications and limitations. Unless otherwise indicated, references to "sections" or "Sections" in this Part B of this Article Fourth refer to sections and Sections of Part B of this Article Fourth. References to "**Preferred Stock**" mean the Series Seed Preferred Stock, Series A-1 Preferred Stock, and Series A-2 Preferred Stock.

1. **Dividends**. The holders of then outstanding shares of Preferred Stock shall be entitled to receive, only when, as and if declared by the Board of Directors, out of any funds and assets legally available therefor, dividends at the rate of 8% of the applicable Original Issue Price for each share of Preferred Stock, prior and in preference to any declaration or payment of any other dividend (other than dividends on shares of Common Stock payable in shares of Common Stock). The right to receive dividends on shares of Preferred Stock pursuant to the preceding

sentence of this Section 1 shall not be cumulative, and no right to dividends shall accrue to holders of Preferred Stock by reason of the fact that dividends on said shares are not declared. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in this Restated Certificate) the holders of the Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Preferred Stock in an amount at least equal to (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Preferred Stock as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Preferred Stock determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the applicable Original Issue Price (as defined below); provided that if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one (1) class or series of capital stock of the Corporation, the dividend payable to the holders of Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Preferred Stock dividend. The "**Original Issue Price**" shall mean $1.00 per share for the Series Seed Preferred Stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series Seed Preferred Stock, $1.00 per share for the Series A-1 Preferred Stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A-1 Preferred Stock, and $0.75 per share for the Series A-2 Preferred Stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A-2 Preferred Stock.

2. **Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales**.

2.1 **Preferential Payments to Holders of Preferred Stock**. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders, and in the event of a Deemed Liquidation Event (as defined below), the holders of shares of Preferred Stock then outstanding shall be entitled to be paid out of the consideration payable to stockholders in such Deemed Liquidation Event or out of the Available Proceeds (as defined below), on a *pari passu basis*, as applicable, before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the applicable Original Issue Price, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of the applicable series of Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution,

winding up or Deemed Liquidation Event (the amount payable pursuant to this sentence is hereinafter referred to as the "**Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Preferred Stock the full amount to which they shall be entitled under this Section 2.1, the holders of shares of Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 **Payments to Holders of Common Stock**. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of all Liquidation Amounts required to be paid to the holders of shares of Preferred Stock, the remaining assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, the consideration not payable to the holders of shares of Preferred Stock pursuant to Section 2.1 or the remaining Available Proceeds, as the case may be, shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares held by each such holder.

2.3 **Deemed Liquidation Events**.

2.3.1 **Definition**. Each of the following events shall be considered a "**Deemed Liquidation Event**" unless the holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of Preferred Stock voting together as a single class on an as-converted to Common Stock basis (the "**Requisite Holders**") elect otherwise by written notice sent to the Corporation at least ten days prior to the effective date of any such event:

(a) a merger or consolidation in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation;

(b) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets, intellectual property or shares of capital stock of the Corporation and its subsidiaries taken as a whole; or (2) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets, intellectual property or shares of capital stock of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation;

(c) The closing of the transfer in one transaction or a series of related transactions, to a group of affiliated persons (other than an underwriter of the Corporation's securities), of the Corporation's securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting stock of the Corporation (or the surviving entity); or

(d) The consummation of a transaction or series of related transactions by merger, consolidation, share exchange or otherwise of the Corporation with a publicly-traded "special purpose acquisition company" or its subsidiary (collectively, a "**SPAC**"), immediately following the consummation of which (i) the common stock or share capital of the SPAC or its successor entity is listed on the Nasdaq Stock Market, the New York Stock Exchange or another exchange or marketplace approved by the Board of Directors, (ii) the stockholders of the Corporation as of immediately prior to the consummation of such transaction or series of related transactions hold shares of capital stock of the SPAC or its successor entity representing less than a majority, by voting power, of the capital stock of such SPAC or successor entity and (iii) immediately prior to the consummation of such transaction or series of related transactions, the pre-money valuation of the Corporation is less than $400,000,000.

2.3.2 **Effecting a Deemed Liquidation Event**.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Section 2.3.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the "**Merger Agreement**") provides that the consideration payable to the stockholders of the Corporation in such Deemed Liquidation Event shall be allocated to the holders of capital stock of the Corporation in accordance with Sections 2.1 and 2.2.

(b) In the event of a Deemed Liquidation Event referred to in Section 2.3.1(a)(ii) or 2.3.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within 90 days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the 90th day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Preferred Stock, and (ii) if the Requisite Holders so request in a written instrument delivered to the Corporation not later than 120 days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or

technology licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "**Available Proceeds**"), on the 150th day after such Deemed Liquidation Event, to redeem all outstanding shares of Preferred Stock at a price per share equal to the applicable amount per share that the holders of each series of Preferred Stock are entitled to receive under Sections 2.1 and 2.2. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Corporation shall redeem a pro rata portion of each holder's shares of Preferred Stock to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares as soon as it may lawfully do so under Delaware law governing distributions to stockholders. The provisions of Section 2.1 and Section 2.3.2(c) through Section 2.3.2(e) shall apply to the redemption of the Preferred Stock pursuant to this Section 2.3.2(b). Prior to the distribution or redemption provided for in this Section 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except (i) as contemplated by such Deemed Liquidation Event or to discharge expenses incurred in connection with such Deemed Liquidation Event; (ii) in the ordinary course of business; or (iii) as approved by the Board of Directors of the Corporation, including at least one Series A Director.

(c) The Corporation shall send written notice of the redemption pursuant to Section 2.3.2(b) (the "**Redemption Notice**") to each holder of record of Preferred Stock not less than 90 days after the Deemed Liquidation Event. Each Redemption Notice shall state:

(i) the number of shares of each series of Preferred Stock held by the holder that the Corporation shall redeem;

(ii) the date of redemption (the "**Redemption Date**") and price per share of Preferred Stock to be redeemed (the "**Redemption Price**");

(iii) the date upon which the holder's right to convert such shares terminates (as determined in accordance with Section 4.1); and

(iv) that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Preferred Stock to be redeemed.

(d) On or before the applicable Redemption Date, each holder of shares of Preferred Stock to be redeemed on such Redemption Date, unless such holder has exercised his, her or its right to convert such shares as provided in Section 4, shall surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably

acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Preferred Stock represented by a certificate are redeemed, a new certificate representing the unredeemed shares of Preferred Stock shall promptly be issued to such holder.

(e) If the Redemption Notice shall have been duly given, and if on the applicable Redemption Date the Redemption Price payable upon redemption of the shares of Preferred Stock to be redeemed on such Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that the certificates evidencing any of the shares of Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of Preferred Stock shall cease to accrue after such Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of their certificate or certificates therefor. Any shares of Preferred Stock which are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately canceled and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption.

2.3.3 **Amount Deemed Paid or Distributed**. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities to be paid or distributed to such holders pursuant to such Deemed Liquidation Event. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation, including at least one Series A Director.

2.3.4 **Allocation of Escrow and Contingent Consideration**. In the event of a Deemed Liquidation Event pursuant to Section 2.3.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the "**Additional Consideration**"), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Sections 2.1 and 2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Sections 2.1 and 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 2.3.4, consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification, the achievement of milestones or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration. For the avoidance of doubt, the amounts allocated among the holders of capital stock of the Corporation in accordance with Sections 2.1 and 2.2 shall not be decreased (i) irrespective of whether any Additional Consideration is forfeited or (ii) irrespective of whether any Additional Consideration is paid to holders of Common Stock.

3. **Voting**.

3.1 **General**. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of a meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of this Restated Certificate, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class and on an as-converted to Common Stock basis.

3.2 **Election of Directors**. The holders of record of the shares of Series A-1 Preferred Stock, exclusively and as a separate class, shall be entitled to elect two directors of the Corporation (the "**Series A Directors**"), the holders of record of the shares of Series Seed Preferred Stock, exclusively and as a separate class, shall be entitled to elect (i) prior to the completion of the Third Tranche Closing (as defined in the Series A Preferred Stock Purchase Agreement entered into by the Corporation on or about the Series A Original Issue Date (the "**Purchase Agreement**")), two directors of the Corporation and (ii) on or after the completion of the Third Tranche Closing, one director of the Corporation (the "**Series Seed Directors**," and collectively with the Series A Directors, the "**Preferred Directors**"), and the holders of record of the shares of Common Stock, exclusively and as a separate class, shall be entitled to elect one director of the Corporation; provided, however, that any initial director or directors that any class or classes or series of Preferred Stock shall be entitled to elect in accordance with the foregoing may also be appointed by the Board of Directors, acting by a majority of the sitting directors, regardless of whether any such sitting directors are elected by any particular class or classes or series of capital stock, without any action by the holders of such class or classes or series of Preferred Stock. Any director elected (or appointed) as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series A-1 Preferred Stock, Series Seed Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Section 3.2 (and to the extent any of such directorships is not otherwise filled by a director appointed by the Board of Directors in accordance with the first sentence of this Section 3.2), then any directorship not so filled shall remain vacant until such time as the holders of the Series A-1 Preferred Stock, Series Seed Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the

holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Section 3.2, a vacancy in any directorship elected by the holders of any class or classes or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or classes or series or by any remaining director or directors elected by the holders of such class or classes or series pursuant to this Section 3.2.

3.3 **Preferred Stock Protective Provisions**. At any time when at least 25,903,239 shares of Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Preferred Stock) are outstanding, the Corporation, or its subsidiaries, to the extent applicable, shall not, either directly or indirectly by amendment, merger, consolidation, recapitalization, reclassification or otherwise, do any of the following without (in addition to any other vote required by law or this Restated Certificate) the written consent or affirmative vote of the Requisite Holders, provided that at any time prior to the Third Tranche Closing (as defined in the Purchase Agreement), such approval must include the affirmative vote of the holders of a majority of the outstanding shares of Series A-1 Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.3.1 Liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger or consolidation or any other Deemed Liquidation Event, or consent to any of the foregoing;

3.3.2 amend, alter or repeal any provision of this Restated Certificate or the Bylaws of the Corporation;

3.3.3 (i) create, or authorize the creation of, or issue or obligate itself to issue shares of, any security or new class or series of capital stock convertible or exercisable for any capital stock of the Corporation, unless the same ranks junior to the Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption and any other rights, preferences and privileges or (ii) increase the authorized number of shares of Preferred Stock or any additional class or series of capital stock of the Corporation unless the same ranks junior to the Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption and any other rights, preferences and privileges;

3.3.4 (i) reclassify, alter or amend any existing security of the Corporation that is *pari passu* with the Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to the Preferred Stock in respect of any such power, preference, or special right, or (ii) reclassify, alter or amend any existing security of the Corporation that is junior to the Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to or pari passu with the Preferred Stock in respect of any such power, preference, or special right;

3.3.5 cause or permit any of its subsidiaries to, without approval of the Board of Directors, including the approval of a majority of the Preferred Directors then serving, which approval must include the affirmative vote of at least one of the Series A Directors (such approval, the "**Requisite Preferred Director Approval**"), sell, issue, sponsor, create or distribute any digital tokens, cryptocurrency or other blockchain-based assets (collectively, "**Tokens**"), including through a pre-sale, initial coin offering, token distribution event or crowdfunding, or through the issuance of any instrument convertible into or exchangeable for Tokens;

3.3.6 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock, (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lesser of the fair market value of such stock or the original purchase price thereof or (iv) as approved by the Requisite Preferred Director Approval;

3.3.7 create, adopt, amend, terminate or repeal any equity (or equity- linked) compensation plan;

3.3.8 create, or authorize the creation of, or issue, or authorize the issuance of any debt security or create any lien or security interest (except for equipment leases, bank lines of credit or trade payables incurred in the ordinary course of business) or incur other indebtedness for borrowed money, including but not limited to obligations and contingent obligations under guarantees, or permit any subsidiary to take any such action with respect to any debt security lien, security interest or other indebtedness for borrowed money, if the aggregate indebtedness of the Corporation and its subsidiaries for borrowed money following such action would exceed $250,000 unless such debt security has received the prior Requisite Preferred Director Approval;

3.3.9 create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or permit any subsidiary to create, or authorize the creation of, or issue or obligate itself to issue, any shares of any class or series of capital stock, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary;

3.3.10 increase or decrease the authorized number of directors constituting the Board of Directors, change the number of votes entitled to be cast by any director or directors under this Restated Certificate, or adopt any provision inconsistent with Article Sixth;

3.3.11 change the principal business of the Corporation, enter into new lines of business, or exit a line of business;

3.3.12 sell, transfer, lease, assign, license or dispose of all or substantially all of the assets or intellectual property (whether by a single transaction or a series of related transactions) of the Corporation; or

3.3.13 purchase or acquire any entity.

4. **Optional Conversion**. The holders of the Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

4.1 **Right to Convert**.

4.1.1 **Conversion Ratio**. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Original Issue Price by the Conversion Price (as defined below) in effect at the time of conversion. The "**Conversion Price**" shall initially be equal to $1.00 for the Series Seed Preferred Stock, $1.00 for the Series A-1 Preferred Stock, and $0.75 for the Series A-2 Preferred Stock. Such initial Conversion Price, and the rate at which shares of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 **Termination of Conversion Rights**. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Stock; provided that the foregoing termination of Conversion Rights shall not affect the amounts otherwise paid or payable in accordance with Section 2.1 to the holders of Preferred Stock pursuant to such liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event.

4.2 **Fractional Shares**. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the number of shares of Common Stock to be issued upon conversion of the Preferred Stock shall be rounded down to the nearest whole share.

4.3 **Mechanics of Conversion**.

4.3.1 **Notice of Conversion**. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Preferred Stock and, if applicable, any event on which such conversion is contingent and (b) if such holder's shares are certificated, surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its

own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, and (ii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 **Reservation of Shares**. The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Restated Certificate. Before taking any action that would cause an adjustment reducing the Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted Conversion Price.

4.3.3 **Effect of Conversion**. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of such series of Preferred Stock accordingly.

4.3.4 **No Further Adjustment**. Upon any such conversion, no adjustment to the Conversion Price shall be made for any declared but unpaid dividends on the Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 **Taxes**. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 **Adjustments to Preferred Stock Conversion Price for Diluting Issues**.

4.4.1 **Special Definitions**. For purposes of this Article Fourth, the following definitions shall apply:

(a) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock issued (or, pursuant to Section 4.4.3 below, deemed to be issued) by the Corporation after the Series A Original Issue Date (as defined below), other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, "**Exempted Securities**"):

(i) as to any particular series of Preferred Stock, shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on such series of Preferred Stock;

(ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Sections 4.5, 4.6, 4.7 and 4.8;

(iii) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Requisite Preferred Director Approval;

(iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors in a transaction approved by the Requisite Preferred Director Approval;

(vi) shares of Common Stock, Options or Convertible Securities issued to suppliers or third party service providers in connection with the provision of goods or services pursuant to transactions approved by the Requisite Preferred Director Approval;

(vii) shares of Common Stock, Options or Convertible Securities issued as acquisition consideration pursuant to the acquisition of another corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, provided that such issuances are approved by the Requisite Preferred Director Approval; or

(viii) shares of Common Stock, Options or Convertible Securities issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Requisite Preferred Director Approval.

(b) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(c) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(d) "**Series A Original Issue Date**" shall mean the date on which the first share of Series A-1 Preferred Stock was issued.

4.4.2 **No Adjustment of Preferred Stock Conversion Price**. No adjustment in the applicable Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least sixty-six and two-thirds percent (66 2/3%) of the applicable series of Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 **Deemed Issue of Additional Shares of Common Stock**.

(a) If the Corporation at any time or from time to time after the Series A Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Conversion Price pursuant to the terms of Section 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to antidilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Conversion Price pursuant to the terms of Section 4.4.4 (either because the consideration per share (determined pursuant to Section 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Conversion Price then in effect, or because such Option or Convertible Security was issued before the Series A Original Issue Date), are revised after the Series A Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto determined in the manner provided in Section 4.4.3(a) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Conversion Price pursuant to the terms of Section 4.4.4, the Conversion Price shall be readjusted to such Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Conversion Price provided for in this Section 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Section 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Conversion Price that would result under the terms of this Section 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 **Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock**. In the event the Corporation shall at any time after the Series A Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 4.4.3), without consideration or for a consideration per share less than the Conversion Price in effect immediately prior to such issuance or deemed issuance, then the Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1*(A + B)-(A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "**CP_2**" shall mean the Conversion Price in effect immediately after such issuance or deemed issuance of Additional Shares of Common Stock;

(b) "**CP_1**" shall mean the Conversion Price in effect immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock;

(c) "**A**" shall mean the number of shares of Common Stock outstanding immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issuance or deemed issuance or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue));

(d) "**B**" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued or deemed issued at a price per share equal to CP_1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP_1); and

(e) "**C**" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 **Determination of Consideration**. For purposes of this Section 4.4, the consideration received by the Corporation for the issuance or deemed issuance of any Additional Shares of Common Stock shall be computed as follows:

(a) **Cash and Property**. Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation.

(b) **Options and Convertible Securities**. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

(i) The total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 **Multiple Closing Dates**. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Conversion Price pursuant to the terms of Section 4.4.4, and each such subsequent issuance occurs within 180 days after the immediately preceding issuance, then, upon the final such issuance, the Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances).

4.5 **Adjustment for Stock Splits and Combinations**. If the Corporation shall at any time or from time to time after the Series A Original Issue Date effect a subdivision of the outstanding Common Stock, the Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Series A Original Issue Date combine the outstanding shares of Common Stock, the Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this Section 4.5 shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 **Adjustment for Certain Dividends and Distributions**. In the event the Corporation at any time or from time to time after the Series A Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price shall be adjusted pursuant to this Section 4.6 as of the time of actual payment of such dividends or distributions; and (b) no such adjustment shall be made if the holders of such series of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of such series of Preferred Stock had been converted into Common Stock on the date of such event.

4.7 **Adjustments for Other Dividends and Distributions**. In the event the Corporation at any time or from time to time after the Series A Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 **Adjustment for Merger or Reorganization, etc**. Subject to the provisions of Section 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Sections 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of such Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Preferred Stock. For the avoidance of doubt, nothing in this Section 4.8 shall be construed as preventing the holders of Preferred Stock from seeking any appraisal rights to which they are otherwise entitled under the General Corporation Law in connection with a merger triggering an adjustment hereunder, nor shall this Section 4.8 be deemed conclusive evidence of the fair value of the shares of Preferred Stock in any such appraisal proceeding.

4.9 **Certificate as to Adjustments**. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of such series of Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which such series of Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Stock (but in any event not later than ten days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of each such series of Preferred Stock.

4.10 **Notice of Record Date**. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten days prior to the record date or effective date for the event specified in such notice.

5. **Mandatory Conversion**.

5.1 **Trigger Events**. Upon either (a) the closing of the sale of shares of Common Stock in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $50,000,000 of gross proceeds to the Corporation and in which the pre-money valuation of the Corporation is at least $400,000,000 and in connection with such offering the Common Stock is listed for trading on the Nasdaq Stock Market's National Market or the New York Stock Exchange, (b) immediately prior to the consummation of a transaction or series of related transactions by merger, consolidation, share exchange or otherwise of the Corporation in which the pre-money valuation of the Corporation is at least $400,000,000, with a publicly-traded SPAC, immediately following the consummation of which the common stock or share capital of the SPAC or its successor entity is listed on the Nasdaq Stock Market, the New York Stock Exchange or another exchange or marketplace approved by the Board of Directors, or (c) the date and time, or the occurrence of an event, specified by vote or written consent of the Requisite Holders (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Conversion Time**"), then (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Section 4.1.1 and (ii) such shares may not be reissued by the Corporation.

5.2 **Procedural Requirements**. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Section 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Section 5.2. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof or issue and deliver to such holder, or to his, her or its nominees, a notice of issuance of uncertificated shares and may, upon written request, issue and deliver a certificate for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof; and (b) pay any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

5A. **Special Mandatory Conversion**.

5A.1. **Trigger Event**. In the event that any Purchaser (as defined in the Purchase Agreement) becomes a Defaulting Purchaser (as defined in the Purchase Agreement), then all shares of Series A-1 Preferred Stock then held by such Purchaser and any assignee or transferee of the shares of Series A-1 Preferred Stock of such Purchaser shall automatically, and without any further action on the part of such holder, be converted into shares of Common Stock at a ratio of one (1) share of Common Stock for every ten (10) shares of Series A-1 Preferred Stock (as adjusted for stock splits, combinations or the like), effective upon, subject to, and concurrently with, the consummation of the Second Tranche Closing and/or Third Tranche Closing (as defined in the Purchase Agreement) when such Purchaser becomes a Defaulting Purchaser, as applicable (such conversion, a "**Special Mandatory Conversion**").

5A.2. **Procedural Requirements**. Upon a Special Mandatory Conversion, each holder of shares of Series A-1 Preferred Stock converted pursuant to Section 5A1 shall be sent written notice of the Special Mandatory Conversion and the place designated for mandatory conversion of all such shares of Series A-1 Preferred Stock pursuant to this Section 5A. Upon receipt of such notice, each holder of such shares of Series A-1 Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that any such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series A-1 Preferred Stock converted pursuant to Section 5A1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the time of the Special Mandatory Conversion (notwithstanding the failure of the holder or holders thereof to surrender any certificates for such shares at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders therefor (or lost certificate affidavit and agreement), to receive the items provided for in the next sentence of this Section 5A2. As soon as practicable after the Special Mandatory Conversion and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Series A-1 Preferred Stock so converted, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a notice of issuance of uncertificated shares and may, upon written request, issue and deliver a certificate for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and (b) pay an amount equal to any declared but unpaid dividends on the shares of Series A-1 Preferred Stock converted. Such converted Series A-1 Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A-1 Preferred Stock accordingly.

6. **Redemption**. The shares of Preferred Stock shall not be redeemable by any holder thereof, except as may be otherwise provided herein.

7. **Redeemed or Otherwise Acquired Shares**. Any shares of Preferred Stock that are redeemed, converted or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption, conversion or acquisition.

8. **Waiver**. Except as otherwise set forth herein or required by law, (a) any of the rights, powers, preferences and other terms of the Preferred Stock set forth herein that apply generally and equally to all series of Preferred Stock may be waived on behalf of all holders of Preferred Stock by the affirmative written consent or vote of the Requisite Holders; and (b) at any time more than one series of Preferred Stock is issued and outstanding any of the rights, powers, preferences and other terms of any series of Preferred Stock set forth herein that do not apply generally and equally to all series of Preferred Stock may be waived on behalf of all holders of such series of Preferred Stock by the affirmative written consent or vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the then outstanding shares of such series of Preferred Stock.

9. **Notices**. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to any additional vote required by this Restated Certificate or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: Subject to any additional vote required by this Restated Certificate, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation. Each director shall be entitled to one vote on each matter presented to the Board of Directors; *provided, however*, that, the affirmative vote of a majority of the Preferred Directors, including at least one Series A Director shall be required for the authorization of the Board of Directors of any of the matters set forth in Section 5.4 of the Investors' Rights Agreement, dated on or about the Series A Original Issue Date, by and among the Corporation and the other parties thereto, as such agreement may be amended and/or restated from time to time.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or outside of the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept (subject to any provision of applicable law) outside of the State of Delaware at such place or places or in such manner or manners as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any amendment, repeal or elimination of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such amendment, repeal or elimination.

TENTH: To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law.

Any amendment, repeal, modification or elimination of the foregoing provisions of this Article Tenth shall not (a) adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal, modification or elimination; or (b) increase the liability of any director, officer or agent of the Corporation with respect to any acts or omissions of such director, officer or agent occurring prior to such amendment, repeal, modification or elimination.

ELEVENTH: The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest within the categories of biotechnology, pharmaceuticals, medicine and healthcare that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee, affiliate or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, the persons referred to in clauses (i) and (ii) are "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation while such Covered Person is performing services in such capacity. Any repeal or modification of this Article Eleventh will only be prospective and will not affect the rights under this Article Eleventh in effect at the time of the occurrence of any actions or omissions to act giving rise to liability. Notwithstanding anything to the contrary contained elsewhere in this Restated Certificate, the affirmative vote of the Requisite Holders will be required to amend or repeal, or to adopt any provisions inconsistent with, this Article Eleventh.

TWELFTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the General Corporation Law or the Corporation's certificate of incorporation or bylaws or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article Twelfth shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article Twelfth (including, without limitation, each portion of any sentence of this Article Twelfth containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

THIRTEENTH: For purposes of Section 500 of the California Corporations Code (to the extent applicable), in connection with any repurchase of shares of Common Stock permitted under this Restated Certificate from employees, officers, directors or consultants of the Corporation in connection with a termination of employment or services pursuant to agreements or arrangements approved by the Board of Directors (in addition to any other consent required under this Restated Certificate), such repurchase may be made without regard to any "preferential dividends arrears amount" or "preferential rights amount" (as those terms are defined in Section 500 of the California Corporations Code). Accordingly, for purposes of making any calculation under California Corporations Code Section 500 in connection with such repurchase, the amount of any "preferential dividends arrears amount" or "preferential rights amount" (as those terms are defined therein) shall be deemed to be zero (0).

* * *

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

4. That this Second Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this Corporation's Amended and Restated Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

(signature page follows)

IN WITNESS WHEREOF, this Second Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on February 8, 2023.

CARGO THERAPEUTICS, INC.

By: /s/ Gina Chapman
Name: Gina Chapman
Title: Chief Executive Officer

BY-LAWS OF
CARGO THERAPEUTICS, INC.
(F/K/A SYNCOPATION LIFE SCIENCES, INC.)

TABLE OF CONTENTS

ARTICLE I.

STOCKHOLDERS

1.1 Place of Meetings. All meetings of stockholders shall be held at such place as may be designated from time to time by the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President or, if not so designated, at the principal office of the corporation. The Board of Directors may, in its sole discretion, determine that a meeting shall not be held at any place, but may instead be held solely by means of remote communication in a manner consistent with the General Corporation Law of the State of Delaware.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on a date and at a time designated by the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President (which date shall not be a legal holiday in the place where the meeting is to be held).

1.3 Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by only the Board of Directors, the Chairman of the Board, the Chief Executive Officer or the President, and may not be called by any other person or persons. The Board of Directors may postpone or reschedule any previously scheduled special meeting of stockholders. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

1.4 Notice of Meetings. Except as otherwise provided by law, notice of each meeting of stockholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. Without limiting the manner by which notice otherwise may be given to stockholders, any notice shall be effective if given by a form of electronic transmission consented to (in a manner consistent with the General Corporation Law of the State of Delaware) by the stockholder to whom the notice is given. The notices of all meetings shall state the place, if any, date and time of the meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If notice is given by mail, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. If notice is given by electronic transmission, such notice shall be deemed given at the time specified in Section 232 of the General Corporation Law of the State of Delaware.

1.5 Voting List. The Secretary shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting: (a) on a reasonably accessible electronic network, *provided that* the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. If the meeting is to be held at a physical

location (and not solely by means of remote communication), then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. The list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

1.6 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these By-laws, the holders of a majority in voting power of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at the meeting, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum for the transaction of business; *provided, however*, that where a separate vote by a class or classes or series of capital stock is required by law or the Certificate of Incorporation, the holders of a majority in voting power of the shares of such class or classes or series of the capital stock of the corporation issued and outstanding and entitled to vote on such matter, present in person, present by means of remote communication in a manner, if any, authorized by the Board of Directors in its sole discretion, or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on such matter. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

1.7 Adjournments. Any meeting of stockholders may be adjourned from time to time to any other time and to any other place at which a meeting of stockholders may be held under these By-laws by the chairman of the meeting or by the stockholders present or represented at the meeting and entitled to vote, although less than a quorum. It shall not be necessary to notify any stockholder of any adjournment of less than 30 days if the time and place, if any, of the adjourned meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each stockholder shall have one vote for each share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided by law or the Certificate of Incorporation. Each stockholder of record entitled to vote at a meeting of stockholders, or to express consent or dissent to corporate action without a meeting, may vote or express such consent or dissent in person (including by means of remote communications, if any, by which stockholders may be deemed to be present in person and vote at such meeting) or may authorize another person or persons to vote or act for such stockholder by a proxy executed or transmitted in a manner permitted by the General Corporation Law of the State of Delaware by the stockholder or such stockholder's authorized agent and delivered (including by electronic transmission) to the Secretary of the corporation. No such proxy shall be voted or acted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period.

1.9 Action at Meeting. When a quorum is present at any meeting, any matter other than the election of directors to be voted upon by the stockholders at such meeting shall be decided by the vote of the holders of shares of stock having a majority in voting power of the votes cast by the holders of all of the shares of stock present or represented at the meeting and voting affirmatively or negatively on such matter (or if there are two or more classes or series of stock entitled to vote as separate classes, then in the case of each such class or series, the holders of a majority in voting power of the shares of stock of that class or series present or represented at the meeting and voting affirmatively or negatively on such matter), except when a different vote is required by law, the Certificate of Incorporation or these By-laws. When a quorum is present at any meeting, any election by stockholders of directors shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election.

1.10 Conduct of Meetings.

(a) Chairman of Meeting. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in the Chairman's absence by the Vice Chairman of the Board, if any, or in the Vice Chairman's absence by the Chief Executive Officer, or in the Chief Executive Officer's absence, by the President, or in the President's absence by a Vice President, or in the absence of all of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen by vote of the stockholders at the meeting. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

(b) Rules, Regulations and Procedures. The Board of Directors may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the corporation as it shall deem appropriate including, without limitation, such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as shall be determined; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

1.11 Action without Meeting.

(a) Taking of Action by Consent. Any action required or permitted to be taken at any annual or special meeting of stockholders of the corporation may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote on such action were present and voted. Except as otherwise provided by the Certificate of Incorporation, stockholders may act by written consent to elect directors; *provided, however, that*, if such consent is less than unanimous, such action by written consent may be in lieu of holding an annual meeting only if all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action.

(b) Electronic Transmission of Consents. A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, *provided that* any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the Board of Directors. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, *provided that* such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

(c) Notice of Taking of Corporate Action. Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the corporation.

ARTICLE II.

DIRECTORS

2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law or the Certificate of Incorporation.

2.2 Number, Election and Qualification. Subject to the rights of holders of any series of preferred stock to elect directors, the number of directors of the corporation shall be established from time to time by the stockholders or the Board of Directors. The directors shall be elected at the annual meeting of stockholders by such stockholders as have the right to vote on such election. Election of directors need not be by written ballot. Directors need not be stockholders of the corporation.

2.3 Chairman of the Board; Vice Chairman of the Board. The Board of Directors may appoint from its members a Chairman of the Board and a Vice Chairman of the Board, neither of whom need be an employee or officer of the corporation. If the Board of Directors appoints a Chairman of the Board, such Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors and, if the Chairman of the Board is also designated as the corporation's Chief Executive Officer, shall have the powers and duties of the Chief Executive Officer prescribed in Section 3.7 of these By-laws. If the Board of Directors appoints a Vice Chairman of the Board, such Vice Chairman shall perform such duties and possess such powers as are assigned by the Board of Directors. Unless otherwise provided by the Board of Directors, the Chairman of the Board or, in the Chairman's absence, the Vice Chairman of the Board, if any, shall preside at all meetings of the Board of Directors.

2.4 Tenure. Each director shall hold office until the next annual meeting of stockholders and until a successor is elected and qualified, or until such director's earlier death, resignation or removal.

2.5 Quorum. A majority of the directors at any time in office shall constitute a quorum of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If at any meeting of the Board of Directors there shall be less than such a quorum, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

2.6 Action at Meeting. Every act or decision done or made by a majority of the directors present at a meeting of the Board of Directors duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Certificate of Incorporation.

2.7 Removal. Except as otherwise provided by the General Corporation Law of the State of Delaware, any one or more or all of the directors of the corporation may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except that the directors elected by the holders of a particular class or series of stock may be removed without cause only by vote of the holders of a majority of the outstanding shares of such class or series.

2.8 Vacancies. Subject to the rights of holders of any series of Preferred Stock to elect directors, unless and until filled by the stockholders, any vacancy or newly-created directorship on the Board of Directors, however occurring, may be filled by vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office, and a director chosen to fill a position resulting from a newly-created directorship shall hold office until the next annual meeting of stockholders and until a successor is elected and qualified, or until such director's earlier death, resignation or removal.

2.9 Resignation. Any director may resign by delivering a resignation in writing or by electronic transmission to the corporation at its principal office or to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event.

2.10 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall be determined from time to time by the Board of Directors; *provided that* any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board of Directors may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.11 Special Meetings. Special meetings of the Board of Directors may be held at any time and place designated in a call by the Chairman of the Board, the Chief Executive Officer, the President, two or more directors, or by one director in the event that there is only a single director in office.

2.12 Notice of Special Meetings. Notice of the date, place, if any, and time of any special meeting of directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (a) in person or by telephone at least 24 hours in advance of the meeting, (b) by sending written notice by reputable overnight courier, telecopy, facsimile or electronic transmission, or delivering written notice by hand, to such director's last known business, home or electronic transmission address at least 48 hours in advance of the meeting, or (c) by sending written notice by first-class mail to such director's last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

2.13 Meetings by Conference Communications Equipment. Directors may participate in meetings of the Board of Directors or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.14 Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent to the action in writing or by electronic transmission, and the written consents or electronic transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

2.15 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation with such lawfully delegable powers and duties as the Board of Directors thereby confers, to serve at the pleasure of the Board of Directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of law, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-laws for the Board of Directors. Except as otherwise provided in the Certificate of Incorporation, these By-laws, or the resolution of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

2.16 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the corporation or any of its parent or subsidiary entities in any other capacity and receiving compensation for such service.

ARTICLE III.

OFFICERS

3.1 Titles. The officers of the corporation shall consist of a Chief Executive Officer, a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.

3.2 Election. The Chief Executive Officer, President, Treasurer and Secretary shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board of Directors at such meeting or at any other meeting.

3.3 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws, each officer shall hold office until such officer's successor is elected and qualified, unless a different term is specified in the resolution electing or appointing such officer, or until such officer's earlier death, resignation or removal.

3.5 Resignation and Removal. Any officer may resign by delivering a written resignation to the corporation at its principal office or to the Chief Executive Officer, the President or the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time or upon the happening of some later event. Any officer may be removed at any time, with or without cause, by vote of a majority of the directors then in office. Except as the Board of Directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following such officer's resignation or removal, or any right to damages on account of such removal, whether such officer's compensation be by the month or by the year or otherwise, unless such compensation is expressly provided for in a duly authorized written agreement with the corporation.

3.6 Vacancies. The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of Chief Executive Officer, President, Treasurer and Secretary. Each such successor shall hold office for the unexpired term of such officer's predecessor and until a successor is elected and qualified, or until such officer's earlier death, resignation or removal.

3.7 President; Chief Executive Officer. Unless the Board of Directors has designated another person as the corporation's Chief Executive Officer, the President shall be the Chief Executive Officer of the corporation. The Chief Executive Officer shall have general charge and supervision of the business of the corporation subject to the direction of the Board of Directors, and shall perform all duties and have all powers that are commonly incident to the office of chief executive or that are delegated to such officer by the Board of Directors. The President shall perform such other duties and shall have such other powers as the Board of Directors or the Chief Executive Officer (if the President is not the Chief Executive Officer) may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer or the President (if the President is not the Chief Executive Officer), the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the Chief Executive Officer and when so performing such duties shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

3.8 Vice Presidents. Each Vice President shall perform such duties and possess such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

3.9 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board of Directors or the Chief Executive Officer may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the chairman of the meeting shall designate a temporary secretary to keep a record of the meeting.

3.10 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned by the Board of Directors or the Chief Executive Officer. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the corporation, to deposit funds of the corporation in depositories selected in accordance with these By-laws, to disburse such funds as ordered by the Board of Directors, to make proper accounts of such funds, and to render as required by the Board of Directors statements of all such transactions and of the financial condition of the corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the Chief Executive Officer or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

3.11 Salaries. Officers of the corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

3.12 Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

ARTICLE IV.

CAPITAL STOCK

4.1 Issuance of Stock. Subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the corporation or the whole or any part of any shares of the authorized capital stock of the corporation held in the corporation's treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such lawful consideration and on such terms as the Board of Directors may determine.

4.2 Stock Certificates; Uncertificated Shares. The shares of the corporation shall be represented by certificates, *provided that* the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the corporation's stock shall be uncertificated shares. Every holder of stock of the corporation represented by certificates shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, representing the number of shares held by such holder registered in certificate form. Each such certificate shall be signed in a manner that complies with Section 158 of the General Corporation Law of the State of Delaware.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, these By-laws, applicable securities laws or any agreement among any number of stockholders or among such holders and the corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of each certificate representing shares of such class or series of stock, *provided that* in lieu of the foregoing requirements there may be set forth on the face or back of each certificate representing shares of such class or series of stock a statement that the corporation will furnish without charge to each stockholder who so requests a copy of the full text of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Within a reasonable time after the issuance or transfer of uncertificated shares, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 202(a) or 218(a) of the General Corporation Law of the State of Delaware or, with respect to Section 151 of General Corporation Law of the State of Delaware, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

4.3 Transfers. Shares of stock of the corporation shall be transferable in the manner prescribed by law and in these By-laws. Transfers of shares of stock of the corporation shall be made only on the books of the corporation or by transfer agents designated to transfer shares of stock of the corporation. Subject to applicable law, shares of stock represented by certificates shall be transferred only on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these By-laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the corporation in accordance with the requirements of these By- laws.

4.4 Lost, Stolen or Destroyed Certificates. The corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen or destroyed, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity and posting of such bond as the Board of Directors may require for the protection of the corporation or any transfer agent or registrar.

4.5 Record Date. The Board of Directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders or to express consent (or dissent) to corporate action without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not precede the date on which the resolution fixing the record date is adopted, and such record date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 10 days after the date of adoption of a record date for a consent without a meeting, nor more than 60 days prior to any other action to which such record date relates.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. If no record date is fixed, the record date for determining stockholders entitled to express consent to corporate action without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first consent is properly delivered to the corporation. If no record date is fixed, the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for the adjourned meeting.

4.6 Regulations. The issue, transfer, conversion and registration of shares of stock of the corporation shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE V.

GENERAL PROVISIONS

5.1 Fiscal Year. Except as from time to time otherwise designated by the Board of Directors, the fiscal year of the corporation shall begin on the first day of January of each year and end on the last day of December in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board of Directors.

5.3 Waiver of Notice. Whenever notice is required to be given by law, by the Certificate of Incorporation or by these By-laws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before, at or after the time of the event for which notice is to be given, shall be deemed equivalent to notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in any such waiver. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

5.4 Voting of Securities. Except as the Board of Directors may otherwise designate, the Chief Executive Officer, the President or the Treasurer may waive notice of, vote, or appoint any person or persons to vote, on behalf of the corporation at, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this corporation (with or without power of substitution) at, any meeting of stockholders or securityholders of any other entity, the securities of which may be held by this corporation.

5.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.6 Certificate of Incorporation. All references in these By-laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the corporation, as amended and in effect from time to time.

5.7 Severability. Any determination that any provision of these By-laws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these By-laws.

5.8 Pronouns. All pronouns used in these By-laws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

5.9 Exclusive Forum. Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee of the Corporation to the Corporation or the Corporation's stockholders; (iii) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation arising pursuant to any provision of the Delaware General Corporation Law or the Corporation's Certificate of Incorporation or Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation governed by the internal affairs doctrine shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware).

ARTICLE VI.

AMENDMENTS

6.1 By the Board of Directors. These By-laws may be altered, amended or repealed, in whole or in part, or new by-laws may be adopted by the Board of Directors.

6.2 By the Stockholders. These By-laws may be altered, amended or repealed, in whole or in part, or new by-laws may be adopted by the affirmative vote of the holders of a majority of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at any annual meeting of stockholders, or at any special meeting of stockholders, *provided* notice of such alteration, amendment, repeal or adoption new by-laws shall have been stated in the notice of such special meeting.

CARGO THERAPEUTICS, INC.

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of February 9, 2023, by and among CARGO Therapeutics, Inc., a Delaware corporation (the "**Company**"), and each of the investors listed on **Schedule A** hereto, each of which is referred to in this Agreement as an "**Investor**".

RECITALS

WHEREAS, certain of the Investors (the "**Existing Investors**") hold shares of Series Seed Preferred Stock and/or shares of Common Stock issued upon conversion thereof and possess registration rights, information rights, rights of first offer, and other rights pursuant to that certain Investors' Rights Agreement dated as of February 18, 2021, by and among the Company and such Existing Investors (the "**Prior Agreement**");

WHEREAS, the Existing Investors are holders of a majority of the Registrable Securities (as defined in the Prior Agreement), and desire to amend and restate the Prior Agreement in its entirety and to accept the rights created pursuant to this Agreement in lieu of the rights granted to them under the Prior Agreement; and

WHEREAS, certain of the Investors are parties to that certain Series A Preferred Stock Purchase Agreement of even date herewith by and among the Company and such Investors (the "**Purchase Agreement**"), under which certain of the Company's and such Investors' obligations are conditioned upon the execution and delivery of this Agreement by such Investors, Existing Investors holding a majority of the Registrable Securities, and the Company;

NOW, THEREFORE, the Existing Investors hereby agree that the Prior Agreement is hereby amended and restated in its entirety by this Agreement, and the parties to this Agreement further agree as follows:

1. **Definitions**. For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including, without limitation, any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or other investment fund or registered investment company now or hereafter existing that is controlled by one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person.

1.2 "**ABG**" means, together with its Affiliates, ABG V-Cargo Limited.

1.3 "**Board of Directors**" means the board of directors of the Company.

1.4 "**Certificate of Incorporation**" means the Company's Second Amended and Restated Certificate of Incorporation, as amended and/or restated from time to time.

1.5 "**Common Stock**" means shares of the Company's common stock, par value $0.001 per share.

1.6 "**Competitor**" means a Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in the use of gene therapy and similar approaches to discover, develop and/or commercialize therapeutics, but shall not include any financial investment firm or collective investment vehicle that, together with its Affiliates, holds less than 20% of the outstanding equity of any Competitor and does not, nor do any of its Affiliates, have a right to designate any members of the board of directors of any Competitor; *provided*, that each of PXV, TRV, RTW, Wellington, Janus, ABG, Nextech, Samsara, Red Tree and Emerson shall not be deemed Competitors under this Agreement.

1.7 "**Damages**" means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.8 "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.9 "**Emerson**" means, together with its Affiliates, ECI Health Fund 3, LLC.

1.10 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.11 "**Excluded Registration**" means (i) a registration relating to the sale or grant of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, equity incentive or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.12 "**FOIA Party**" means a Person that, in the reasonable determination of the Board of Directors, may be subject to, and thereby required to disclose non-public information furnished by or relating to the Company under, the Freedom of Information Act, 5 U.S.C. 552 ("**FOIA**"), any state public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement; *provided*, that each of PXV, TRV, RTW, Wellington, Janus, ABG, Samsara, Red Tree and Emerson shall not be deemed a FOIA Party.

1.13 "**Form S-1**" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.14 "**Form S-3**" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits forward incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.15 "**GAAP**" means generally accepted accounting principles in the United States as in effect from time to time.

1.16 "**Holder**" means any holder of Registrable Securities who is a party to this Agreement.

1.17 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, life partner or similar statutorily-recognized domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of a natural person referred to herein.

1.18 "**Initiating Holders**" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.19 "**IPO**" means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.20 "**Investor Directors**" means the Series Seed Directors and Series A Directors.

1.21 "**Janus**" means, together with its Affiliates, Janus Henderson Biotech Innovation Master Fund Limited.

1.22 "**Lead Investors**" means TRV, RTW and PXV.

1.23 "**Major Investor**" means any Investor that, individually or together with such Investor's Affiliates, holds (a) at least 3,000,000 shares of Registrable Securities (as adjusted for any stock combination, stock split, stock dividend, recapitalization or other similar transaction) at or after the Initial Closing (as defined in the Purchase Agreement) but before the Second Tranche Closing (as defined in the Purchase Agreement), (b) at least 5,000,000 shares of Registrable Securities (as adjusted for any stock combination, stock split, stock dividend, recapitalization or other similar transaction) at or after the Second Tranche Closing but before the Third Tranche Closing (as defined in the Purchase Agreement), or (c) at least 10,000,000 shares of Registrable Securities (as adjusted for any stock combination, stock split, stock dividend, recapitalization or other similar transaction) at or after the Third Tranche Closing, in each case, for so long as such Major Investor is not a Defaulting Purchaser (as defined in the Certificate of Incorporation).

1.24 "**Nextech**" means, together with its Affiliates, Nextech VII Oncology SCSp.

1.25 "**New Securities**" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.26 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.27 "**Preferred Stock**" means shares of the Company's Series Seed Preferred Stock, Series A-1 Preferred Stock, and Series A-2 Preferred Stock.

1.28 "**PXV**" means Perceptive Advisors LLC and Perceptive Xontogeny Venture Fund II, and entities managed by or Affiliates of the foregoing.

1.29 "**Red Tree**" means, together with its Affiliates, Red Tree Venture Fund, L.P.

1.30 "**Registrable Securities**" means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock, excluding any Common Stock issued upon conversion of the Series A-1 Preferred Stock pursuant to the "Special Mandatory Conversion" provisions of the Certificate of Incorporation; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, acquired by the Investors; and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases (other than the restrictions on transfer and legend requirements in Section 2.12), however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Section 2.13 of this Agreement.

1.31 "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.32 "**Restricted Securities**" means the securities of the Company required to be notated with the legend set forth in Section 2.12(b) hereof.

1.33 "**Requisite Holders**" means the Investors holding sixty-six and two thirds percent (66 2/3%) of the Common Stock issuable or issued upon conversion of the Preferred Stock held by the Investors, excluding any Common Stock issued upon conversion of the Preferred Stock pursuant to the "Special Mandatory Conversion" provisions of the Certificate of Incorporation.

1.34 "**RTW**" means RTW Investments, LP, RTW Master Fund, Ltd., RTW Innovation Master Fund, Ltd., RTW Venture Fund Limited, and entities managed by or Affiliates of the foregoing.

1.35 "**Samsara**" means, together with its Affiliates, Samsara BioCapital, L.P.

1.36 "**SEC**" means the Securities and Exchange Commission.

1.37 "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

1.38 "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

1.39 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.40 "**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Section 2.6.

1.41 "**Series A Director**" shall have the meaning set forth in the Certificate of Incorporation.

1.42 "**Series Seed Director**" shall have the meaning set forth in the Certificate of Incorporation.

1.43 "**Series A-1 Preferred Stock**" means shares of the Company's Series A-1 Preferred Stock, par value $0.001 per share.

1.44 "**Series A-2 Preferred Stock**" means shares of the Company's Series A-2 Preferred Stock, par value $0.001 per share.

1.45 "**Series Seed Preferred Stock**" means shares of the Company's Series Seed Preferred Stock, par value $0.001 per share.

1.46 "**TRV**" means Third Rock Ventures VI, L.P. "**TRV VI**" and entities managed by or Affiliates of TRV VI.

1.47 "**Wellington**" means Wellington Biomedical Innovation Master Investors (Cayman) II L.P and entities managed by or Affiliates of Wellington.

2. **Registration Rights**. The Company covenants and agrees as follows:

2.1 **Demand Registration**.

(a) *Form S-1 Demand*. If at any time after the earlier of (i) five years after the date of this Agreement or (ii) 180 days after the effective date of the registration statement for the IPO, the Company receives a request from the Requisite Holders that the Company file a Form S-1 registration statement with respect to at least 40% of the Registrable Securities then outstanding (or a lesser percent if the anticipated aggregate offering price, net of Selling Expenses, would exceed $10,000,000), then the Company shall (x) within ten days after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within 60 days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within 20 days of the date the Demand Notice is given, and in each case, subject to the limitations of Sections 2.1(c) and 2.3.

(b) *Form S-3 Demand*. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of at least 20% of the Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least $5,000,000, then the Company shall (i) within ten days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within 45 days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within 20 days of the date the Demand Notice is given, and in each case, subject to the limitations of Sections 2.1(c) and 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Section 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective

or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than 90 days after the request of the Initiating Holders is given; *provided*, *however*, that the Company may not invoke this right more than once in any 12-month period and *provided further* that the Company shall not register any securities for its own account or that of any other stockholder during such 90-day period other than an Excluded Registration.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(a), (i) during the period that is 60 days before the Company's good faith estimate of the date of filing of, and ending on a date that is 180 days after the effective date of, a Company-initiated registration, *provided* that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected two registrations pursuant to Section 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(b), (i) during the period that is 30 days before the Company's good faith estimate of the date of filing of, and ending on a date that is 90 days after the effective date of, a Company-initiated registration, *provided* that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two registrations pursuant to Section 2.1(b) within the 12-month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Section 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Section 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Section 2.1(d); *provided*, that if such withdrawal is during a period the Company has deferred taking action pursuant to Section 2.1(c), then the Initiating Holders may withdraw their request for registration and such registration will not be counted as "effected" for purposes of this Section 2.1(d).

2.2 **Company Registration**. If the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration, a registration relating to a demand pursuant to Section 2.1 or the IPO), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within 20 days after such notice is given by the Company, the Company shall, subject to the provisions of Section 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Section 2.6.

2.3 **Underwriting Requirements**.

(a) If, pursuant to Section 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Board of Directors of the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Section 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting; *provided*, *however*, that no Holder (nor any of its assignees) shall be required to make any representations, warranties or indemnities except as they relate to such Holder's ownership of shares and authority to enter into the underwriting agreement and to such Holder's intended method of distribution, and the liability of such Holder shall be several and not joint, and limited to an amount equal to the net proceeds from the offering received by such Holder. Notwithstanding any other provision of this Section 2.3, if the underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; *provided*, *however*, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest 100 shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Section 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest 100 shares. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below 25% of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Section 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired

members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Section 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Section 2.3(a), fewer than 50% of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4 **Obligations of the Company**. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective as promptly as practicable and, upon the request of the Requisite Holders, keep such registration statement effective for a period of up to 120 days or, if earlier, until the distribution contemplated in the registration statement has been completed; *provided, however*, that (i) such 120-day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such 120 day period shall be extended for up to 90 days, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; *provided* that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5 **Furnish Information**. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 **Expenses of Registration**. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements, not to exceed $35,000 per registration, of one counsel for the selling Holders selected by Holders of a majority of the Registrable Securities to be registered ("**Selling Holder Counsel**"), shall be borne and paid by the Company; *provided*, *however*, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Sections 2.1(a) or 2.1(b), as the case may be; *provided further* that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Sections 2.1(a) or 2.1(b). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 (other than fees and disbursements of counsel to any Holder, other than the Selling Holder Counsel, which shall be borne solely by the Holder engaging such counsel) shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 **Delay of Registration**. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 **Indemnification**. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; *provided, however*, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration, except to the extent such information has been corrected in a subsequent writing reasonably prior to the sale of Registrable Securities to the Person asserting the claim.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration and that has not been corrected in a subsequent writing reasonably prior to the sale of Registrable Securities to the Person asserting the claim; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; *provided, however*, that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and *provided further* that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Sections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, give the indemnifying party notice of the

commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; *provided, however,* that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8, only to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Section 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Section 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Section 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; *provided, however*, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and *provided further* that in no event shall a Holder's liability pursuant to this Section 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Section 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control; *provided, however*, that any matter expressly provided for or addressed by the foregoing provisions of this Section 2.8 that is not expressly provided for or addressed by the underwriting agreement shall be controlled by the foregoing provisions.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement or any provisions of this Agreement.

2.9 **Reports Under Exchange Act**. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after 90 days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); and (ii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 **Limitations on Subsequent Registration Rights**. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would (i) allow such holder or prospective holder to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included; or (ii) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder; *provided* that this limitation shall not apply to Registrable Securities acquired by any additional Investor that becomes a party to this Agreement in accordance with Section 6.9.

2.11 **"Market Stand-off" Agreement**. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the registration by the Company of shares of its Common Stock or any other equity securities under the Securities Act on a registration statement on Form S-1, and ending on the date specified by the Company and the managing underwriter (such period not to exceed 180 days), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Section 2.11 shall apply only to the IPO

and shall not apply to (i) transactions (including, without limitation, any swap, hedge or similar agreement or arrangement) or announcements, in each case, relating to securities acquired in the IPO or securities acquired in open market or other transactions from and after the IPO or that otherwise do not involve or relate to shares of capital stock of the Company owned by a Holder prior to the IPO, notwithstanding any voluntary or required filings that may be made in connection therewith under Section 16(a) of the Exchange Act, (ii) the transfer of any shares to Affiliates of the Holder, and (iii) the sale of any shares to an underwriter pursuant to an underwriting agreement, the establishment of a trading plan pursuant to Rule 10b5-1 of the Exchange Act, *provided* that such plan does not permit transfers during the restricted period, or the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the immediate family of the Holder, *provided* that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and *provided further* that any such transfer shall not involve a disposition for value, and shall be applicable to the Holders only if all officers and directors are subject to the same restrictions and the Company obtains a similar agreement from all stockholders individually owning more than 1% of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Preferred Stock). The underwriters in connection with such registration are intended third-party beneficiaries of this Section 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 2.11 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Company stockholders that are subject to such agreements, based on the number of shares subject to such agreements.

2.12 **Restrictions on Transfer**.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement. Notwithstanding the foregoing, the Company shall not require any transferee of shares pursuant to an effective registration statement or, following the IPO, SEC Rule 144, in each case, to be bound by the terms of this Section 2.12.

(b) Each certificate, instrument, or book entry representing (i) the Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Section 2.12(c)) be notated with a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Section 2.12.

(c) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction or following the IPO, the transfer is made pursuant to SEC Rule 144, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer; *provided*, that no such notice shall be required if the intended sale, pledge or transfer complies with SEC Rule 144. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a notice, legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144; or (y) in any transaction in which such Holder transfers or distributes Restricted Securities to an Affiliate of such Holder for no consideration; *provided* that, with respect to transfers under the foregoing clause (y), each transferee agrees in writing to be subject to the terms of this Section 2.12. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Section 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 **Termination of Registration Rights**. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Sections 2.1 or 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, in which the consideration received by the Holder in such Deemed Liquidation Event is in the form of cash and/or publicly traded securities, or if the Holder receives registration rights from the acquiring company or other successor to the Company reasonably comparable to those set forth in this Section 2;

(b) such time after consummation of the IPO as SEC Rule 144, or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation, during a three-month period without registration (and without the requirement for the Company to be in compliance with the current public information required under SEC Rule 144(c)(1) and such Holder (together with its "affiliates" determined under SEC Rule 144) holds less than 1% of the outstanding capital stock of the Company);

(c) the third anniversary of the IPO (or such later date that is 180 days following the expiration of all deferrals of the Company's obligations pursuant to Section 2 that remain in effect as of the third anniversary of the consummation of the IPO).

3. **Information and Observer Rights.**

3.1 **Delivery of Financial Statements**. The Company shall deliver to each Major Investor; *provided* that the Board of Directors has not reasonably determined that such Major Investor is a Competitor:

(a) as soon as practicable, but in any event within 120 days after the end of each fiscal year of the Company (i) a balance sheet as of the end of such year and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the Budget (as defined below) for such year; (ii) statements of income and of cash flows for such year; and (iii) a statement of stockholders' equity as of the end of such year, all of which shall be unaudited and prepared in accordance with GAAP (except that such financial statements may (x) be subject to normal year-end audit adjustments and (y) not contain all notes thereto that may be required in accordance with GAAP); *provided, however* that beginning with fiscal year 2023, all financial statements provided in this Section 3.1(a) shall be audited and certified by independent public accountants of nationally recognized standing selected by the Company, unless the Requisite Holders agree otherwise;

(b) as soon as practicable, but in any event within 45 days after the end of each quarter of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, a statement of stockholders' equity and an unaudited balance sheet as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within 45 days after the end of each quarter of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Major Investors to calculate their respective percentage equity ownership in the Company;

(d) as soon as practicable, but in any event 30 days before the end of each fiscal year, a budget and business plan for the next fiscal year (the "**Budget**"), approved by the Board of Directors and prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company; and

(e) such other information relating to the capitalization, financial condition, business, prospects, or corporate affairs of the Company as any Major Investor may from time to time reasonably request; *provided*, *however*, that the Company shall not be obligated under this Section 3.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Section 3.1 to the contrary, the Company may cease providing the information set forth in this Section 3.1 during the period starting with the date 60 days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; *provided* that the Company's covenants under this Section 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

3.2 **Inspection**. The Company shall permit each Major Investor (*provided* that the Board of Directors has not reasonably determined that such Major Investor is a Competitor), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; *provided, however*, that the Company shall not be obligated pursuant to this Section 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 **Observer Rights**.

(a) As long as RTW holds at least 2,142,858 shares of Series A-1 Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof, excluding any Common Stock issued upon conversion of the Series A-1 Preferred Stock pursuant to the "Special Mandatory Conversion" provisions of the Certificate of Incorporation), the Company shall invite a representative of RTW to attend all meetings of the Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors; *provided, however*, that such representative shall agree to hold in confidence all information so provided; and *provided further*, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if the applicable Investor or its representative is a Competitor of the Company.

(b) As long as Nextech holds at least 2,142,858 shares of Series A-1 Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof, excluding any Common Stock issued upon conversion of the Series A-1 Preferred Stock pursuant to the "Special Mandatory Conversion" provisions of the Certificate of Incorporation), the Company shall invite a representative of Nextech to attend all meetings of the Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors; *provided, however*, that such representative shall agree to hold in confidence all information so provided; and *provided further*, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if the applicable Investor or its representative is a Competitor of the Company.

(c) Upon and after the Third Tranche Closing (as defined in the Purchase Agreement), as long as Red Tree holds at least 728,572 shares of Series A-1 Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof, excluding any Common Stock issued upon conversion of the Series A-1 Preferred Stock pursuant to the "Special Mandatory Conversion" provisions of the Certificate of Incorporation), the Company shall invite a representative of Red Tree to attend all meetings of the Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors; *provided, however*, that such representative shall agree to hold in confidence all information so provided; and *provided further*, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if the applicable Investor or its representative is a Competitor of the Company.

3.4 **Termination of Information and Observer Rights**. The covenants set forth in Section 3.1, Section 3.2 and Section 3.3 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO; (ii) when the Company (or its successor or acquirer) first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act; or (iii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first; *provided* that, with respect to clause (iii), the covenants set forth in Section 3.1 shall only terminate if the consideration received by the Investors in such Deemed Liquidation Event is in the form of cash and/or publicly traded securities or if the Investors receive financial information from the acquiring company or other successor to the Company comparable to that set forth in Section 3.1.

3.5 **Confidentiality**. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor or make decisions with respect to its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 3.5 by such Investor), (b) is or has been independently developed or conceived by such Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to such Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; *provided, however*, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent reasonably necessary or advisable to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Section 3.5; (iii) to any existing or prospective Affiliate, partner, partner of partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, *provided* that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; (iv) as may otherwise be required by law, regulation, rule, court order or subpoena, *provided* that such Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure; or (v) to the extent required in connection with any routine or periodic examination or similar process by any regulatory or self-regulatory body or authority, including confidential information obtained from the Company pursuant to the terms of this Agreement.

4. **Rights to Future Stock Issuances.**

4.1 **Right of First Offer**. Subject to the terms and conditions of this Section 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted to it in such proportions as it deems appropriate, among (i) itself and (ii) its Affiliates; *provided* that each such Affiliate (x) is not a Competitor or FOIA Party, unless such party's purchase of New Securities is otherwise consented to by the Board of Directors and (y) agrees to enter into this Agreement and the Voting Agreement of even date herewith among the Company, the Investors and the other parties named therein, as an "**Investor**" under each such agreement (*provided* that any Competitor or FOIA Party shall not be entitled to any rights as a Major Investor under Sections 3.1, and 3.2 hereof).

(a) The Company shall give notice (the "**Offer Notice**") to each Major Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within 20 days after the Offer Notice is given, each Major Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by such Major Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Major Investor) bears to the total Common Stock of the Company then held by all the Major Investors (including all shares of Common Stock issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by all the Major Investors). At the expiration of such 20 day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other Major Investor's failure to do likewise. During the ten-day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Section 4.1(b) shall occur within the later of 90 days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Section 4.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Section 4.1(b), the Company may, during the 90 day period following the expiration of the periods provided in Section 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within 30 days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Section 4.1.

(d) The right of first offer in this Section 4.1 shall not be applicable to (i) shares of Common Stock issued in the IPO; (ii) Exempted Securities (as defined in the Certificate of Incorporation) and (iii) the issuance of shares of Preferred Stock to Purchasers, Additional Purchasers and Milestone Purchasers pursuant to Section 1.2 of the Purchase Agreement.

(e) **Termination**. The covenants set forth in Section 4.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO; (ii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, in which the consideration received by the Investors in such Deemed Liquidation Event is in the form of cash and/or publicly traded securities, or if the Investors receive participation rights from the acquiring company or other successor to the Company reasonably comparable to those set forth in this Section 4; or (iii) upon the consummation of a transaction or series of related transactions by merger, consolidation, share exchange or otherwise of the Company with a publicly-traded "special purpose acquisition company" or its subsidiary (collectively, a "**SPAC**"), immediately following the consummation of which the common stock or share capital of the SPAC or its successor entity is listed on the Nasdaq Stock Market, the New York Stock Exchange or another exchange or marketplace approved by the Board of Directors (such transaction or series of related transactions, a "**SPAC Transaction**"), whichever event occurs first.

5. **Additional Covenants**.

5.1 **Insurance**. The Company shall obtain, within 90 days of the date hereof, from financially sound and reputable insurers Directors and Officers liability insurance in an amount and on terms and conditions satisfactory to the Board of Directors, including at least one Series A Director, and will use commercially reasonable efforts to cause such insurance policies to be maintained until such time as the Board of Directors, including at least one Series A Director, determines that such insurance should be discontinued. Notwithstanding any other provision of this Section 5.1 to the contrary, for so long as any Series A Director is serving on the Board of Directors, the Company shall not cease to maintain a Directors and Officers liability insurance policy in an amount reasonably approved by the Board, including at least one Series A Director.

5.2 **Employee Agreements**. Unless otherwise approved by the Board of Directors, including at least one Series A Director, the Company will cause each Person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets, or performing services that consist of the development of technology, to enter into a nondisclosure and proprietary rights assignment agreement, including with non-solicitation and non-competition provisions as appropriate in the relevant jurisdiction based on the advice of counsel, in the form reasonably acceptable to the Lead Investors; *provided* that any non-competition restrictions will be limited to engaging in activities that compete with the Company in the business of research, discovery and/or development of CD22, CAR, and novel CARs that incorporate our proprietary platform technologies. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements or any restricted stock agreement between the Company and any employee, without the consent of the Board of Directors, including at least one Series A Director.

5.3 **Employee Stock**. Unless otherwise approved by the Board of Directors including at least one Series A Director, all employees of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a four-year period, with the first 25% of such shares vesting following 12 months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following 36 months, and (ii) a market stand-off provision substantially similar to that in Section 2.11. Without the prior approval by the Board of Directors, including at least one Series A Director, the Company shall not amend, modify, terminate, waive or otherwise alter, in whole or in part, any stock purchase, stock restriction or option agreement with any existing employee or service provider if such amendment would cause it to be inconsistent with this Section 5.3. In addition, unless otherwise approved by the Board of Directors, including at least one Series A Director, the Company (x) shall not agree to any acceleration of vesting for its employees, and (y) shall retain (and not waive) a "right of first refusal" on employee transfers until the Company's IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock.

5.4 **Matters Requiring Preferred Director Approval**. During such time or times as the holders of Preferred Stock are entitled to elect a Series A Director and such seat is filled, the Company hereby covenants and agrees with each of the Investors that it shall not, without approval of the Board of Directors, which approval must include the affirmative vote of a majority of the Preferred Directors (as defined in the Certificate of Incorporation), which must include at least one Series A Director then serving:

(a) make, or permit any subsidiary to make, any loan or advance to, or own any stock or other securities of, any subsidiary or other corporation, partnership, or other entity unless it is wholly owned by the Company;

(b) make, or permit any subsidiary to make, any loan or advance to any Person, including, without limitation, any employee or director of the Company or any subsidiary, except advances and similar expenditures in the ordinary course of business or under the terms of an employee stock or option plan approved by the Board of Directors;

(c) guarantee, directly or indirectly, or permit any subsidiary to guarantee, directly or indirectly, any indebtedness except for trade accounts of the Company or any subsidiary arising in the ordinary course of business;

(d) enter into or be a party to any transaction with any director, officer or employee of the Company or any "associate" (as defined in Rule 12b-2 promulgated under the Exchange Act) of any such person other than transactions made in the ordinary course of business and pursuant to reasonable requirements of the Company's business and upon fair terms approved by the Board of Directors;

(e) incur any aggregate indebtedness in excess of $100,000 that is not already included in the Budget, other than trade credit incurred in the ordinary course of business;

(f) change the compensation of the executive officers, including approving any option grants or stock awards to executive officers;

(g) approve, or recommend to the stockholders of the Company, any amendment to the Certificate of Incorporation that would change the composition of the Board of Directors;

(h) change the principal business of the Company, enter new lines of business, or exit the current line of business;

(i) sell, assign, license, pledge, or encumber material technology or intellectual property, other than licenses granted in the ordinary course of business; or

(j) enter into any corporate strategic relationship, including, but not limited to any merger or acquisition or asset transfer, involving the payment, contribution, or assignment by the Company or to the Company of money or assets greater than $500,000.

5.5 **Board Matters**. Unless otherwise determined by the Board of Directors, including a majority of the Investor Directors then serving, including the approval of at least one of the Series A Directors, the Board of Directors shall meet at least quarterly in accordance with an agreed upon schedule. The Company shall reimburse the non-employee directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors, any committee thereof and any matters related to discharging such nonemployee directors' duties to the Board of Directors.

5.6 **Successor Indemnification**. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, the Certificate of Incorporation, or elsewhere, as the case may be.

5.7 **Indemnification Matters**. The Company hereby acknowledges that one or more of the Investor Directors nominated to serve on the Board of Directors by one or more Investors may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their Affiliates (collectively, the "**Investor Indemnitors**"). The Company hereby agrees (a) that it is the indemnitor of first resort (*i.e.*, its obligations to any such Investor Director are primary and any obligation of the Investor Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Investor Director are secondary); (b) that it shall be required to advance the full amount of expenses incurred by such Investor Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Investor Director to the extent legally permitted and as required by the Certificate of Incorporation or Bylaws of the Company (or any agreement between the Company and such Investor Director), without regard to any rights such Investor Director may have against the Investor Indemnitors; and (c) that it irrevocably waives, relinquishes and releases the Investor Indemnitors from any and all claims against the Investor Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Investor Indemnitors on behalf of any such Investor Director with respect to any claim for which such Investor Director has sought indemnification from the Company shall affect the foregoing and the Investor Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Investor Director against the Company. The Investor Directors and the Investor Indemnitors are intended third-party beneficiaries of this Section 5.7 and shall have the right, power and authority to enforce the provisions of this Section 5.7 as though they were a party to this Agreement.

5.8 **Right to Conduct Activities**. The Company hereby agrees and acknowledges that PXV, TRV, RTW, Wellington, Janus, ABG, Nextech, Samsara, Red Tree and Emerson (each, a "**Professional Investment Organization**") are professional investment organizations, and as such each reviews the business plans and related proprietary information of many enterprises, some of which may compete directly or indirectly with the Company's business (as currently conducted or as currently propose to be conducted). Nothing in this Agreement shall preclude or in any way restrict any Professional Investment Organization from evaluating or purchasing securities, including publicly traded securities, of a particular enterprise, or investing or participating in any particular enterprise whether or not such enterprise has products or services that compete with those of the Company; and the Company hereby agrees that, to the extent permitted under applicable law, no Professional Investment Organization shall be liable to the Company for any claim arising out of, or based upon, (i) the investment by any Professional Investment Organization in any entity competitive with the Company, or (ii) actions taken by any partner, officer, employee or other representative of any Professional Investment Organization to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; *provided*, *however*, that the foregoing shall not relieve (x) any of the Investors from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

5.9 **FCPA**. The Company covenants that it shall not (and shall not permit any of its subsidiaries or Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to) promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA")), in each case, in violation of the FCPA or any other applicable anti-bribery or anti-corruption law. The Company further covenants that it shall (and shall cause each of its subsidiaries and Affiliates to) cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or Affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA or any other applicable anti-bribery or anti-corruption law. The Company further covenants that it shall (and shall cause each of its subsidiaries and Affiliates to) maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) reasonably designed to promote compliance with the FCPA or any other applicable anti-bribery or anti-corruption law. Upon reasonable request, the Company agrees to provide responsive information and/or certifications concerning its compliance with applicable anti-corruption laws. The Company shall notify each Investor within a commercially reasonable time if the Company becomes aware of any Enforcement Action (as defined in the Purchase Agreement). The Company shall, and shall cause any direct or indirect subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with the FCPA. The Company shall use commercially reasonable efforts to cause any direct or indirect subsidiary, whether now in existence or formed in the future, to comply in all material respects with all applicable laws.

5.10 **OFAC; AML**. The Company represents and covenants that it shall and shall cause its subsidiaries and Affiliates and its and their respective directors, officers, managers, employees, representatives and agents to comply with all applicable anti-money laundering laws and regulations, including the Bank Secrecy Act as amended by the USA Patriot Act of 2001 ("**AML Laws**"), and with all Sanctions (as defined in the Purchase Agreement). Unless otherwise prohibited by applicable law, the Company shall promptly notify the Investors of any event or occurrence with respect to the Company or any of its subsidiaries or Affiliates and its or their respective directors, officers, managers, employees, representatives or agents, that would result in a violation of any AML Law or Sanctions, or if it or they become subject to any inquiry from any government authority related to compliance with AML Laws or Sanctions. The Company further represents and covenants that it shall (and shall cause each of its subsidiaries and Affiliates to) maintain its written policies and procedures designed to promote compliance with all AML Laws and Sanctions.

5.11 **Anti-Harassment Policy**. The Company shall, within 90 days following the Closing (as defined in the Purchase Agreement), adopt and thereafter maintain in effect (i) a code of conduct governing appropriate workplace behavior; and (ii) an anti-harassment and discrimination policy prohibiting discrimination and harassment at the Company. Such code of conduct and policy shall be reviewed and approved by the Board of Directors.

5.12 **Stock Plan**. Other than the grants to Gina Chapman, Shishir Gadam, and John Orwin in such amounts and under such terms set forth in their respective offer letters, as amended, the Company shall not grant more than (a) 5,000,000 shares of Common Stock (as adjusted for any stock combination, stock split, stock dividend, recapitalization or other similar transaction) of the total authorized and available reserve under the Company's 2021 Stock Option and Grant Plan (the "**Plan**"), as calculated as of immediately after the Initial Closing (as defined in the Purchase Agreement), without the prior written

approval of the Milestone Requisite Holders (as defined in the Purchase Agreement), during the period commencing from immediately after the Initial Closing and ending on the Second Tranche Closing (as defined in the Purchase Agreement) and (b) 20,000,000 shares of Common Stock (as adjusted for any stock combination, stock split, stock dividend, recapitalization or other similar transaction) of the total authorized and available reserve under the Plan, as calculated as of immediately after the Second Tranche Closing, without the prior written approval of the Milestone Requisite Holders, during the period commencing from immediately after the Second Tranche Closing and ending on the Third Tranche Closing (as defined in the Purchase Agreement).

5.13 **Termination of Covenants**. The covenants set forth in this Section 5, except for Sections 5.6 or 5.7, shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO; (ii) upon a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation; or (iii) upon the consummation of a SPAC Transaction, whichever event occurs first.

6. **Miscellaneous.**

6.1 **Successors and Assigns**. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, together with its Affiliates, would be a Major Investor; *provided*, *however*, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Section 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; *provided further* that all transferees who would not qualify individually for assignment of rights shall, as a condition to the applicable transfer, establish a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 **Governing Law**. This Agreement shall be governed by the internal law of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

6.3 **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.4 **Titles and Subtitles**. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 **Notices**.

(a) *General*. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties only at their addresses as set forth on **Schedule A** hereto, or (as to the Company) to the principal office of the Company and to the attention of the Chief Executive Officer, or, in any case, to such email address or address as subsequently modified by written notice given in accordance with this Section 6.5. If notice is given to the Company, a copy (which copy shall not constitute notice) shall also be sent to Goodwin Procter LLP, Three Embarcadero Center, San Francisco, CA 94111; Attention: Maggie Wong, and if notice is given to the Investors, a copy (which copy shall not constitute notice) shall also be given to Gregg Griner at Orrick, Herrington & Sutcliffe LLP, 222 Berkeley Street, Suite 2000, Boston, MA 02116, ggriner@orrick.com.

(b) *Consent to Electronic Notice*. Each Investor consents to the delivery of any stockholder notice pursuant to the Delaware General Corporation Law (the "**DGCL**"), as amended or superseded from time to time, by electronic transmission pursuant to Section 232 of the DGCL (or any successor thereto) at the electronic mail address set forth below such Investor's name on the Schedules hereto, as updated from time to time by notice to the Company, or as on the books of the Company. To the extent that any notice given by means of electronic transmission is returned or undeliverable for any reason, the foregoing consent shall be deemed to have been revoked until a new or corrected electronic mail address has been provided, and such attempted electronic notice shall be ineffective and deemed to not have been given. Each Investor agrees to promptly notify the Company of any change in such stockholder's electronic mail address, and that failure to do so shall not affect the foregoing.

6.6 **Amendments and Waivers**. Any term of this Agreement may be amended, modified or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the Requisite Holders; *provided* that the Company may in its sole discretion waive compliance with Section 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Section 2.12(c) shall be deemed to be a waiver); and *provided further* that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, (a) this Agreement may not be amended, modified or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, modification, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction; *provided, however*, that if, after giving effect to such waiver of Section 4 with respect to a particular transaction, a Major Investor purchases securities in such transaction or issuance (such Major Investor, a "**Participating Investor**"), such waiver of the provisions of Section 4 shall be deemed to apply to each other Major Investor whose rights were waived or amended only if such other Major Investor has been provided the opportunity to purchase a proportional number of the New Securities being offered by the Company in such transaction based on the pro rata purchase right of such other Major Investor set forth in Section 4, assuming a transaction size determined based upon the amount purchased by the Participating Investor that invested the largest percentage in such transaction, it being agreed that such opportunity may be provided subsequent

to the initial closing in which such Participating Investor(s) purchase securities), (b) Sections 3.1 and 3.2, Section 4.1 and any other section of this Agreement specifically applicable to the Major Investors (including this clause (b) of this Section 6.6) may be amended, modified, terminated or waived with only the written consent of the Company and the holders of at least sixty-six and two-thirds percent (66 2/3%) of the Registrable Securities then outstanding and held by the Major Investors; (c) the provisions of Section 1.1, Section 1.6, Section 5.8, and this Section 6.6(c) may not be amended, modified, terminated or waived without the written consent of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the Registrable Securities then outstanding and held by PXV, TRV, RTW, Wellington, Janus, ABG, Nextech, Samsara, Red Tree and Emerson; (d) the provisions of Section 1.23 and this Section 6.6(d) may not be amended, modified, terminated or waived without the written consent of each of PXV, TRV and RTW; (e) the provisions of Section 3.3(a) and this Section 6.6(e) may not be amended, modified, terminated or waived without the written consent of RTW, so long as it holds at least 2,142,858 shares of Series A-1 Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof, excluding any Common Stock issued upon conversion of the Series A-1 Preferred Stock pursuant to the "Special Mandatory Conversion" provisions of the Certificate of Incorporation), (f) the provisions of Section 3.3(b) and this Section 6.6(f) may not be amended, modified, terminated or waived without the written consent of Nextech, so long as it holds at least 2,142,858 shares of Series A-1 Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof, excluding any Common Stock issued upon conversion of the Series A-1 Preferred Stock pursuant to the "Special Mandatory Conversion" provisions of the Certificate of Incorporation) and (g) the provisions of Section 3.3(c) and this Section 6.6(g) may not be amended, modified, terminated or waived without the written consent of Red Tree, so long as it holds at least 728,572 shares of Series A-1 Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof, excluding any Common Stock issued upon conversion of the Series A-1 Preferred Stock pursuant to the "Special Mandatory Conversion" provisions of the Certificate of Incorporation). Notwithstanding the foregoing, **Schedule A** hereto may be amended by the Company from time to time to add transferees of any Registrable Securities in compliance with the terms of this Agreement without the consent of the other parties; and **Schedule A** hereto may also be amended by the Company after the date of this Agreement without the consent of the other parties to add information regarding any additional Investor who becomes a party to this Agreement in accordance with Section 6.9. The Company shall give prompt notice of any amendment, modification or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, modification, termination, or waiver. Any amendment, modification, termination, or waiver effected in accordance with this Section 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

6.7 **Severability**. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 **Aggregation of Stock; Apportionment**. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated Persons may apportion such rights as among themselves in any manner they deem appropriate.

6.9 **Additional Investors**. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of Preferred Stock after the date hereof, pursuant to the Purchase Agreement, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

6.10 **Entire Agreement**. This Agreement (including any Schedules and Exhibits hereto), the Certificate of Incorporation and the other Transaction Agreements (as defined in the Purchase Agreement) constitute the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect.

6.11 **Dispute Resolution**. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of New York and to the jurisdiction of the United States District Court for the Southern District of New York for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of New York or the United States District Court for the Southern District of New York, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. Each party will bear its own costs in respect of any disputes arising under this Agreement.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

6.12 **Delays or Omissions**. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

(*signature page follows*)

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

COMPANY:

CARGO THERAPEUTICS, INC.

By: /s/ Gina Chapman
Name: Gina Chapman
Title: Chief Executive Officer

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

SAMSARA BIOCAPITAL, L.P.

By: Samsara BioCapital GP, LLC, General Partner

By: /s/ Srinivas Akkaraju
Name: Srinivas Akkaraju, MD, PhD
Title: Managing Member

Address:

628 Middlefield Road
Palo Alto, CA 94301
Attention: Srinivas Akkaraju, MD, PhD
E-mail: srini@samsaracap.com

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

RED TREE VENTURE FUND, L.P.
By: Red Tree GP, LLC
Its: General Partner

By: /s/ Heath Lukatch
Name: Heath Lukatch, Ph.D.
Title: Managing Director

Address:

2055 Woodside Road
Suite 270
Redwood City, CA 94061

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

ECI HEALTH FUND 3, LLC

By: /s/ Steve McDermid
Name: Steve McDermid
Title: Authorized Signatory

Address:

PO Box 61239, Dept 1173
Palo Alto, CA 94306
Attention: Steve McDermid
E-Mail Address: steve@emersoncollective.com,
with a copy to legal@emersoncollective.com

Cc: Tina Rosado
Rosewood Family Advisors LLP
PO Box 61239
Dept 1173
Palo Alto, CA 94306
E-Mail: tina@rfallp.com
with a copy to: LAKFOS@rfallp.com

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

THIRD ROCK VENTURES V, L.P.

By: Third Rock Ventures V GP, L.P., its general partner

By: TRV GP V, LLC, its general partner

By: /s/ Kevin Gillis
Name: Kevin Gillis
Title: Partner and Chief Operating Officer

Address:

Third Rock Ventures V, L.P.
201 Brookline Avenue, Suite 1401
Boston, MA 02215
Attn: Kevin Gillis
Kevin.gillis@thirdrockventures.com

With a copy to:

Third Rock Ventures V, L.P.
201 Brookline Avenue, Suite 1401
Boston, MA 02215
Attn: Sascha Rosebush
srosebush@thirdrockventures.com

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

RTW MASTER FUND, LTD.

By: /s/ Roderick Wong
Name: Roderick Wong, M.D.
Title: Director

RTW INNOVATION MASTER FUND, LTD.

By: /s/ Roderick Wong
Name: Roderick Wong, M.D.
Title: Director

RTW VENTURE FUND LIMITED
By: RTW Investments, LP, its Investment Manager

By: /s/ Roderick Wong
Name: Roderick Wong, M.D.
Title: Managing Partner

Address:

c/o RTW Investments, LP
40 10th Avenue, Floor 7
New York, NY 10014
Attn: LegalOps; Lauren Lee
legalops@rtwfunds.com; LL@rtwfunds.com

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

PERCEPTIVE XONTOGENY VENTURE FUND II, LP

By: Perceptive Xontogeny Venture II GP, LLC

By: /s/ Frederick P. Callori
Name: Frederick P. Callori
Title: Authorized Signatory

By: /s/ James Mannix
Name: James Mannix
Title: Chief Operating Officer

Address:

Perceptive Xontogeny Venture Fund II, LP
51 Astor Place, 10th Floor
New York, NY 10003
Attn: Frederick P. Callori

With a copy to:

Choate, Hall & Stewart LLP
Two International Place
Boston, MA 02110
Attn: Kevin Tormey

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

NEXTECH VII ONCOLOGY SCSP
By: Nextech VII GP S.à r.l., its General Partner

By: /s/ Ian Charoub /s/ Dalia Bleyer
Name: Ian Charoub Dalia Bleyer
Title: Manager Manager

Address:

Nextech VII Oncology SCSp
Bahnhofstrasse 18
8001 Zurich, Switzerland
Attn: Thilo Schroeder

Email: NextechVII@aztecgroup.eu

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

JANUS HENDERSON BIOTECH INNOVATION MASTER FUND LIMITED

By: Janus Henderson Investors US LLC, its investment advisor

By: /s/ Daniel S. Lyons
Name: Daniel S. Lyons
Title: Authorized Signatory

Address:

Janus Henderson Investors US LLC
151 Detroit St.
Denver, CO 80206

Email: dan.lyons@janushenderson.com; angela.morton@janushenderson.com; and JHIPrivatePlacements@janushenderson.com

with a copy, which shall not constitute notice, to:

Perkins Coie LLC
3150 Porter Drive
Palo Alto, CA 94306
Attn: Adrian Rich
Email: ARich@perkinscoie.com

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

WELLINGTON BIOMEDICAL INNOVATION MASTER INVESTORS (CAYMAN) II L.P.

By: Wellington Management Company LLP, as investment adviser

By: /s/ Peter McIsaac
Name: Peter McIsaac
Title: Managing Director and Counsel

Address:

Legal and Compliance
280 Congress Street
Boston, MA 02210
Attn: Peter McIsaac, Managing Director and Counsel
Email: #legal-ecm@wellington.com

With a copy, which shall not constitute notice, to:

Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, MA 02109
Attn: Jason L. Kropp
Email: jason.kropp@wilmerhale.com

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

ABG V-CARGO LIMITED

By: /s/ Yu Ting Chau
Name: Yu Ting Chau
Title: Director

Address:

c/o Unit 3002-3004, 30/F., Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong
Att.: Charles Wong
Email: abg_ops@ally-bridge.com

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

PIPER HEARTLAND HEALTHCARE CROSSOVER FUND I, L.P.

By: PIPER HEARTLAND HEALTHCARE CAPITAL MANAGEMENT LLC, its general partner

By: /s/ Matthew S. Hemsley
Name: Matthew S. Hemsley
Title: Chief Executive Officer

Address:

800 Nicollet Mall
Minneapolis, MN 55402

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

CORMORANT PRIVATE HEALTHCARE FUND III, LP

By: Cormorant Private Healthcare GP III, LLC

By: /s/ Bihua Chen
Name: Bihua Chen
Title: Managing Member

CORMORANT PRIVATE HEALTHCARE FUND IV, LP

By: Cormorant Private Healthcare GP IV, LLC

By: /s/ Bihua Chen
Name: Bihua Chen
Title: Managing Member

CORMORANT GLOBAL HEALTHCARE MASTER FUND, LP

By: Cormorant Global Healthcare GP, LLC

By: /s/ Bihua Chen
Name: Bihua Chen
Title: Managing Member

Address:

200 Clarendon Street, 52nd Floor
Boston, MA 02116

Email: neb@cormorant-asset.com

The parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

T. Rowe Price Health Sciences Fund, Inc.
TD Mutual Funds - TD Health Sciences Fund
T. Rowe Price Health Sciences Portfolio
Each account, severally and not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser or Subadviser, as applicable

By: /s/ Andrew Baek
Name: Andrew Baek
Title: Vice President

Address:

T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Phone: 410-345-2090
E-mail: Equity_Transactions-Legal@troweprice.com

SCHEDULE A

Investors

Third Rock Ventures VI, L.P.
201 Brookline Avenue, Suite 1401
Boston, MA 02215
Attn: Kevin Gillis
Kevin.gillis@thirdrockventures.com

With a copy to:

Third Rock Ventures VI, L.P.
201 Brookline Avenue, Suite 1401
Boston, MA 02215
Attn: Sascha Rosebush
srosebush@thirdrockventures.com

RTW Master Fund, Ltd.
Attn: LegalOps; Lauren Lee
legalops@rtwfunds.com; LL@rtwfunds.com
c/o RTW Investments, LP
40 10thAvenue, Floor 7
New York, NY 10014

RTW Innovation Master Fund, Ltd.
Attn: LegalOps; Lauren Lee
legalops@rtwfunds.com; LL@rtwfunds.com
c/o RTW Investments, LP
40 10thAvenue, Floor 7
New York, NY 10014

RTW Venture Fund Limited
Attn: LegalOps; Lauren Lee
legalops@rtwfunds.com; LL@rtwfunds.com
c/o RTW Investments, LP
40 10thAvenue, Floor 7
New York, NY 10014

Perceptive Xontogeny Venture Fund II, LP
51 Astor Place, 10th Floor
New York, NY 10003
Attn: Frederick P. Callori

With a copy to:

Choate, Hall & Stewart LLP
Two International Place
Boston, MA 02110
Attn: Kevin Tormey

Samsara BioCapital, L.P.
628 Middlefield Road
Palo Alto, CA 94301
Attention: Srinivas Akkaraju, MD, PhD
E-mail: srini@samsaracap.com

Red Tree Venture Fund, L.P.
2055 Woodside Road, Suite 270
Redwood City, CA 94061

ECI Health Fund 3, LLC
PO Box 61239, Dept 1173
Palo Alto, CA 94306
Attention: Steve McDermid
E-Mail Address: steve@emersoncollective.com, with a copy to legal@emersoncollective.com

Cc: Tina Rosado
Rosewood Family Advisors LLP
PO Box 61239
Dept 1173
Palo Alto, CA 94306
Telephone Number: 650-210-5118
E-Mail: tina@rfallp.com with a copy to LAKFOS@rfallp.com

Janus Henderson Biotech Innovation Master Fund Limited
Janus Henderson Investors US LLC
151 Detroit St.
Denver, CO 80206
Email: andy.acker@janushenderson.com; angela.morton@janushenderson.com; and JHIPrivatePlacements@janushenderson.com

with a copy, which shall not constitute notice, to:

Perkins Coie LLC
3150 Porter Drive
Palo Alto, CA 94306
Attn: Adrian Rich
Email: ARich@perkinscoie.com

Wellington Biomedical Innovation Master Investors (Cayman) II L.P.
c/o Wellington Management Company, LLP
Legal and Compliance
280 Congress Street
Boston, MA 02210
Telephone number: (617) 790-7770
Attn: Peter McIsaac, Managing Director and Counsel
Email: #legal-ecm@wellington.com

With a copy, which shall not constitute notice, to:

Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, MA 02109
Attn: Jason L. Kropp
Email: jason.kropp@wilmerhale.com

Nextech VII Oncology SCSp
8 rue Lou Hemmer
L-1748 Senningerberg, Luxembourg
Attn: Ian Charoub
Email: nextechvii@aztecgroup.eu

with a copy to:

Nextech Invest
Bahnhofstrasse 18
8001 Zurich, Switzerland
Attn: Thilo Schroeder
Email: schroeder@nextechinvest.com

ABG V-Cargo Limited
c/o Unit 3002-3004, 30/F., Gloucester
Tower, The Landmark
15 Queen's Road Central, Hong Kong
Attn.: Charles Wong
Email: abg_ops@ally-bridge.com

Piper Heartland Healthcare Crossover Fund I, L.P.
800 Nicollet Mall
Minneapolis, MN 55402
Email: Matthew.hemsley@psc.com

Cormorant Private Healthcare Fund III, LP
200 Clarendon Street, 52nd Floor
Boston, MA 02116
Email: neb@cormorant-asset.com

Cormorant Private Healthcare Fund IV, LP
200 Clarendon Street, 52nd Floor
Boston, MA 02116
Email: neb@cormorant-asset.com

Cormorant Global Healthcare Master Fund, LP
200 Clarendon Street, 52nd Floor
Boston, MA 02116
Email: neb@cormorant-asset.com

T. Rowe Price Health Sciences Fund, Inc.
T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Phone: 410-345-2090
E-mail: Equity_Transactions-Legal@troweprice.com

TD Mutual Funds - TD Health Sciences Fund
T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Phone: 410-345-2090
E-mail: Equity_Transactions-Legal@troweprice.com

T. Rowe Price Health Sciences Portfolio
T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202
Phone: 410-345-2090
E-mail: Equity_Transactions-Legal@troweprice.com

CARGO THERAPEUTICS, INC.
2021 STOCK OPTION AND GRANT PLAN

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the Cargo Therapeutics, Inc. 2021 Stock Option and Grant Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, directors, Consultants and other key persons of Cargo Therapeutics, Inc. (formerly known as Syncopation Life Sciences, Inc.), a Delaware corporation (including any successor entity, the "Company") and its Subsidiaries, upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business, to acquire a proprietary interest in the Company.

The following terms shall be defined as set forth below:

"*Affiliate*" of any Person means a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the first mentioned Person. A Person shall be deemed to control another Person if such first Person possesses directly or indirectly the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, by contract or otherwise.

"*Award*" or "*Awards*," except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units or any combination of the foregoing.

"Award Agreement" means a written or electronic agreement setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Agreement may contain terms and conditions in addition to those set forth in the Plan; *provided, however,* in the event of any conflict in the terms of the Plan and the Award Agreement, the terms of the Plan shall govern**.**

"*Board*" means the Board of Directors of the Company.

"*Cause*" shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of "Cause," it shall mean (i) the grantee's dishonest statements or acts with respect to the Company or any Affiliate of the Company, or any current or prospective customers, suppliers vendors or other third parties with which such entity does business; (ii) the grantee's commission of (A) a felony or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud; (iii) the grantee's failure to perform his assigned duties and responsibilities to the reasonable satisfaction of the Company which failure continues, in the reasonable judgment of the Company, after written notice given to the grantee by the Company; (iv) the grantee's gross negligence, willful misconduct or insubordination with respect to the Company or any Affiliate of the Company; or (v) the grantee's material violation of any provision of any agreement(s) between the grantee and the Company relating to noncompetition, nonsolicitation, nondisclosure and/or assignment of inventions.

"Chief Executive Officer" means the Chief Executive Officer of the Company or, if there is no Chief Executive Officer, then the President of the Company.

"*Code*" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"*Committee*" means the Committee of the Board referred to in Section 2.

"Consultant" means any natural person that provides bona fide services to the Company (including a Subsidiary), and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

"*Disability*" means "disability" as defined in Section 422(c) of the Code.

"*Effective Date*" means the date on which the Plan is adopted as set forth on the final page of the Plan.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"*Fair Market Value*" of the Stock on any given date means the fair market value of the Stock determined in good faith by the Committee based on the reasonable application of a reasonable valuation method not inconsistent with Section 409A of the Code. If the Stock is admitted to trade on a national securities exchange, the determination shall be made by reference to the closing price reported on such exchange. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there is a closing price. If the date for which Fair Market Value is determined is the first day when trading prices for the Stock are reported on a national securities exchange, the Fair Market Value shall be the "Price to the Public" (or equivalent) set forth on the cover page for the final prospectus relating to the Company's Initial Public Offering.

"Good Reason" shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of "Good Reason," it shall mean (i) a material diminution in the grantee's base salary except for across-the-board salary reductions similarly affecting all or substantially all similarly situated employees of the Company or (ii) a change of more than 50 miles in the geographic location at which the grantee provides services to the Company, so long as the grantee provides at least 90 days notice to the Company following the initial occurrence of any such event and the Company fails to cure such event within 30 days thereafter.

"*Grant Date"* means the date that the Committee designates in its approval of an Award in accordance with applicable law as the date on which the Award is granted, which date may not precede the date of such Committee approval.

"Holder" means, with respect to an Award or any Shares, the Person holding such Award or Shares, including the initial recipient of the Award or any Permitted Transferee.

"*Incentive Stock Option*" means any Stock Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

"*Initial Public Offering*" means the consummation of the first public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale by the Company of its equity securities, as a result of or following which the Stock shall be publicly held.

"*Non-Qualified Stock Option*" means any Stock Option that is not an Incentive Stock Option.

"*Option*" or "*Stock Option*" means any option to purchase shares of Stock granted pursuant to Section 5.

"*Permitted Transferees*" shall mean any of the following to whom a Holder may transfer Shares hereunder (as set forth in Section 9(a)(ii)(A)): the Holder's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Holder's household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons control the management of assets, and any other entity in which these persons own more than fifty percent of the voting interests*; provided, however,* that any such trust does not require or permit distribution of any Shares during the term of the Award Agreement unless subject to its terms. Upon the death of the Holder, the term Permitted Transferees shall also include such deceased Holder's estate, executors, administrators, personal representatives, heirs, legatees and distributees, as the case may be.

"*Person*" shall mean any individual, corporation, partnership (limited or general), limited liability company, limited liability partnership, association, trust, joint venture, unincorporated organization or any similar entity.

"Restricted Stock Award" means Awards granted pursuant to Section 6 and *"Restricted Stock"* means Shares issued pursuant to such Awards.

"Restricted Stock Unit" means an Award of phantom stock units to a grantee, which may be settled in cash or Shares as determined by the Committee, pursuant to Section 8.

"*Sale Event"* means the consummation of (i) the dissolution or liquidation of the Company, (ii) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (iii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the surviving or resulting entity (or its ultimate parent, if applicable), (iv) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a Person or group of Persons, or (v) any other acquisition of the business of the Company, as determined by the Board; *provided, however,* that the Company's Initial Public Offering, any subsequent public offering or another capital raising event, or a merger effected solely to change the Company's domicile shall not constitute a "Sale Event."

"Section 409A" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Service Relationship" means any relationship as a full-time employee, part-time employee, director or other key person (including Consultants) of the Company or any Subsidiary or any successor entity (e.g., a Service Relationship shall be deemed to continue without interruption in the event an individual's status changes from full-time employee to part-time employee or Consultant).

"Shares" means shares of Stock.

"*Stock*" means the Common Stock, par value $0.0001 per share, of the Company.

"*Subsidiary*" means any corporation or other entity (other than the Company) in which the Company has more than a 50 percent interest, either directly or indirectly.

"Ten Percent Owner" means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent of the Company or any Subsidiary.

"Termination Event" means the termination of the Award recipient's Service Relationship with the Company and its Subsidiaries for any reason whatsoever, regardless of the circumstances thereof, and including, without limitation, upon death, disability, retirement, discharge or resignation for any reason, whether voluntarily or involuntarily. The following shall not constitute a Termination Event: (i) a transfer to the service of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another Subsidiary or (ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Committee, if the individual's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing.

"*Unrestricted Stock Award"* means any Award granted pursuant to Section 7 and *"Unrestricted Stock"* means Shares issued pursuant to such Awards.

SECTION 2. ADMINISTRATION OF PLAN; COMMITTEE AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Board, or at the discretion of the Board, by a committee of the Board, comprised of not less than two directors. All references herein to the "Committee" shall be deemed to refer to the group then responsible for administration of the Plan at the relevant time (i.e., either the Board or a committee or committees of the Board, as applicable).

(b) Powers of Committee. The Committee shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the amount, if any, of Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of Shares to be covered by any Award and, subject to the provisions of the Plan, the price, exercise price, conversion ratio or other price relating thereto;

(iv) to determine and, subject to Section 12, to modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the form of Award Agreements;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) to impose any limitations on Awards, including limitations on transfers, repurchase provisions and the like, and to exercise repurchase rights or obligations;

(vii) subject to Section 5(a)(ii) and any restrictions imposed by Section 409A, to extend at any time the period in which Stock Options may be exercised; and

(viii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including Award Agreements); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Committee shall be binding on all persons, including the Company and all Holders.

(c) Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award.

(d) Indemnification. Neither the Board nor the Committee, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Committee (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's governing documents, including its certificate of incorporation or bylaws (each, as may be amended and/or restated from time to time), or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(e) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and any Subsidiary operate or have employees or other individuals eligible for Awards, the Committee, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries, if any, shall be covered by the Plan; (ii) determine which individuals, if any, outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Committee determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to the Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitation contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Committee determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS AND OTHER TRANSACTIONS; SUBSTITUTION

(a) Stock Issuable. The maximum number of Shares reserved and available for issuance under the Plan shall be 2,543,353 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Awards that are forfeited, canceled, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) and Shares that are withheld upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under the Plan. Subject to such overall limitations, Shares may be issued up to such maximum number pursuant to any type or types of Award, and no more than 25,433,530 Shares may be issued pursuant to Incentive Stock Options. The Shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional Shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such Shares or other securities, in each case, without the receipt of consideration by the Company, or, if, as a result of any merger or consolidation, or sale of all or substantially all of the assets of the Company, the outstanding Shares are converted into or exchanged for other securities of the Company or any successor entity (or a parent or subsidiary thereof), the Committee shall make an appropriate and proportionate adjustment in (i) the maximum number of Shares reserved for issuance under the Plan, (ii) the number and kind of Shares or other securities subject to any then outstanding Awards under the Plan, (iii) the repurchase price, if any, per Share subject to each outstanding Award, and (iv) the exercise price for each Share subject to any then outstanding Stock Options

under the Plan, without changing the aggregate exercise price (i.e., the per share exercise price multiplied by the number of Shares underlying such Stock Options) as to which such Stock Options remain exercisable. The Committee shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporation Code and the rules and regulations promulgated thereunder. The adjustment by the Committee shall be final, binding and conclusive. No fractional Shares shall be issued under the Plan resulting from any such adjustment, but the Committee in its discretion may make a cash payment in lieu of fractional shares.

(c) Sale Events.

(i) Options.

(A) In the case of and subject to the consummation of a Sale Event, the Plan and all outstanding Options issued hereunder shall terminate upon the effective time of any such Sale Event unless assumed or continued by the successor entity, or new stock options or other awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the termination of the Plan and all outstanding Options issued hereunder pursuant to Section 3(c), each Holder of Options shall be permitted, within a period of time prior to the consummation of the Sale Event as specified by the Committee, to exercise all such Options which are then exercisable or will become exercisable as of the effective time of the Sale Event; *provided, however*, that the exercise of Options not exercisable prior to the Sale Event shall be subject to the consummation of the Sale Event.

(C) Notwithstanding anything to the contrary in Section 3(c)(i)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Options, without any consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the value as determined by the Committee of the consideration payable per share of Stock pursuant to the Sale Event (the "Sale Price") times the number of Shares subject to outstanding Options being cancelled (to the extent then vested and exercisable, including by reason of acceleration in connection with such Sale Event, at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding vested and exercisable Options.

(ii) Restricted Stock and Restricted Stock Unit Awards.

(A) In the case of and subject to the consummation of a Sale Event, all unvested Restricted Stock and unvested Restricted Stock Unit Awards (other than those becoming vested as a result of the Sale Event) issued hereunder shall be forfeited immediately prior to the effective time of any such Sale Event unless assumed or

continued by the successor entity, or awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares subject to such awards as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the forfeiture of Restricted Stock pursuant to Section 3(c)(ii)(A), such Restricted Stock shall be repurchased from the Holder thereof at a price per share equal to the lower of the original per share purchase price paid by the Holder (subject to adjustment as provided in Section 3(b)) or the current Fair Market Value of such Shares, as determined immediately prior to the effective time of the Sale Event.

(C) Notwithstanding anything to the contrary in Section 3(c)(ii)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Restricted Stock or Restricted Stock Unit Awards, without consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the Sale Price times the number of Shares subject to such Awards, to be paid at the time of such Sale Event or upon the later vesting of such Awards.

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, directors, Consultants and key persons of the Company and any Subsidiary who are selected from time to time by the Committee in its sole discretion; provided, however, that Awards shall be granted only to those individuals described in Rule 701(c) of the Securities Act.

SECTION 5. STOCK OPTIONS

Upon the grant of a Stock Option, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a “subsidiary corporation” within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

(a) Terms of Stock Options. The Committee in its discretion may grant Stock Options to those individuals who meet the eligibility requirements of Section 4. Stock Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable.

(i) Exercise Price. The exercise price per share for the Shares covered by a Stock Option shall be determined by the Committee at the time of grant but shall not be less than 100 percent of the Fair Market Value on the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the exercise price per share for the Shares covered by such Incentive Stock Option shall not be less than 110 percent of the Fair Market Value on the Grant Date.

(ii) Option Term. The term of each Stock Option shall be fixed by the Committee, but no Stock Option shall be exercisable more than ten years from the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the Grant Date.

(iii) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable and/or vested at such time or times, whether or not in installments, as shall be determined by the Committee at or after the Grant Date. The Award Agreement may permit a grantee to exercise all or a portion of a Stock Option immediately at grant; provided that the Shares issued upon such exercise shall be subject to restrictions and a vesting schedule identical to the vesting schedule of the related Stock Option, such Shares shall be deemed to be Restricted Stock for purposes of the Plan, and the optionee may be required to enter into an additional or new Award Agreement as a condition to exercise of such Stock Option. An optionee shall have the rights of a stockholder only as to Shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options. An optionee shall not be deemed to have acquired any Shares unless and until a Stock Option shall have been exercised pursuant to the terms of the Award Agreement and this Plan and the optionee's name has been entered on the books of the Company as a stockholder.

(iv) Method of Exercise. Stock Options may be exercised by an optionee in whole or in part, by the optionee giving written or electronic notice of exercise to the Company, specifying the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the following methods (or any combination thereof) to the extent provided in the Award Agreement:

(A) In cash, by certified or bank check, by wire transfer of immediately available funds, or other instrument acceptable to the Committee;

(B) If permitted by the Committee, by the optionee delivering to the Company a promissory note, if the Board has expressly authorized the loan of funds to the optionee for the purpose of enabling or assisting the optionee to effect the exercise of his or her Stock Option; provided, that at least so much of the exercise price as represents the par value of the Stock shall be paid in cash if required by state law;

(C) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), through the delivery (or attestation to the ownership) of Shares that have been purchased by the optionee on the open market or that are beneficially owned by the optionee and are not then subject to restrictions under any Company plan. To the extent required to avoid variable accounting treatment under ASC 718 or other applicable accounting rules, such surrendered Shares if originally purchased from the Company shall have been owned by the optionee for at least six months. Such surrendered Shares shall be valued at Fair Market Value on the exercise date;

(D) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), by the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Committee shall prescribe as a condition of such payment procedure; or

(E) If permitted by the Committee, and only with respect to Stock Options that are not Incentive Stock Options, by a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issuable upon exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. No certificates for Shares so purchased will be issued to the optionee or, with respect to uncertificated Stock, no transfer to the optionee on the records of the Company will take place, until the Company has completed all steps it has deemed necessary to satisfy legal requirements relating to the issuance and sale of the Shares, which steps may include, without limitation, (i) receipt of a representation from the optionee at the time of exercise of the Option that the optionee is purchasing the Shares for the optionee's own account and not with a view to any sale or distribution of the Shares or other representations relating to compliance with applicable law governing the issuance of securities, (ii) the legending of the certificate (or notation on any book entry) representing the Shares to evidence the foregoing restrictions, (iii) obtaining from optionee payment or provision for all withholding taxes due as a result of the exercise of the Option and (iv) if required by the Company, the optionee's execution and delivery of any stockholders' agreements or other agreements with the Company and/or certain other stockholders of the Company relating to the shares of the Stock. The delivery of certificates representing the shares of Stock (or the transfer to the optionee on the records of the Company with respect to uncertificated Stock) to be purchased pursuant to the exercise of a Stock Option will be contingent upon (A) receipt from the optionee (or a purchaser acting in his or her stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such Shares and the fulfillment of any other requirements contained in the Award Agreement or applicable provisions of laws and (B) if required by the Company, the optionee shall have entered into any stockholders agreements or other agreements with the Company and/or certain other of the Company's stockholders relating to the Stock. In the event an optionee chooses to pay the purchase price by previously-owned Shares through the attestation method, the number of Shares transferred to the optionee upon the exercise of the Stock Option shall be net of the number of Shares attested to.

(b) Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the Grant Date) of the Shares with respect to which Incentive Stock Options granted under the Plan and any other plan of the Company or its parent and any Subsidiary that become exercisable for the first time by an optionee during any calendar year shall not exceed $100,000 or such other limit as may be in effect from time to time under Section 422 of the Code. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

(c) Termination. Any portion of a Stock Option that is not vested and exercisable on the date of termination of an optionee's Service Relationship shall immediately expire and be null and void. Once any portion of the Stock Option becomes vested and exercisable, the optionee's right to exercise such portion of the Stock Option (or the optionee's representatives and legatees as applicable) in the event of a termination of the optionee's Service Relationship shall continue until the earliest of: (i) the date which is: (A) 12 months following the date on which the optionee's Service Relationship terminates due to death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (B) three months following the date on which the optionee's Service Relationship terminates if the termination is due to any reason other than death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (ii) the Expiration Date set forth in the Award Agreement; provided that notwithstanding the foregoing, an Award Agreement may provide that if the optionee's Service Relationship is terminated for Cause, the Stock Option shall terminate immediately and be null and void upon the date of the optionee's termination and shall not thereafter be exercisable.

SECTION 6. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible individual under Section 4 hereof a Restricted Stock Award under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Award at the time of grant. Conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or such other criteria as the Committee may determine. Upon the grant of a Restricted Stock Award, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee of Restricted Stock shall be considered the record owner of and shall be entitled to vote the Restricted Stock if, and to the extent, such Shares are entitled to voting rights, subject to such conditions contained in the Award Agreement. The grantee shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution. Unless the Committee shall otherwise determine, certificates evidencing the Restricted Stock shall remain in the possession of the Company until such Restricted Stock is vested as provided in subsection (d) below of this Section, and the grantee shall be required, as a condition of the grant, to deliver to the Company a stock power endorsed in blank and such other instruments of transfer as the Committee may prescribe.

(c) Restrictions. Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Award Agreement. Except as may otherwise be provided by the Committee either in the Award Agreement or, subject to Section 12 below, in writing after the Award Agreement is issued, if a grantee's Service Relationship with the Company and any Subsidiary terminates, the Company or its assigns shall have the right, as may be specified in the relevant instrument, to repurchase some or all of the Shares subject to the Award at such purchase price as is set forth in the Award Agreement.

(d) Vesting of Restricted Stock. The Committee at the time of grant shall specify in the Award Agreement the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the substantial risk of forfeiture imposed shall lapse and the Restricted Stock shall become vested, subject to such further rights of the Company or its assigns as may be specified in the Award Agreement.

SECTION 7. UNRESTRICTED STOCK AWARDS

The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible person under Section 4 hereof an Unrestricted Stock Award under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Committee may, in its sole discretion, grant to an eligible person under Section 4 hereof Restricted Stock Units under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Unit at the time of grant. Vesting conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or other such criteria as the Committee may determine. Upon the grant of Restricted Stock Units, the grantee and the Company shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee and may differ among individual Awards and grantees. On or promptly following the vesting date or dates applicable to any Restricted Stock Unit, but in no event later than March 15 of the year following the year in which such vesting occurs, such Restricted Stock Unit(s) shall be settled in the form of cash or shares of Stock, as specified in the Award Agreement. Restricted Stock Units may not be sold, assigned, transferred, pledged, or otherwise encumbered or disposed of.

(b) Rights as a Stockholder. A grantee shall have the rights of a stockholder only as to Shares, if any, acquired upon settlement of Restricted Stock Units. A grantee shall not be deemed to have acquired any such Shares unless and until the Restricted Stock Units shall have been settled in Shares pursuant to the terms of the Plan and the Award Agreement, the Company shall have issued and delivered a certificate representing the Shares to the grantee (or transferred on the records of the Company with respect to uncertificated stock), and the grantee's name has been entered in the books of the Company as a stockholder.

(c) Termination. Except as may otherwise be provided by the Committee either in the Award Agreement or in writing after the Award Agreement is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's cessation of Service Relationship with the Company and any Subsidiary for any reason.

SECTION 9. TRANSFER RESTRICTIONS; COMPANY RIGHT OF FIRST REFUSAL; COMPANY REPURCHASE RIGHTS

(a) Restrictions on Transfer.

(i) Non-Transferability of Stock Options. Stock Options and, prior to exercise, the Shares issuable upon exercise of such Stock Option, shall not be transferable by the optionee otherwise than by will, or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the optionee's lifetime, only by the optionee, or by the optionee's legal representative or guardian in the event of the optionee's incapacity. Notwithstanding the foregoing, the Committee, in its sole discretion, may provide in the Award Agreement regarding a given Stock Option that the optionee may transfer by gift, without consideration for the transfer, his or her Non-Qualified Stock Options to his or her family members (as defined in Rule 701 of the Securities Act), to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners (to the extent such trusts or partnerships are considered "family members" for purposes of Rule 701 of the Securities Act), provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award Agreement, including the execution of a stock power upon the issuance of Shares. Stock Options, and the Shares issuable upon exercise of such Stock Options, shall be restricted as to any pledge, hypothecation, or other transfer, including any short position, any "put equivalent position" (as defined in the Exchange Act) or any "call equivalent position" (as defined in the Exchange Act) prior to exercise.

(ii) Shares. No Shares shall be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of or encumbered, whether voluntarily or by operation of law, unless (i) the transfer is in compliance with the terms of the applicable Award Agreement, all applicable securities laws (including, without limitation, the Securities Act), and with the terms and conditions of this Section 9, (ii) the transfer does not cause the Company to become subject to the reporting requirements of the Exchange Act, and (iii) the transferee consents in writing to be bound by the provisions of the Plan and the Award Agreement, including this Section 9. In connection with any proposed transfer, the Committee may require the transferor to provide at the transferor's own expense an opinion of counsel to the transferor, satisfactory to the Committee, that such transfer is in compliance with all foreign, federal and state securities laws (including, without limitation, the Securities Act). Any attempted transfer of Shares not in accordance with the terms and conditions of this Section 9 shall be null and void, and the Company shall not reflect on its records any change in record ownership of any Shares as a result of any such transfer, shall otherwise refuse to recognize any such transfer and shall not in any way give effect to any such transfer of Shares. The Company shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity including, without limitation, seeking specific performance or the rescission of any transfer not made in strict compliance with the provisions of this Section 9. Subject to the foregoing general provisions, and unless otherwise provided in the applicable Award Agreement, Shares may be transferred pursuant to the following specific terms and conditions (provided that with respect to any transfer of Restricted Stock, all vesting and forfeiture provisions shall continue to apply with respect to the original recipient):

(A) Transfers to Permitted Transferees. The Holder may transfer any or all of the Shares to one or more Permitted Transferees; *provided, however*, that following such transfer, such Shares shall continue to be subject to the terms of this Plan (including this Section 9) and such Permitted Transferee(s) shall, as a condition to any such transfer, deliver a written acknowledgment to that effect to the Company and shall deliver a stock power to the Company with respect to the Shares. Notwithstanding the foregoing, the Holder may not transfer any of the Shares to a Person whom the Company reasonably determines is a direct competitor or a potential competitor of the Company or any of its Subsidiaries.

(B) Transfers Upon Death. Upon the death of the Holder, any Shares then held by the Holder at the time of such death and any Shares acquired after the Holder's death by the Holder's legal representative shall be subject to the provisions of this Plan, and the Holder's estate, executors, administrators, personal representatives, heirs, legatees and distributees shall be obligated to convey such Shares to the Company or its assigns under the terms contemplated by the Plan and the Award Agreement.

(b) Right of First Refusal. In the event that a Holder desires at any time to sell or otherwise transfer all or any part of his or her Shares (other than shares of Restricted Stock which by their terms are not transferrable), the Holder first shall give written notice to the Company of the Holder's intention to make such transfer. Such notice shall state the number of Shares that the Holder proposes to sell (the "Offered Shares"), the price and the terms at which the proposed sale is to be made and the name and address of the proposed transferee. At any time within 30 days after the receipt of such notice by the Company, the Company or its assigns may elect to purchase all or any portion of the Offered Shares at the price and on the terms offered by the proposed transferee and specified in the notice. The Company or its assigns shall exercise this right by mailing or delivering written notice to the Holder within the foregoing 30-day period. If the Company or its assigns elect to exercise its purchase rights under this Section 9(b), the closing for such purchase shall, in any event, take place within 45 days after the receipt by the Company of the initial notice from the Holder. In the event that the Company or its assigns do not elect to exercise such purchase right, or in the event that the Company or its assigns do not pay the full purchase price within such 45-day period, the Holder may, within 60 days thereafter, sell the Offered Shares to the proposed transferee and at the same price and on the same terms as specified in the Holder's notice. Any Shares not sold to the proposed transferee shall remain subject to the Plan. If the Holder is a party to any stockholders agreements or other agreements with the Company and/or certain other of the Company's stockholders relating to the Shares, (i) the transferring Holder shall comply with the requirements of such stockholders agreements or other agreements relating to any proposed transfer of the Offered Shares, and (ii) any proposed transferee that purchases Offered Shares shall enter into such stockholders agreements or other agreements with the Company and/or certain of the Company's stockholders relating to the Offered Shares on the same terms and in the same capacity as the transferring Holder.

(c) Company's Right of Repurchase.

(i) Right of Repurchase for Unvested Shares Issued Upon the Exercise of an Option. Upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares acquired upon exercise of a Stock Option which are still subject to a risk of forfeiture as of the Termination Event. Such repurchase rights may be exercised by the Company within the later of (A) six months following the date of such Termination Event or (B) seven months after the acquisition of Shares upon exercise of a Stock Option. The repurchase price shall be equal to the lower of the original per share price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan, or the current Fair Market Value of such Shares as of the date the Company elects to exercise its repurchase rights.

(ii) Right of Repurchase With Respect to Restricted Stock. Upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares received pursuant to a Restricted Stock Award any Shares that are still subject to a risk of forfeiture as of the Termination Event. Such repurchase right may be exercised by the Company within six months following the date of such Termination Event. The repurchase price shall be the lower of the original per share purchase price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan, or the current Fair Market Value of such Shares as of the date the Company elects to exercise its repurchase rights.

(iii) Procedure. Any repurchase right of the Company shall be exercised by the Company or its assigns by giving the Holder written notice on or before the last day of the repurchase period of its intention to exercise such repurchase right. Upon such notification, the Holder shall promptly surrender to the Company, free and clear of any liens or encumbrances, any certificates representing the Shares being purchased, together with a duly executed stock power for the transfer of such Shares to the Company or the Company's assignee or assignees. Upon the Company's or its assignee's receipt of the certificates from the Holder, the Company or its assignee or assignees shall deliver to him, her or them a check for the applicable repurchase price; *provided, however*, that the Company may pay the repurchase price by offsetting and canceling any indebtedness then owed by the Holder to the Company.

(d) Reserved.

(e) Escrow Arrangement.

(i) Escrow. In order to carry out the provisions of this Section 9 of this Plan more effectively, the Company shall hold any Shares issued pursuant to Awards granted under the Plan in escrow together with separate stock powers executed by the Holder in blank for transfer. The Company shall not dispose of the Shares except as otherwise provided in this Plan. In the event of any repurchase by the Company (or any of its assigns), the Company is hereby authorized by the Holder, as the Holder's attorney-in-fact, to date and complete the stock powers necessary for the transfer of the Shares being purchased and to transfer such Shares in accordance with the terms hereof. At such time as any Shares are no longer subject to the Company's repurchase and first refusal rights, the Company shall, at the written request of the Holder, deliver to the Holder a certificate representing such Shares with the balance of the Shares to be held in escrow pursuant to this Section.

(ii) Remedy. Without limitation of any other provision of this Plan or other rights, in the event that a Holder or any other Person is required to sell a Holder's Shares pursuant to the provisions of Sections 9(b) or (c) hereof and in the further event that he or she refuses or for any reason fails to deliver to the Company or its designated purchaser of such Shares the certificate or certificates evidencing such Shares together with a related stock power, the Company or such designated purchaser may deposit the applicable purchase price for such Shares with a bank designated by the Company, or with the Company's independent public accounting firm, as agent or trustee, or in escrow, for such Holder or other Person, to be held by such bank or accounting firm for the benefit of and for delivery to him, her, them or it, and/or, in its discretion, pay such purchase price by offsetting any indebtedness then owed by such Holder as provided above. Upon any such deposit and/or offset by the Company or its designated purchaser of such amount and upon notice to the Person who was required to sell the Shares to be sold pursuant to the provisions of Sections 9(b) or (c), such Shares shall at such time be deemed to have been sold, assigned, transferred and conveyed to such purchaser, such Holder shall have no further rights thereto (other than the right to withdraw the payment thereof held in escrow, if applicable), and the Company shall record such transfer in its stock transfer book or in any appropriate manner.

(f) Lockup Provision. If requested by the Company, a Holder shall not sell or otherwise transfer or dispose of any Shares (including, without limitation, pursuant to Rule 144 under the Securities Act) held by him or her for such period following consummation of, or the effective date of a registration statement pertaining to, a public offering by the Company of Shares as the Company shall specify reasonably and in good faith. If requested by the underwriter engaged by the Company, each Holder shall execute a separate letter confirming his or her agreement to comply with this Section.

(g) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Section 9 shall apply with equal force to additional and/or substitute securities, if any, received by Holder in exchange for, or by virtue of his or her ownership of, Shares.

(h) Termination. The terms and provisions of Section 9(b) and Section 9(c) (except for the Company's right to repurchase Shares still subject to a risk of forfeiture upon a Termination Event) shall terminate upon the closing of the Company's Initial Public Offering or upon consummation of any Sale Event, in either case as a result of which Shares are registered under Section 12 of the Exchange Act and publicly-traded on any national security exchange.

SECTION 10. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Shares or other amounts received thereunder first becomes includable in the gross income of the grantee for income tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and any Subsidiary shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver stock certificates (or evidence of book entry) to any grantee is subject to and conditioned on any such tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. The Company's required tax withholding obligation may be satisfied, in whole or in part, by the Company (i) withholding from Shares to be issued pursuant to an Award a number of Shares having an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due or (ii) causing its transfer agent to sell a number of Shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due and remitting the proceeds from such sale to the Company.

SECTION 11. SECTION 409A AWARDS

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as may be specified by the Committee from time to time. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. The Company makes no representation or warranty and shall have no liability to any grantee under the Plan or any other Person with respect to any penalties or taxes under Section 409A that are, or may be, imposed with respect to any Award.

SECTION 12. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Committee may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the consent of the holder of the Award. The Committee may exercise its discretion to reduce the exercise price of outstanding Stock Options or effect repricing through cancellation of outstanding Stock Options and by granting such holders new Awards in replacement of the cancelled Stock Options. To the extent determined by the Committee to be required either by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code or otherwise, Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 12 shall limit the Board's or Committee's authority to take any action permitted pursuant to Section 3(c). The Board reserves the right to amend the Plan and/or the terms of any outstanding Stock Options to the extent reasonably necessary to comply with the requirements of the exemption pursuant to paragraph (f)(4) of Rule 12h-1 of the Exchange Act.

SECTION 13. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Committee shall otherwise expressly so determine in connection with any Award.

SECTION 14. GENERAL PROVISIONS

(a) No Distribution; Compliance with Legal Requirements. The Committee may require each person acquiring Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the Shares without a view to distribution thereof. No Shares shall be issued pursuant to an Award until all applicable securities law and other legal and stock exchange or similar requirements have been satisfied. The Committee may require the placing of such stop-orders and restrictive legends on certificates for Stock and Awards as it deems appropriate.

(b) Delivery of Stock Certificates. Stock certificates to grantees under the Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company; provided that stock certificates to be held in escrow pursuant to Section 9 of the Plan shall be deemed delivered when the Company shall have recorded the issuance in its records. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records).

(c) No Employment Rights. The adoption of the Plan and the grant of Awards do not confer upon any Person any right to continued employment or Service Relationship with the Company or any Subsidiary.

(d) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policy-related restrictions, terms and conditions as may be established by the Committee, or in accordance with policies set by the Committee, from time to time.

(e) Designation of Beneficiary. Each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award on or after the grantee's death or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Committee and shall not be effective until received by the Committee. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

(f) Legend. Any certificate(s) representing the Shares shall carry substantially the following legend (and with respect to uncertificated Stock, the book entries evidencing such shares shall contain the following notation):

> The transferability of this certificate and the shares of stock represented hereby are subject to the restrictions, terms and conditions (including repurchase and restrictions against transfers) contained in the Cargo Therapeutics, Inc. 2021 Stock Option and Grant Plan and any agreements entered into thereunder by and between the company and the holder of this certificate (a copy of which is available at the offices of the company for examination).

(g) Information to Holders of Options. In the event the Company is relying on the exemption from the registration requirements of Section 12(g) of the Exchange Act contained in paragraph (f)(1) of Rule 12h-1 of the Exchange Act, the Company shall provide the information described in Rule 701(e)(3), (4) and (5) of the Securities Act to all holders of Options in accordance with the requirements thereunder. The foregoing notwithstanding, the Company shall not be required to provide such information unless the optionholder has agreed in writing, on a form prescribed by the Company, to keep such information confidential.

SECTION 15. EFFECTIVE DATE OF PLAN

The Plan shall become effective upon adoption by the Board and shall be approved by stockholders in accordance with applicable state law and the Company's certificate of incorporation and bylaws within 12 months thereafter. If the stockholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, then any Awards granted or sold under the Plan shall be rescinded and no additional grants or sales shall thereafter be made under the Plan. Subject to such approval by stockholders and to the requirement that no Shares may be issued hereunder prior to such approval, Stock Options and other Awards may be granted hereunder on and after adoption of the Plan by the Board. No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the date the Plan is adopted by the Board or the date the Plan is approved by the Company's stockholders, whichever is earlier.

SECTION 16. GOVERNING LAW

This Plan, all Awards and any controversy arising out of or relating to this Plan and all Awards shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

DATE ADOPTED BY THE BOARD OF DIRECTORS:	July 30, 2021
DATE APPROVED BY THE STOCKHOLDERS:	August 16, 2021

CARGO THERAPEUTICS, INC.
AMENDMENT No. 5 TO
2021 STOCK OPTION AND GRANT PLAN

WHEREAS, the Board of Directors of CARGO Therapeutics, Inc. (formerly known as Syncopation Life Sciences, Inc.) (the "**Company**") approved and adopted the 2021 Stock Option and Grant Plan (the "**Plan**") of the Company on July 30, 2021; and

WHEREAS, the Board of Directors and the stockholders of the Company have determined that it is in the best interest of the Company to amend the Plan as set forth in this Amendment No. 5 (this "**Amendment**").

NOW, THEREFORE, the Plan is amended as follows:

1. Amendment of the Plan

1.01. Section 3(a) of the Plan is hereby amended and restated in its entirety to read as follows:

"(a) Stock Issuable. The maximum number of Shares reserved and available for issuance under the Plan shall be 49,103,103 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Awards that are forfeited, canceled, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) and Shares that are withheld upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under the Plan. Subject to such overall limitations, Shares may be issued up to such maximum number pursuant to any type or types of Award, and no more than 49,103,103 Shares may be issued pursuant to Incentive Stock Options. The Shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company."

2. Miscellaneous.

2.01. Effect. Except as amended hereby, the Plan shall remain in full force and effect.

2.02. Defined Terms. All capitalized terms used but not specifically defined herein shall have the same meanings given such terms in the Plan unless the context clearly indicates or dictates a contrary meaning.

2.03. Governing Law. This Amendment shall be governed by and construed in accordance with the laws and judicial decisions of the State of Delaware, without regard to the application of the principles of conflicts of laws.

ADOPTED BY BOARD OF DIRECTORS: **July 21, 2023**

APPROVED BY STOCKHOLDERS: **July 31, 2023**

Exhibit 10.5(c)

INCENTIVE STOCK OPTION GRANT NOTICE
UNDER THE CARGO THERAPEUTICS, INC.
2021 STOCK OPTION AND GRANT PLAN

Pursuant to the Cargo Therapeutics, Inc. 2021 Stock Option and Grant Plan (the "Plan"), Cargo Therapeutics, Inc. (formerly known as Syncopation Life Sciences, Inc.), a Delaware corporation (together with any successor, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value $0.001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Incentive Stock Option Grant Notice (the "Grant Notice"), the attached Incentive Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"). To the extent that any portion of the Stock Option does not so qualify, it shall be deemed a non-qualified stock option.

Name of Optionee:	_____ (the "Optionee")
No. of Shares:	_____ Shares of Common Stock
Grant Date:	_____
Vesting Commencement Date:	_____ (the "Vesting Commencement Date")
Expiration Date:	_____ (the "Expiration Date")
Option Exercise Price/Share:	$_____ (the "Option Exercise Price")
Vesting Schedule:	[25] percent of the Shares shall vest and become exercisable on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining [75] percent of the Shares shall vest and become exercisable in [36] equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company on each vesting date. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan.

Attachments: Incentive Stock Option Agreement, 2021 Stock Option and Grant Plan

INCENTIVE STOCK OPTION AGREEMENT
UNDER THE CARGO THERAPEUTICS, INC.
2021 STOCK OPTION AND GRANT PLAN

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

1. Vesting, Exercisability and Termination.

(a) No portion of this Stock Option may be exercised until such portion shall have vested and become exercisable.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, this Stock Option shall be vested and exercisable on the respective dates indicated below:

(i) This Stock Option shall initially be unvested and unexercisable.

(ii) This Stock Option shall vest and become exercisable in accordance with the Vesting Schedule set forth in the Grant Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee's Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case, to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee's Service Relationship terminates by reason of such Optionee's death or Disability, this Stock Option may be exercised, to the extent exercisable on the date of such termination, by the Optionee, the Optionee's legal representative or legatee for a period of 12 months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee's Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may be exercised, to the extent exercisable on the date of termination, for a period of 90 days from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee's Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

For purposes hereof, the Committee's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees. Any portion of this Stock Option that is not vested and exercisable on the date of termination of the Service Relationship shall terminate immediately and be null and void.

(d) It is understood and intended that this Stock Option is intended to qualify as an "incentive stock option" as defined in Section 422 of the Code to the extent permitted under applicable law. Accordingly, the Optionee understands that in order to obtain the benefits of an incentive stock option under Section 422 of the Code, no sale or other disposition may be made of Shares for which incentive stock option treatment is desired within the one-year period beginning on the day after the day of the transfer of such Shares to him or her, nor within the two-year period beginning on the day after Grant Date of this Stock Option and further that this Stock Option must be exercised within three months after termination of employment as an employee (or 12 months in the case of death or disability) to qualify as an incentive stock option. If the Optionee disposes (whether by sale, gift, transfer or otherwise) of any such Shares within either of these periods, he or she will notify the Company within 30 days after such disposition. The Optionee also agrees to provide the Company with any information concerning any such dispositions required by the Company for tax purposes. Further, to the extent this Stock Option and any other incentive stock options of the Optionee having an aggregate Fair Market Value in excess of $100,000 (determined as of the Grant Date) first become exercisable in any year, such options will not qualify as incentive stock options.

2. Exercise of Stock Option.

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an "Exercise Notice") in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares with respect to which this Stock Option is then exercisable. Such notice shall specify the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.

3. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan.

4. Transferability of Stock Option. This Stock Option is personal to the Optionee and is not transferable by the Optionee in any manner other than by will or by the laws of descent and distribution. The Stock Option may be exercised during the Optionee's lifetime only by the Optionee (or by the Optionee's guardian or personal representative in the event of the Optionee's incapacity). The Optionee may elect to designate a beneficiary by providing written notice of the name of such beneficiary to the Company, and may revoke or change such designation at any time by filing written notice of revocation or change with the Company; such beneficiary may exercise the Optionee's Stock Option in the event of the Optionee's death to the extent provided herein. If the Optionee does not designate a beneficiary, or if the designated beneficiary predeceases the Optionee, the legal representative of the Optionee may exercise this Stock Option to the extent provided herein in the event of the Optionee's death.

5. Restrictions on Transfer of Shares. The Shares acquired upon exercise of the Stock Option shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan.

6. Miscellaneous Provisions.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

7. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1 16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Palo Alto, California.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby

consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

8. Waiver of Statutory Information Rights. The Optionee understands and agrees that, but for the waiver made herein, the Optionee would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of the Optionee as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until the first sale of Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act, the Optionee hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of the Optionee under any other written agreement between the Optionee and the Company.

[SIGNATURE PAGE FOLLOWS]

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

CARGO THERAPEUTICS, INC.

By: _____
Name:
Title:

Address:

_____

_____

_____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof, and understands that this Stock Option is subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 8 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

_____
Name:

Address:

_____

_____

_____

SPOUSE'S CONSENT
I acknowledge that I have read the
foregoing Non-Qualified Stock Option Agreement
and understand the contents thereof.

_____

DESIGNATED BENEFICIARY:

_____

Beneficiary's Address:

_____

_____

_____

Appendix A

STOCK OPTION EXERCISE NOTICE

Cargo Therapeutics, Inc.

Attention: _____

_____

_____

_____

Pursuant to the terms of the grant notice and stock option agreement between the undersigned and Cargo Therapeutics, Inc. (formerly known as Syncopation Life Sciences, Inc.) (the "Company") dated _____ (the "Agreement") under the Cargo Therapeutics, Inc. 2021 Stock Option and Grant Plan (the "Plan"), I, [Insert Name] _____, hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of $_____ representing the purchase price for [Fill in number of Shares] _____ Shares. I have chosen the following form(s) of payment:

☐ 1. Cash

☐ 2. Certified or bank check payable to Cargo Therapeutics, Inc.

☐ 3. Other (as referenced in the Agreement and described in the Plan (please describe))
_____.

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Shares for my own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period of time.

(v) I understand that the Shares may not be registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirement thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) I have read and understand the Plan and acknowledge and agree that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan.

(vii) I understand and agree that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(viii) I understand and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(ix) I understand and agree that I may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan.

(x) I understand and agree to the waiver of statutory information rights as set forth in Section 8 of the Agreement.

Sincerely yours,

_____

Name:

Address:

_____

_____

_____

Date:

EARLY EXERCISE
INCENTIVE STOCK OPTION GRANT NOTICE
UNDER THE CARGO THERAPEUTICS, INC.
2021 STOCK OPTION AND GRANT PLAN

Pursuant to the Cargo Therapeutics, Inc. 2021 Stock Option and Grant Plan (the "Plan"), Cargo Therapeutics, Inc. (formerly known as Syncopation Life Sciences, Inc.), a Delaware corporation (together with any successor thereto, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value $0.001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Early Exercise Incentive Stock Option Grant Notice (the "Grant Notice"), the attached Early Exercise Incentive Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"). To the extent that any portion of the Stock Option does not so qualify, it shall be deemed a non-qualified stock option.

Name of Optionee:	_____ (the "Optionee")
No. of Shares:	_____ Shares of Common Stock
Grant Date:	_____
Vesting Commencement Date:	_____ (the "Vesting Commencement Date")
Expiration Date:	_____ (the "Expiration Date")
Option Exercise Price/Share:	$_____ (the "Option Exercise Price")
Vesting Schedule:	[25] percent of the Shares shall vest on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time.Thereafter, the remaining [75] percent of the Shares shall vest in [36] equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company on each vesting date. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan.

Attachments: Early Exercise Incentive Stock Option Agreement, Restricted Stock Agreement, 2021 Stock Option and Grant Plan

EARLY EXERCISE
INCENTIVE STOCK OPTION AGREEMENT
UNDER THE CARGO THERAPEUTICS, INC.
2021 STOCK OPTION AND GRANT PLAN

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

1. Vesting, Exercisability and Termination.

(a) This Stock Option shall be immediately exercisable, regardless of whether the Shares are vested.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, the Shares shall be vested on the respective dates indicated below:

(i) All Shares shall initially be unvested.

(ii) The Shares shall vest in accordance with the Vesting Schedule set forth in the Grant Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee's Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee's Service Relationship terminates by reason of such Optionee's death or Disability, this Stock Option may continue to be exercised, to the extent the Shares are vested on the date of termination, by the Optionee, the Optionee's legal representative or legatee for a period of 12 months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee's Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may continue to be exercised, to the extent the Shares are vested on the date of termination, for a period of 90 days from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee's Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

For purposes hereof, the Committee's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees. Any portion of this Stock Option with respect to Shares that are not vested on the date of termination of the Service Relationship shall terminate immediately and be null and void.

(d) It is understood and intended that this Stock Option is intended to qualify as an "incentive stock option" as defined in Section 422 of the Code to the extent permitted under applicable law. Accordingly, the Optionee understands that in order to obtain the benefits of an incentive stock option under Section 422 of the Code, no sale or other disposition may be made of Shares for which incentive stock option treatment is desired within the one-year period beginning on the day after the day of the transfer of such Shares to him or her, nor within the two-year period beginning on the day after Grant Date of this Stock Option and further that this Stock Option must be exercised within three months after termination of employment as an employee (or 12 months in the case of death or disability) to qualify as an incentive stock option. If the Optionee disposes (whether by sale, gift, transfer or otherwise) of any such Shares within either of these periods, he or she will notify the Company within 30 days after such disposition. The Optionee also agrees to provide the Company with any information concerning any such dispositions required by the Company for tax purposes. Further, to the extent this Stock Option and any other incentive stock options of the Optionee having an aggregate Fair Market Value in excess of $100,000 (determined as of the Grant Date) first become exercisable in any year, such options will not qualify as incentive stock options.

2. Exercise of Stock Option.

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an "Exercise Notice") in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares. Such notice shall specify the number of Shares to be purchased. To the extent this Stock Option is only partially exercised, such exercise shall first be with respect to the Shares, if any, that have previously vested, and then with respect to the Shares that will next vest, with the Shares that vest at the latest date being exercised last. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) In the event the Optionee exercises a portion of this Stock Option with respect to Shares that have not vested, the Optionee shall also deliver a Restricted Stock Agreement covering such unvested Shares in the form of Appendix B hereto (the "Restricted Stock Agreement") with the same vesting schedule for such Shares as set forth for such Shares herein.

(c) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.

3. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan.

4. Transferability of Stock Option. This Stock Option is personal to the Optionee and is not transferable by the Optionee in any manner other than by will or by the laws of descent and distribution. The Stock Option may be exercised during the Optionee's lifetime only by the Optionee (or by the Optionee's guardian or personal representative in the event of the Optionee's incapacity). The Optionee may elect to designate a beneficiary by providing written

notice of the name of such beneficiary to the Company, and may revoke or change such designation at any time by filing written notice of revocation or change with the Company; such beneficiary may exercise the Optionee's Stock Option in the event of the Optionee's death to the extent provided herein. If the Optionee does not designate a beneficiary, or if the designated beneficiary predeceases the Optionee, the legal representative of the Optionee may exercise this Stock Option to the extent provided herein in the event of the Optionee's death.

5. Restrictions on Transfer of Shares. The Shares acquired upon exercise of the Stock Option shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan and, if applicable, the Restricted Stock Agreement.

6. Miscellaneous Provisions.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, permitted assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

7. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1—16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Palo Alto, California.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

8. Waiver of Statutory Information Rights. The Optionee understands and agrees that, but for the waiver made herein, the Optionee would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of the Optionee as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until the first sale of Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act, the Optionee hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of the Optionee under any other written agreement between the Optionee and the Company.

[SIGNATURE PAGE FOLLOWS]

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

CARGO THERAPEUTICS, INC.

By: _____
Name:
Title:

Address:

_____

_____

_____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof, and understands that this Stock Option is subject to the terms of the Plan and this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 8 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

_____
Name:

Address:

_____

_____

_____

SPOUSE'S CONSENT
I acknowledge that I have read the
foregoing Incentive Stock Option Agreement
and understand the contents thereof.

_____

DESIGNATED BENEFICIARY:

_____

Beneficiary's Address:

_____

_____

_____

Appendix A

STOCK OPTION EXERCISE NOTICE

Cargo Therapeutics, Inc.
Attention: _____

_____

_____

_____

Pursuant to the terms of the grant notice and stock option agreement between the undersigned and Cargo Therapeutics, Inc. (formerly known as Syncopation Life Sciences, Inc.) (the "Company") dated _____ (the "Agreement") under the Cargo Therapeutics, Inc. 2021 Stock Option and Grant Plan (the "Plan"), I, [Insert Name] _____, hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of $_____ representing the purchase price for [Fill in number of Shares] _____ Shares. I have chosen the following form(s) of payment:

[ ] 1. Cash

[ ] 2. Certified or bank check payable to Cargo Therapeutics, Inc.

[ ] 3. Other (as referenced in the Agreement and described in the Plan (please describe))
_____.

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Shares for my own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period of time.

(v) I understand that the Shares may not be registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and

under any applicable state securities or “blue sky” laws (or exemptions from the registration requirement thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) To the extent required, I have executed and delivered to the Company the Restricted Stock Agreement attached as Appendix B to the Agreement.

(vii) I have read and understand the Plan and acknowledge and agree that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan.

(viii) I understand and agree that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(ix) I understand and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(x) I understand and agree that I may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan.

(xi) I understand and agree to the waiver of statutory information rights as set forth in Section 8 of the Agreement.

Sincerely yours,

_____

Name:

Address:

_____

_____

_____

Date: _____

Appendix B

RESTRICTED STOCK AGREEMENT FOR EARLY EXERCISE OPTION
UNDER THE CARGO THERAPEUTICS, INC.
2021 STOCK OPTION AND GRANT PLAN

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Early Exercise Incentive Stock Option Grant Notice (the "Grant Notice") and Early Exercise Incentive Stock Option Agreement (the "Option Agreement") between Cargo Therapeutics, Inc. (formerly known as Syncopation Life Sciences, Inc.) (the "Company") and _____ (the "Grantee") for _____ Shares of Common Stock with a Grant Date of _____, _____ under the Cargo Therapeutics, Inc. 2021 Stock Option and Grant Plan (the "Plan").

1. Purchase and Sale of Shares; Vesting.

(a) Purchase and Sale. The Company hereby sells to the Grantee, and the Grantee hereby purchases from the Company, on _____, 20[__],the number of Shares set forth in the Stock Option Exercise Notice (_____ Shares) dated _____ , pursuant to the Grant Notice and Option Agreement, for the aggregate Option Exercise Price for the Shares so purchased.

(b) Vesting. The risk of forfeiture shall lapse with respect to the Shares, and such Shares shall become vested, on the respective dates indicated on the Vesting Schedule set forth in the Grant Notice.

2. Repurchase Right. Upon a Termination Event, the Company shall have the right to repurchase the Shares of Restricted Stock that are unvested as of the date of such Termination Event as set forth in Section 9(c) of the Plan.

3. Restrictions on Transfer of Shares. The Shares (whether or not vested) shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Restricted Stock Agreement shall be subject to and governed by all the terms and conditions of the Plan.

5. Miscellaneous Provisions.

(a) Record Owner; Dividends. The Grantee and any Permitted Transferees, during the duration of this Agreement, shall be considered the record owners of and shall be entitled to vote the Shares if and to the extent the Shares are entitled to voting rights. The Grantee and any Permitted Transferees shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution.

(b) Section 83(b) Election. The Grantee shall consult with the Grantee's tax advisor to determine whether it would be appropriate for the Grantee to make an election under Section 83(b) of the Code with respect to the Shares. Any such election must be filed with the Internal Revenue Service within 30 days of the date of exercise. If the Grantee makes an election under Section 83(b) of the Code, the Grantee shall give prompt notice to the Company (and provide a copy of such election to the Company). A sample Section 83(b) election is attached to this Agreement as Exhibit A.

(c) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(d) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

(f) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(g) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(h) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(i) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(j) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

6. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or the Shares, this Agreement, or the breach, termination or validity of the Plan, the Shares or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1 - 16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Palo Alto, California.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Grantee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 6 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

7. Waiver of Statutory Information Rights. The Grantee understands and agrees that, but for the waiver made herein, the Grantee would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of the Grantee as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until the first sale of Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act, the Grantee hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of the Grantee under any other written agreement between the Grantee and the Company.

[SIGNATURE PAGE FOLLOWS]

The foregoing Restricted Stock Agreement is hereby accepted and the terms and conditions thereof are hereby agreed to by the undersigned as of the date written in Section 1(a) above.

CARGO THERAPEUTICS, INC.

By: _____
Name:
Title:

Address:

_____

_____

_____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof and understands that the Shares purchased hereby are subject to the terms of the Plan, the Grant Notice, and this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 6 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 7 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:

_____
Name:

Address:

_____

_____

_____

SPOUSE'S CONSENT
I acknowledge that I have read the foregoing Restricted Stock Agreement and understand the contents thereof.

_____

EXHIBIT A
Section 83(b) Election

The undersigned hereby elects pursuant to §83(b) of the Internal Revenue Code of 1986, as amended, to include in gross income as compensation for services the excess (if any) of the fair market value of the shares described below over the amount paid for those shares.

1. The name, taxpayer identification number, address of the undersigned, and the taxable year for which this election is being made are:

Name: _____

Address: _____

_____

Social Security No.: _____

Taxable Year: Calendar Year 20___

2. The property which is the subject of this election is [number of unvested shares] shares of common stock of Cargo Therapeutics, Inc.

3. The property was transferred to the undersigned on [date of purchase/transfer].

4. The property is subject to the following restrictions:

The Shares will be subject to restrictions on transfer and risk of forfeiture upon termination of service relationship and in certain other events.

5. The fair market value of the property at time of transfer (determined without regard to any restrictions other than nonlapse restrictions as defined in §1.83-3(h) of the Income Tax Regulations) is $[current FMV] per share x [number of unvested shares] shares = $_____.

6. For the property transferred, the undersigned paid $[exercise price] per share x [number of unvested shares] shares = $_____.

7. The amount to include in gross income is $[amount reported in Item 5 minus the amount reported in Item 6].

The undersigned taxpayer will file this election with the Internal Revenue Service Office with which the taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property, at the IRS address listed for the taxpayer's state under "Are you not including a check or money order . . ." given in *Where Do You File* in the Instructions for Form 1040 and the Instructions for Form 1040A (which information can also be found at: https://www.irs.gov/uac/where-to-file-addresses-for-taxpayers-and-tax-professionals). A copy of the election will also be furnished to the person for whom the services were performed. The undersigned is the person performing services in connection with which the property was transferred.

Dated: _____, 20__

_____
Taxpayer

NON-QUALIFIED STOCK OPTION GRANT NOTICE
UNDER THE CARGO THERAPEUTICS, INC.
2021 STOCK OPTION AND GRANT PLAN

Pursuant to the Cargo Therapeutics, Inc. 2021 Stock Option and Grant Plan (the "Plan"), Cargo Therapeutics, Inc. (formerly known as Syncopation Life Sciences, Inc.), a Delaware corporation (together with any successor, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value $0.001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Non-Qualified Stock Option Grant Notice (the "Grant Notice"), the attached Non-Qualified Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is not intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

Name of Optionee:	_____ (the "Optionee")
No. of Shares:	_____ Shares of Common Stock
Grant Date:	_____
Vesting Commencement Date:	_____ (the "Vesting Commencement Date")
Expiration Date:	_____ (the "Expiration Date")
Option Exercise Price/Share:	$_____ (the "Option Exercise Price")
Vesting Schedule:	[25] percent of the Shares shall vest and become exercisable on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining [75] percent of the Shares shall vest and become exercisable in [36] equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company on each vesting date. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan.

Attachments: Non-Qualified Stock Option Agreement, 2021 Stock Option and Grant Plan

NON-QUALIFIED STOCK OPTION AGREEMENT
UNDER THE CARGO THERAPEUTICS, INC.
2021 STOCK OPTION AND GRANT PLAN

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

1. Vesting, Exercisability and Termination.

(a) No portion of this Stock Option may be exercised until such portion shall have vested and become exercisable.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, this Stock Option shall be vested and exercisable on the respective dates indicated below:

(i) This Stock Option shall initially be unvested and unexercisable.

(ii) This Stock Option shall vest and become exercisable in accordance with the Vesting Schedule set forth in the Grant Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee's Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case, to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee's Service Relationship terminates by reason of such Optionee's death or Disability, this Stock Option may be exercised, to the extent exercisable on the date of such termination, by the Optionee, the Optionee's legal representative or legatee for a period of 12 months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee's Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may be exercised, to the extent exercisable on the date of termination, for a period of 90 days from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee's Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

For purposes hereof, the Committee's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees and any Permitted Transferee. Any portion of this Stock Option that is not vested and exercisable on the date of termination of the Service Relationship shall terminate immediately and be null and void.

2. Exercise of Stock Option.

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an "Exercise Notice") in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares with respect to which this Stock Option is then exercisable. Such notice shall specify the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.

3. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan.

4. Transferability of Stock Option. This Stock Option is personal to the Optionee and is not transferable by the Optionee in any manner other than by will or by the laws of descent and distribution. The Stock Option may be exercised during the Optionee's lifetime only by the Optionee (or by the Optionee's guardian or personal representative in the event of the Optionee's incapacity). The Optionee may elect to designate a beneficiary by providing written notice of the name of such beneficiary to the Company, and may revoke or change such designation at any time by filing written notice of revocation or change with the Company; such beneficiary may exercise the Optionee's Stock Option in the event of the Optionee's death to the extent provided herein. If the Optionee does not designate a beneficiary, or if the designated beneficiary predeceases the Optionee, the legal representative of the Optionee may exercise this Stock Option to the extent provided herein in the event of the Optionee's death.

5. Restrictions on Transfer of Shares. The Shares acquired upon exercise of the Stock Option shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan.

6. Miscellaneous Provisions.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

7. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the “J.A.M.S. Rules”). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Palo Alto, California.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

8. Waiver of Statutory Information Rights. The Optionee understands and agrees that, but for the waiver made herein, the Optionee would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of the Optionee as may be provided for in Section 220,

the “Inspection Rights”). In light of the foregoing, until the first sale of Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act, the Optionee hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of the Optionee under any other written agreement between the Optionee and the Company.

[SIGNATURE PAGE FOLLOWS]

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

CARGO THERAPEUTICS, INC.

By: _____
Name:
Title:

Address:

_____

_____

_____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof, and understands that this Stock Option is subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 8 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

_____
Name:

Address:

_____

_____

_____

SPOUSE'S CONSENT
I acknowledge that I have read the foregoing Non-Qualified Stock Option Agreement and understand the contents thereof.

_____

DESIGNATED BENEFICIARY:

_____

Beneficiary's Address:

_____

_____

_____

Appendix A

STOCK OPTION EXERCISE NOTICE

Cargo Therapeutics, Inc.

Attention: _____
_____
_____

Pursuant to the terms of the grant notice and stock option agreement between the undersigned and Cargo Therapeutics, Inc. (formerly known as Syncopation Life Sciences, Inc.) (the "Company") dated _____ (the "Agreement") under the Cargo Therapeutics, Inc. 2021 Stock Option and Grant Plan (the "Plan"), I, [Insert Name] _____, hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of $_____ representing the purchase price for [Fill in number of Shares] _____ Shares. I have chosen the following form(s) of payment:

[ ] 1. Cash
[ ] 2. Certified or bank check payable to Cargo Therapeutics, Inc.
[ ] 3. Other (as referenced in the Agreement and described in the Plan (please describe))
_____.

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Shares for my own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period of time.

(v) I understand that the Shares may not be registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or

exemptions from the registration requirement thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) I have read and understand the Plan and acknowledge and agree that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan.

(vii) I understand and agree that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(viii) I understand and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(ix) I understand and agree that I may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan.

(x) I understand and agree to the waiver of statutory information rights as set forth in Section 8 of the Agreement.

Sincerely yours,

_____

Name:

Address:

_____

_____

_____

Date: _____

EARLY EXERCISE
NON-QUALIFIED STOCK OPTION GRANT NOTICE
UNDER THE CARGO THERAPEUTICS, INC.
2021 STOCK OPTION AND GRANT PLAN

Pursuant to the Cargo Therapeutics, Inc. 2021 Stock Option and Grant Plan (the "Plan"), Cargo Therapeutics, Inc. (formerly known as Syncopation Life Sciences, Inc.), a Delaware corporation (together with any successor thereto, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value $0.001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Early Exercise Non-Qualified Stock Option Grant Notice (the "Grant Notice"), the attached Early Exercise Non-Qualified Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is not intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

Name of Optionee:	_____ (the "Optionee")
No. of Shares:	_____ Shares of Common Stock
Grant Date:	_____
Vesting Commencement Date:	_____ (the "Vesting Commencement Date")
Expiration Date:	_____ (the "Expiration Date")
Option Exercise Price/Share:	$_____ (the "Option Exercise Price")
Vesting Schedule:	[25] percent of the Shares shall vest on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining [75] percent of the Shares shall vest in [36] equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company on each vesting date. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan.

Attachments: Early Exercise Non-Qualified Stock Option Agreement, Restricted Stock Agreement, 2021 Stock Option and Grant Plan

EARLY EXERCISE

NON-QUALIFIED STOCK OPTION AGREEMENT
UNDER THE CARGO THERAPEUTICS, INC.
2021 STOCK OPTION AND GRANT PLAN

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

1. Vesting, Exercisability and Termination.

(a) This Stock Option shall be immediately exercisable, regardless of whether the Shares are vested.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, the Shares shall be vested on the respective dates indicated below:

(i) All Shares shall initially be unvested.

(ii) The Shares shall vest in accordance with the Vesting Schedule set forth in the Grant Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee's Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case, to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee's Service Relationship terminates by reason of such Optionee's death or Disability, this Stock Option may continue to be exercised, to the extent the Shares are vested on the date of termination, by the Optionee, the Optionee's legal representative or legatee for a period of 12 months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee's Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may continue to be exercised, to the extent the Shares are vested on the date of termination, for a period of 90 days from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee's Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

For purposes hereof, the Committee's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees and any Permitted Transferee. Any portion of this Stock Option with respect to Shares that are not vested and exercisable on the date of termination of the Service Relationship shall terminate immediately and be null and void.

2. Exercise of Stock Option.

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an "Exercise Notice") in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares. Such notice shall specify the number of Shares to be purchased. To the extent this Stock Option is only partially exercised, such exercise shall first be with respect to the Shares, if any, that have previously vested, and then with respect to the Shares that will next vest, with the Shares that vest at the latest date being exercised last. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) In the event the Optionee exercises a portion of this Stock Option with respect to Shares that have not vested, the Optionee shall also deliver a Restricted Stock Agreement covering such unvested Shares in the form of Appendix B hereto (the "Restricted Stock Agreement") with the same vesting schedule for such Shares as set forth for such Shares herein.

(c) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.

3. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan.

4. Transferability of Stock Option. This Stock Option is personal to the Optionee and is not transferable by the Optionee in any manner other than by will or by the laws of descent and distribution. The Stock Option may be exercised during the Optionee's lifetime only by the Optionee (or by the Optionee's guardian or personal representative in the event of the Optionee's incapacity). The Optionee may elect to designate a beneficiary by providing written notice of the name of such beneficiary to the Company, and may revoke or change such designation at any time by filing written notice of revocation or change with the Company; such beneficiary may exercise the Optionee's Stock Option in the event of the Optionee's death to the extent provided herein. If the Optionee does not designate a beneficiary, or if the designated beneficiary predeceases the Optionee, the legal representative of the Optionee may exercise this Stock Option to the extent provided herein in the event of the Optionee's death.

5. Restrictions on Transfer of Shares. The Shares acquired upon exercise of the Stock Option shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan and, if applicable, the Restricted Stock Agreement.

6. Miscellaneous Provisions.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

7. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1 - 16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Palo Alto, California.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune

from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

8. Waiver of Statutory Information Rights. The Optionee understands and agrees that, but for the waiver made herein, the Optionee would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of the Optionee as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until the first sale of Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act, the Optionee hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of the Optionee under any other written agreement between the Optionee and the Company.

[SIGNATURE PAGE FOLLOWS]

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

CARGO THERAPEUTICS, INC.

By: _____
Name:
Title:

Address:

_____

_____

_____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof, and understands that this Stock Option is subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 8 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

_____
Name:

Address:

_____

_____

_____

SPOUSE'S CONSENT
I acknowledge that I have read the foregoing Non-Qualified Stock Option Agreement
and understand the contents thereof.

_____

DESIGNATED BENEFICIARY:

_____

Beneficiary's Address:

_____

_____

_____

Appendix A

STOCK OPTION EXERCISE NOTICE

Cargo Therapeutics, Inc.
Attention: _____
_____
_____

Pursuant to the terms of the grant notice and stock option agreement between the undersigned and Cargo Therapeutics, Inc. (formerly known as Syncopation Life Sciences, Inc.) (the "Company") dated _____ (the "Agreement") under the Cargo Therapeutics, Inc. 2021 Stock Option and Grant Plan (the "Plan"), I, [Insert Name] _____, hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of $_____ representing the purchase price for [Fill in number of Shares] _____ Shares. I have chosen the following form(s) of payment:

[ ] 1. Cash
[ ] 2. Certified or bank check payable to Cargo Therapeutics, Inc.
[ ] 3. Other (as referenced in the Agreement and described in the Plan (please describe))

_____

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Shares for my own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period of time.

(v) I understand that the Shares may not be registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and

under any applicable state securities or "blue sky" laws (or exemptions from the registration requirement thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) To the extent required, I have executed and delivered to the Company the Restricted Stock Agreement attached as Appendix B to the Agreement.

(vii) I have read and understand the Plan and acknowledge and agree that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan.

(viii) I understand and agree that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(ix) I understand and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(x) I understand and agree that I may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan.

(xi) I understand and agree to the waiver of statutory information rights as set forth in Section 8 of the Agreement.

Sincerely yours,

_____

Name:

Address:

_____

_____

_____

Date: _____

Appendix B

RESTRICTED STOCK AGREEMENT FOR EARLY EXERCISE OPTION
UNDER THE CARGO THERAPEUTICS, INC.
2021 STOCK OPTION AND GRANT PLAN

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Early Exercise Non-Qualified Stock Option Grant Notice (the "Grant Notice") and Early Exercise Non-Qualified Stock Option Agreement (the "Option Agreement") between Cargo Therapeutics, Inc. (formerly known as Syncopation Life Sciences, Inc.) (the "Company") and (the "Grantee") for _____ Shares of Common Stock with a Grant Date of _____, _____ under the Cargo Therapeutics, Inc. 2021 Stock Option and Grant Plan (the "Plan").

1. Purchase and Sale of Shares; Vesting.

(a) Purchase and Sale. The Company hereby sells to the Grantee, and the Grantee hereby purchases from the Company, on _____, 20[__], the number of Shares set forth in the Stock Option Exercise Notice (_____ Shares) dated _____ , pursuant to the Grant Notice and Option Agreement, for the aggregate Option Exercise Price for the Shares so purchased.

(b) Vesting. The risk of forfeiture shall lapse with respect to the Shares, and such Shares shall become vested, on the respective dates indicated on the Vesting Schedule set forth in the Grant Notice.

2. Repurchase Right. Upon a Termination Event, the Company shall have the right to repurchase Shares of Restricted Stock that are unvested as of the date of such Termination Event as set forth in Section 9(c) of the Plan.

3. Restrictions on Transfer of Shares. The Shares (whether or not vested) shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Restricted Stock Agreement shall be subject to and governed by all the terms and conditions of the Plan.

5. Miscellaneous Provisions.

(a) Record Owner; Dividends. The Grantee and any Permitted Transferees, during the duration of this Agreement, shall be considered the record owners of and shall be entitled to vote the Shares if and to the extent the Shares are entitled to voting rights. The Grantee and any Permitted Transferees shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution.

(b) Section 83(b) Election. The Grantee shall consult with the Grantee's tax advisor to determine whether it would be appropriate for the Grantee to make an election under Section 83(b) of the Code with respect to the Shares. Any such election must be filed with the Internal Revenue Service within 30 days of the date of exercise. If the Grantee makes an election under Section 83(b) of the Code, the Grantee shall give prompt notice to the Company (and provide a copy of such election to the Company). A sample Section 83(b) election is attached to this Agreement as Exhibit A.

(c) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(d) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

(f) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(g) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(h) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(i) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(j) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

6. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or the Shares, this Agreement, or the breach, termination or validity of the Plan, the Shares or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1 - 16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Palo Alto, California.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Grantee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 6 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

7. Waiver of Statutory Information Rights. The Grantee understands and agrees that, but for the waiver made herein, the Grantee would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of the Grantee as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until the first sale of Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act, the Grantee hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of the Grantee under any other written agreement between the Grantee and the Company.

[SIGNATURE PAGE FOLLOWS]

The foregoing Restricted Stock Agreement is hereby accepted and the terms and conditions thereof are hereby agreed to by the undersigned as of the date written in Section 1(a) above.

CARGO THERAPEUTICS, INC.

By: _____
Name:
Title:

Address:

_____

_____

_____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof and understands that the Shares purchased hereby are subject to the terms of the Plan, the Grant Notice, and this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 6 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 7 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:

_____
Name:

Address:

_____

_____

_____

SPOUSE'S CONSENT

I acknowledge that I have read the foregoing Restricted Stock Agreement and understand the contents thereof.

_____

EXHIBIT A
Section 83(b) Election

The undersigned hereby elects pursuant to §83(b) of the Internal Revenue Code of 1986, as amended, to include in gross income as compensation for services the excess (if any) of the fair market value of the shares described below over the amount paid for those shares.

1. The name, taxpayer identification number, address of the undersigned, and the taxable year for which this election is being made are:

   Name: _____

   Address: _____

   _____

   Social Security No.: _____

   Taxable Year: Calendar Year 20__

2. The property which is the subject of this election is [number of unvested shares] shares of common stock of Cargo Therapeutics, Inc.

3. The property was transferred to the undersigned on [date of purchase/transfer].

4. The property is subject to the following restrictions:

   The Shares will be subject to restrictions on transfer and risk of forfeiture upon termination of service relationship and in certain other events.

5. The fair market value of the property at time of transfer (determined without regard to any restrictions other than nonlapse restrictions as defined in §1.83-3(h) of the Income Tax Regulations) is $[current FMV] per share x [number of unvested shares] shares = $_____.

6. For the property transferred, the undersigned paid $[exercise price] per share x [number of unvested shares] shares = $_____.

7. The amount to include in gross income is $[amount reported in Item 5 minus the amount reported in Item 6].

The undersigned taxpayer will file this election with the Internal Revenue Service Office with which the taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property, at the IRS address listed for the taxpayer's state under "Are you not including a check or money order . . ." given in *Where Do You File* in the Instructions for Form 1040 and the Instructions for Form 1040A (which information can also be found at: https://www.irs.gov/uac/where-to-file-addresses-for-taxpayers-and-tax-professionals). A copy of the election will also be furnished to the person for whom the services were performed. The undersigned is the person performing services in connection with which the property was transferred.

Dated: _____, 20__

_____
Taxpayer

RESTRICTED STOCK AWARD NOTICE
UNDER THE CARGO THERAPEUTICS, INC.
2021 STOCK OPTION AND GRANT PLAN

Pursuant to the Cargo Therapeutics, Inc. 2021 Stock Option and Grant Plan (the "Plan"), Cargo Therapeutics, Inc. (formerly known as Syncopation Life Sciences, Inc.), a Delaware corporation (together with any successor, the "Company"), hereby grants, sells and issues to the individual named below, the Shares at the Per Share Purchase Price, subject to the terms and conditions set forth in this Restricted Stock Award Notice (the "Award Notice"), the attached Restricted Stock Agreement (the "Agreement") and the Plan. The Grantee agrees to the provisions set forth herein and acknowledges that each such provision is a material condition of the Company's agreement to issue and sell the Shares to him or her. The Company hereby acknowledges receipt of $**[_____]** in full payment for the Shares. All references to share prices and amounts herein shall be equitably adjusted to reflect stock splits, stock dividends, recapitalizations, mergers, reorganizations and similar changes affecting the capital stock of the Company, and any shares of capital stock of the Company received on or in respect of Shares in connection with any such event (including any shares of capital stock or any right, option or warrant to receive the same or any security convertible into or exchangeable for any such shares or received upon conversion of any such shares) shall be subject to this Agreement on the same basis and extent at the relevant time as the Shares in respect of which they were issued, and shall be deemed Shares as if and to the same extent they were issued at the date hereof.

Name of Grantee:	_____ (the "Grantee")
No. of Shares:	_____ Shares of Common Stock (the "Shares")
Grant Date:	_____ __, ____
Date of Purchase of Shares:	_____ __, ____
Vesting Commencement Date:	_____ __, ____ (the "Vesting Commencement Date")
Per Share Purchase Price:	$_____ (the "Per Share Purchase Price")
Vesting Schedule:	[25] percent of the Shares shall vest on the [first] anniversary of the Vesting Commencement Date; provided that the Grantee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining [75] percent of the Shares shall vest in [36] equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Grantee continues to have a Service Relationship with the Company at such time. Notwithstanding anything in the Agreement to the contrary in the case of a Sale Event, the Shares of Restricted Stock shall be treated as provided in Section 3(c) of the Plan.

Attachments: Restricted Stock Agreement, 2021 Stock Option and Grant Plan

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Award Notice and the Plan.

8. Purchase and Sale of Shares; Vesting; Investment Representations.

(a) Purchase and Sale. The Company hereby sells to the Grantee, and the Grantee hereby purchases from the Company, the number of Shares set forth in the Award Notice for the Per Share Purchase Price.

(b) Vesting. Initially, all of the Shares are non-transferable and subject to a substantial risk of forfeiture and are Shares of Restricted Stock. The risk of forfeiture shall lapse with respect to the Shares on the respective dates indicated on the Vesting Schedule set forth in the Award Notice.

(c) Investment Representations. In connection with the purchase and sale of the Shares contemplated by Section 1(a) above, the Grantee hereby represents and warrants to the Company as follows:

(i) The Grantee is purchasing the Shares for the Grantee's own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) The Grantee has had such an opportunity as he or she has deemed adequate to obtain from the Company such information as is necessary to permit him or her to evaluate the merits and risks of the Grantee's investment in the Company and has consulted with the Grantee's own advisers with respect to the Grantee's investment in the Company.

(iii) The Grantee has sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) The Grantee can afford a complete loss of the value of the Shares and is able to bear the economic risk of holding such Shares for an indefinite period.

(v) The Grantee understands that the Shares are not registered under the Act (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Act and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). The Grantee further acknowledges that certificates representing the Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) The Grantee has read and understands the Plan and acknowledges and agrees that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan.

(vii) The Grantee understands and agrees that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(viii) The Grantee understands and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(ix) The Grantee understands and agrees that the Grantee may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan.

9. Repurchase Right. Upon a Termination Event, the Company shall have the right to repurchase Shares of Restricted Stock that are unvested as of the date of such Termination Event as set forth in Section 9(c) of the Plan.

10. Restrictions on Transfer of Shares. The Shares (whether or not vested) shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan.

11. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Restricted Stock Award shall be subject to and governed by all the terms and conditions of the Plan.

12. Miscellaneous Provisions.

(a) Record Owner; Dividends. The Grantee and any Permitted Transferees, during the duration of this Agreement, shall be considered the record owners of and shall be entitled to vote the Shares if and to the extent the Shares are entitled to voting rights. The Grantee and any Permitted Transferees shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution.

(b) Section 83(b) Election. The Grantee shall consult with the Grantee's tax advisor to determine whether it would be appropriate for the Grantee to make an election under Section 83(b) of the Code with respect to this Award. Any such election must be filed with the Internal Revenue Service within 30 days of the date of this Award. If the Grantee makes an election under Section 83(b) of the Code, the Grantee shall give prompt notice to the Company (and provide a copy of such election to the Company). A sample Section 83(b) election is attached to this Agreement as Exhibit A.

(c) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(d) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

(f) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(g) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(h) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(i) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(j) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(k) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

13. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or the Shares, this Agreement, or the breach, termination or validity of the Plan, the Shares or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the “J.A.M.S. Rules”). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1 - 16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Palo Alto, California.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Grantee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 6 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

14. Waiver of Statutory Information Rights. The Grantee understands and agrees that, but for the waiver made herein, the Grantee would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of the Grantee as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until the first sale of Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act, the Grantee hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of the Grantee under any other written agreement between the Grantee and the Company.

[SIGNATURE PAGE FOLLOWS]

The foregoing Restricted Stock Agreement is hereby accepted and the terms and conditions thereof are hereby agreed to by the undersigned as of the date of purchase of Shares above written.

CARGO THERAPEUTICS, INC.

By: _____
Name:
Title:

Address:

_____

_____

_____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof and understands that the Shares granted hereby are subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Award Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 6 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 7 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:

_____
Name:

Address:

_____

_____

_____

SPOUSE'S CONSENT I acknowledge that I have read the foregoing Restricted Stock Agreement and understand the contents thereof.

EXHIBIT A
Section 83(b) Election

The undersigned hereby elects pursuant to §83(b) of the Internal Revenue Code of 1986, as amended, to include in gross income as compensation for services the excess (if any) of the fair market value of the shares described below over the amount paid for those shares.

8. The name, taxpayer identification number, address of the undersigned, and the taxable year for which this election is being made are:

Name: _____

Address: _____

_____

Social Security No.: _____

Taxable Year: Calendar Year 20__

9. The property which is the subject of this election is [number of unvested shares] shares of common stock of Cargo Therapeutics, Inc.

10. The property was transferred to the undersigned on [date of purchase/transfer].

11. The property is subject to the following restrictions:

The Shares will be subject to restrictions on transfer and risk of forfeiture upon termination of service relationship and in certain other events.

12. The fair market value of the property at time of transfer (determined without regard to any restrictions other than nonlapse restrictions as defined in §1.83-3(h) of the Income Tax Regulations) is $[current FMV] per share x [number of unvested shares] shares = $_____.

13. For the property transferred, the undersigned paid $[exercise price] per share x [number of unvested shares] shares = $_____.

14. The amount to include in gross income is $[amount reported in Item 5 minus the amount reported in Item 6].

The undersigned taxpayer will file this election with the Internal Revenue Service Office with which the taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property, at the IRS address listed for the taxpayer's state under "Are you not including a check or money order . . ." given in *Where Do You File* in the Instructions for Form 1040 and the Instructions for Form 1040A (which information can also be found at: https://www.irs.gov/uac/where-to-file addresses-for-taxpayers-and-tax-professionals). A copy of the election will also be furnished to the person for whom the services were performed. The undersigned is the person performing services in connection with which the property was transferred.

Dated: _____, 20__

_____
Taxpayer

SUBLEASE

THIS SUBLEASE (this "Sublease") is dated for reference purposes as of November 4, 2021, and is made by and between BigHat Biosciences, Inc., a Delaware corporation ("Sublessor"), and Syncopation Life Sciences, Inc., a Delaware corporation ("Sublessee"). Sublessor and Sublessee hereby agree as follows:

1. Recitals: This Sublease is made with reference to the fact that BP3-SF6 1900 ADLP LLC, as landlord ("Master Lessor"), and Sublessor, as tenant, entered into that certain lease, dated as of September 3, 2021 (the "Master Lease"), with respect to premises consisting of approximately 31,117 rentable square feet of space (the "Premises") located on the third floor of the building whose address is 1900 Alameda de las Pulgas, San Mateo, California (the "Building"). A copy of the Master Lease is attached hereto as Exhibit A.

2. Premises: Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor, a portion of the Premises consisting of approximately 15,400 rentable square feet of space (hereinafter, the "Subleased Premises"). The Subleased Premises are more particularly described on Exhibit B attached hereto. In connection with its use of the Subleased Premises, Sublessee shall also have the non-exclusive right to use, subject to Sublessor's reasonable rules and regulations, the shared outdoor deck area, bathrooms and hallway on the third floor (the "Shared Areas"), and, subject to Master Lessor's rules and regulations, the shared glasswash and autoclave and all other amenities of the Building, including, but not limited to, the gym. Sublessee shall have no right to enter, and shall prevent its employees, agents, contractors, licensees and invitees from entering, portions of the Premises other than the Subleased Premises and Shared Areas. Sublessee shall use commercially reasonable efforts to prevent its agents, employees or contractors from discovering or otherwise coming into contact with confidential information of the Sublessor, and Sublessor shall use commercially reasonable efforts to prevent its agents, employees or contractors from discovering or otherwise coming into contact with confidential information of the Sublessee. If, despite such efforts, any such confidential information is discovered by the other, the discovering party shall promptly inform the other of such discovery, and shall hold, and use reasonable efforts to cause its employees, agents, contractors, invitees and licensees to hold, such information confidential.

3. Term:

A. Term. The term (the "Term") of this Sublease shall be for the period commencing on the later of November 1, 2021 and the date that Master Lessor consents to this Sublease (the "Commencement Date") and expiring upon the date which is three years after the Commencement Date (the "Expiration Date"), unless this Sublease is sooner terminated pursuant to its terms or the Master Lease sooner expires pursuant to its terms.

B. Right of First Offer to Extend. If (i) Sublessee is not then and has not been in default under any of the terms of this Sublease and (ii) Sublessee has not Transferred this Sublease or any of the Subleased Premises or agreed to do so in the future (other than pursuant to Section 14.7 of the Master Lease incorporated herein), Sublessee shall have one (1) conditional option (the "Extension Option") to extend the Term with respect to the entirety of the Subleased Premises for an additional period of one (1) year commencing when the initial Term expires (the "Extension Period"), solely in accordance with the terms of this section, and subject to the following conditions: (a) the Extension Option shall be exercised, if at all, by written notice of exercise delivered to Sublessor by Sublessee not less than nine (9) months nor more than twelve (12) months prior to the expiration of the initial Term; (b) Sublessor shall have the right, within fifteen (15) business days after receipt of such notice, to deliver written notice to Sublessee that it has determined to use the space for Sublessor's needs (which include for use by it or its partners, affiliates, or other entities with whom Sublessor has a business relationship), in which case the option exercise shall

be void and this Sublease shall expire at the expiration of the initial Term; (c) if Sublessor does not void Sublessee's exercise of the option, Sublessee shall accept the Subleased Premises on an "AS-IS" basis; and (d) the extension shall be on the same terms and conditions as this Sublease, except as to the amount of Base Rent and that there shall be no further Extension Options. If this Extension Option is properly exercised and not voided or terminated as set forth above, the Term shall be extended for the term of the Extension Period upon all of the terms and conditions of this Sublease, except that there shall be no further Extension Options and the Base Rent for the Subleased Premises during the Extension Period shall be 103.5% of the last month's Base Rent for the initial Term.

C. Early Possession. To the extent permitted under the Master Lease and so long as such access does not interfere with Sublessor's performance of the Demising Work in the Premises, Sublessor shall permit Sublessee to enter the Subleased Premises promptly following the date that Master Lessor consents to this Sublease solely for the purpose of preparing the Subleased Premises for occupancy and not for the purpose of conducting business therein. Such occupancy shall be subject to all of the provisions of this Sublease, except for the obligation to pay Base Rent, Operating Expenses, Tax Expenses or Utilities Costs (as defined below); and (ii) shall not advance the Expiration Date of this Sublease.

4. Rent:

A.Base Rent. Sublessee shall pay to Sublessor as base rent for the Subleased Premises for each month during the Term the following amounts per month ("Base Rent"):

Months	Monthly Base Rent
1 - 12	$ 103,950.00
13 - 24	$ 107,588.25
25 - Expiration Date	$ 111,353.84

Base Rent and Additional Rent, as defined in Paragraph 4.B below, shall be paid on or before the first (1st) day of each month. Base Rent and Additional Rent for any period during the Term hereof which is for less than one (1) month of the Term shall be a pro rata portion of the monthly installment based on the number of days in such month. If an increase in Base Rent becomes effective on a date other than the first day of a calendar month, the Base Rent for that month shall be the sum of the two applicable rates, each prorated for the portion of the month during which the rate is in effect. Base Rent and Additional Rent shall be payable without notice or demand and without any deduction, offset, or abatement, in lawful money of the United States of America. Base Rent and Additional Rent shall be paid directly to Sublessor by ACH pursuant to instructions provided by Sublessor or at the Premises, Attention: Accounting, or such other address as may be designated in writing by Sublessor.

B. Additional Rent. All monies other than Base Rent required to be paid by Sublessor under the Master Lease as to the Subleased Premises, including, without limitation, any amounts payable by Sublessor to Master Lessor as "Operating Expenses", "Tax Expenses" and "Utilities Costs" (as defined in Section 4.2 of the Master Lease), shall be paid by Sublessee hereunder as and when such amounts are due under the Master Lease, as incorporated herein. Sublessee shall also pay to Sublessor any gross receipts or rent tax payable with respect to this Sublease and all costs directly incurred by or at the request of Sublessee, and Sublessor's reasonable expenses reasonably allocable to the Subleased Premises, in maintaining the systems serving the Premises and the Subleased Premises in common and providing utility service to the Premises and Subleased Premises in common to the extent not included in Operating

Expenses (excluding any capital improvements or expenditures except to the extent amortized over their useful lives as reasonably determined by Sublessor). All such amounts shall be deemed additional rent ("Additional Rent"). Base Rent and Additional Rent hereinafter collectively shall be referred to as "Rent". Notwithstanding anything to the contrary in the Sublease, (i) Sublessee shall not be required to pay any Rent or perform any obligation that is required as a result of a default by Sublessor of any of its obligations under the Master Lease (except to the extent such default was due to the negligence, willful misconduct or violation of this Sublease by Sublessee) or the misuse, negligence or willful misconduct of or by Sublessor or its agents, contractors or invitees or the violation of law by Sublessor, in each case not caused by Sublessee, and (ii) Sublessee shall not be required to pay any cost to construct the Tenant Improvements (or any other improvements constructed by or for Sublessor), the Additional Allowance or the Amortization Rent under the Master Lease or Hazardous Materials brought onto the Premises, Building or Project by Sublessor.

C. Payment of First Month's Rent. Upon execution hereof by Sublessee, Sublessee shall pay to Sublessor the sum of One Hundred Three Thousand Nine Hundred Fifty Dollars ($103,950) which shall constitute Base Rent for the first month of the Term.

5. Security Deposit: Upon execution hereof by Sublessee, Sublessee shall deposit with Sublessor the sum of Two Hundred Twenty-Two Thousand Seven Hundred Seven and 68/100 Dollars ($222,707.68) (the "Security Deposit"), in cash, as security for the performance by Sublessee of the terms and conditions of this Sublease. If Sublessee fails to pay Rent or other charges due hereunder or otherwise defaults with respect to any provision of this Sublease, then Sublessor may draw upon, use, apply or retain all or any portion of the Security Deposit for the payment of any Rent or other charge in default, for the payment of any other sum which Sublessor has become obligated to pay by reason of Sublessee's default, or to compensate Sublessor for any loss or damage which Sublessor has suffered thereby, including future rent damages under California Civil Code Section 1951.2, without prejudice to any other remedy provided herein or by law. Sublessee hereby waives the provisions of any law, now or hereafter in force, including, without limitation, California Civil Code Section 1950.7, that provides that Sublessor may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Sublessee, or to clean the Subleased Premises, it being agreed that Sublessor, in addition, may claim those sums reasonably necessary to compensate Sublessor for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Sublessee, including future rent damages following the termination of this Sublease. If Sublessor so uses or applies all or any portion of the Security Deposit, then Sublessee, within ten (10) days after demand therefor, shall deposit cash with Sublessor in the amount required to restore the Security Deposit to the full amount stated above. Upon the expiration of this Sublease, Sublessor shall return to Sublessee so much of the Security Deposit as has not been applied by Sublessor pursuant to this paragraph, or which is not otherwise required to cure Sublessee's defaults.

6. Holdover: In the event that Sublessee does not surrender the Subleased Premises by the expiration of this Sublease in accordance with the terms of this Sublease, Sublessee shall indemnify, defend, protect and hold harmless Sublessor from and against all loss and liability resulting from Sublessee's delay in surrendering the Subleased Premises and pay Sublessor holdover rent as provided in Article 16 of the Master Lease, as incorporated herein.

7. Repairs: Sublessor shall, at its cost, install a wall to demise the Subleased Premises as shown on Exhibit B hereto (the "Demising Work"). Sublessor shall perform the Demising Work in a good and workmanlike manner. Except as set forth in this paragraph above, the parties acknowledge and agree that Sublessee is subleasing the Subleased Premises on an "as is" basis, and that Sublessor has made no representations or warranties with respect to the condition of the Subleased Premises. Except as set forth in this paragraph above, Sublessor shall have no obligation whatsoever to make or pay the cost of any alterations, improvements or repairs to the Subleased Premises, including, without limitation, any

improvement or repair required to comply with any law. Master Lessor shall be solely responsible for performance of any repairs required to be performed by Master Lessor under the terms of the Master Lease. Sublessor shall, however, use Sublessor's reasonable efforts (without requiring Sublessor to spend more than a nominal sum) to obtain Master Lessor's performance following Sublessee's written request. Except to the extent located within and exclusively serving the Subleased Premises, Sublessor shall repair and maintain in good condition and working order the systems to the extent serving both the Premises and the Subleased Premises in common (except for obligations of the Master Lessor under the Master Lease).

8. Assignment and Subletting: Sublessee may not assign this Sublease, sublet the Subleased Premises, transfer any interest of Sublessee therein or permit any use of the Subleased Premises by another party (collectively, "Transfer"), without the prior written consent of Sublessor and Master Lessor (to the extent required under the Master Lease); provided, however, Sublessor's consent is not required for an assignment or subletting as described in clauses (i) through (v) of Section 14.7 of the Master Lease, with references therein to "Tenant" to mean "Sublessee". Any Transfer shall be subject to the terms of Article 14 of the Master Lease.

9. Use: Sublessee may use the Subleased Premises only for the uses identified in Section 5.1 of the Master Lease. Sublessee shall not use, store, transport or dispose of any hazardous material in or about the Subleased Premises, except as expressly permitted by the Master Lease, as incorporated herein, and pursuant to the terms of the Master Lease, as incorporated herein, and the requirements of all applicable laws. For such purpose, references to Hazardous Materials List shall be deemed a reference to the list attached hereto as Exhibit C as the same may be updated by Sublessee from time to time as permitted in Section 5.2.3 of the Master Lease.

10. Delivery and Acceptance: Sublessor shall deliver the Subleased Premises to Subtenant upon the date that Master Lessor consents to this Sublease. By taking possession of the Subleased Premises, Sublessee conclusively shall be deemed to have accepted the Subleased Premises in their as-is, then-existing condition, without any warranty whatsoever of Sublessor with respect thereto. For the avoidance of doubt, the Subleased Premises shall be deemed delivered when Sublessor vacates the Subleased Premises and provides Sublessee keys or other means of access thereto.

11. Improvements: No alterations or improvements shall be made to the Subleased Premises, except in accordance with the Master Lease, and with the prior written consent of both Master Lessor and Sublessor.

12. Insurance: Sublessee shall obtain and keep in full force and effect, at Sublessee's sole cost and expense, during the Term the insurance required under Section 10.3 of the Master Lease. Sublessee shall name Master Lessor and Sublessor as additional insureds under its liability insurance policy. The release and waiver of subrogation set forth in Section 10.4 of the Master Lease, as incorporated herein, shall be binding on the parties.

13. Default: Sublessee shall be in default under this Sublease upon the occurrence of any of the events set forth in Section 19.1 of the Master Lease, as incorporated herein. In the event of any default by Sublessee beyond any applicable notice and cure period, Sublessor shall have all remedies provided pursuant to Section 19.2 of the Master Lease and by applicable law, including damages that include the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the lessee proves could be reasonably avoided, and the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations).

14. Surrender: Prior to expiration of this Sublease, Sublessee shall remove all of its trade fixtures and shall surrender the Subleased Premises to Sublessor in the condition required under Article 15 of the Master Lease, as incorporated herein. If the Subleased Premises are not so surrendered, then Sublessee shall be liable to Sublessor for all liabilities Sublessor incurs as a result thereof, including costs incurred by Sublessor in returning the Subleased Premises to the required condition, plus interest thereon at the Interest Rate. Notwithstanding the foregoing, in no event shall Sublessee be required to remove or restore the Demising Work or any other alterations or improvements existing in the Subleased Premises as of the Commencement Date or otherwise not constructed by Sublessee or its agents, employees, contractors, invitees or licensees.

15. Broker: Sublessor and Sublessee each represents to the other that it has dealt with no real estate brokers, finders, agents or salesmen other than Jones Lang LaSalle Brokerage, Inc., representing Sublessee and Sublessor, in connection with this transaction. Each party agrees to hold the other party harmless from and against all claims for brokerage commissions, finder's fees or other compensation made by any other agent, broker, salesman or finder as a consequence of such party's actions or dealings with such agent, broker, salesman, or finder.

16. Notices: Unless at least five (5) days' prior written notice is given in the manner set forth in this paragraph, the address of each party for all purposes connected with this Sublease shall be that address set forth below its signature at the end of this Sublease. All notices, demands or communications in connection with this Sublease shall be (a) personally delivered; or (b) properly addressed and (i) submitted to an overnight courier service, charges prepaid, or (ii) deposited in the mail (certified, return receipt requested, and postage prepaid). Notices shall be deemed delivered upon receipt, if personally delivered, one (1) business day after being submitted to an overnight courier service and three (3) business days after mailing, if mailed as set forth above. All notices given to Master Lessor under the Master Lease shall be considered received only when delivered in accordance with the Master Lease.

17. Miscellaneous: This Sublease may be executed in any number of counterparts, by each of which shall be deemed to be an original, and all of such counterparts shall constitute one document. To facilitate execution of this Sublease, the parties may execute and exchange, by electronic mail PDF, counterparts of the signature pages. Signature pages may be detached from the counterparts and attached to a single copy of this Sublease to physically form one document. In addition, the parties hereto consent and agree that this Sublease may be signed using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party's handwritten signature. Sublessor has not had an inspection of the Premises performed by a Certified Access Specialist as described in California Civil Code § 1938. A Certified Access Specialist (CASp) can inspect the Subleased Premises and determine whether the Subleased Premises complies with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Subleased Premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the Subleased Premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Subleased Premises. Capitalized terms used but not defined in this Sublease shall have the meanings ascribed to such terms in the Master Lease.

18. Other Sublease Terms:

A. Incorporation by Reference. Except as set forth below, the terms and conditions of this Sublease shall include all of the terms of the Master Lease and such terms are incorporated into this Sublease as if fully set forth herein, except that: (i) each reference in such incorporated sections to "Lease" shall be deemed a reference to "Sublease"; (ii) each reference to the "Premises" and "Lease Term" shall be deemed a reference to the "Subleased Premises" and the "Term" of this Sublease, respectively; (iii) each reference to "Landlord" and "Tenant" shall be deemed a reference to "Sublessor" and "Sublessee", respectively, except as otherwise expressly set forth herein; (iv) each reference to "Base Rent" and "Additional Rent" shall mean the Base Rent and Additional Rent payable under this Sublease, respectively; (v) the terms "Tenant's Share" shall mean the Tenant's Share designated by Master Lessor under the Master Lease, adjusted to reflect that the Subleased Premises are only 49.49% of the Premises and 13.59% of the Building, subject to any adjustments of the square footage of the Premises, Subleased Premises or the Building; (vi) the number of parking spaces in Section 12 of the Summary of Basic Lease Information (as referenced in Article 23 of the Master Lease) shall be 39; (vii) with respect to work, services, repairs, restoration, insurance, indemnities, representations, warranties or the performance of any other obligation of Master Lessor under the Master Lease, the sole obligation of Sublessor shall be to request the same in writing from Master Lessor as and when requested to do so by Sublessee, and to use Sublessor's reasonable efforts (without requiring Sublessor to spend more than a nominal sum) to obtain Master Lessor's performance; (viii) with respect to any obligation of Sublessee to be performed under this Sublease, wherever the Master Lease grants to Sublessor a specified number of days to perform its obligations under the Master Lease, except as otherwise provided herein, Sublessee shall have three (3) fewer days to perform the obligation, including, without limitation, curing any defaults (provided if Sublessor has five (5) days or fewer, such period shall be shortened by only one (1) day); (ix) with respect to any approval required to be obtained from the "Landlord" under the Master Lease, such consent must be obtained from both Master Lessor and Sublessor, and the approval of Sublessor may be withheld if Master Lessor's consent is not obtained; (x) in any case where the "Landlord" reserves or is granted the right to manage, supervise, control, repair, alter, regulate the use of, enter or use the Premises or any areas beneath, above or adjacent thereto, perform any actions or cure any failures, such reservation or right shall be deemed to be for the benefit of both Master Lessor and Sublessor; (xi) in any case where "Tenant" is to indemnify, release or waive claims against "Landlord", such indemnity, release or waiver shall be deemed to cover, and run from Sublessee to, both Master Lessor and Sublessor; (xii) in any case where "Tenant" is to execute and/or deliver certain documents or notices to "Landlord", such obligation shall be deemed to run from Sublessee to both Master Lessor and Sublessor; (xiii) all payments shall be made to Sublessor; (xiv) Sublessee shall pay all consent and review fees set forth in the Master Lease to each of Master Lessor and Sublessor (with respect to a further subsubleasing of the Subleased Premises, an assignment of the Sublease by Sublessee or alterations constructed by Sublessee and other actions under the Master Lease by Sublessee as to which consent or review fees are payable); (xv) Sublessee shall not have the right to terminate this Sublease due to casualty or condemnation unless Sublessor has such right under the Master Lease; (xvi) in Section 14.3 of the Master Lease, Sublessee shall pay Sublessor the entire Transfer Premium payable to Master Lessor under the Master Lease, plus fifty percent (50%) of any remaining Transfer Premium; (xvii) Sublessor's obligations under Section 4.3 of the Master Lease are limited to forwarding statements and refunds provided by Master Lessor, and upon Sublessee's written request and at Sublessee's sole cost, Sublessor shall exercise its rights under Section 4.6 of the Master Lease and, to the extent permitted under the Master Lease, shall share the results of such inspection with Sublessee; (xviii) Sublessor makes no representations regarding the measurement method or the measurement of the Premises, Building or Project, and neither Sublessor nor Sublessee shall have any right of remeasurement; (xix) any tenant rights that are expressly limited to the named Sublessor under the Master Lease are excluded from this Sublease; (xx) all references to the Tenant Work Letter and Tenant Improvements shall be deleted; and (xxi) Sublessee may use only the portion of the hazardous material control area described in Section 5.2.10 and beginning January 1, 2022, the Hazardous Materials Storage Area (on the first floor) described in Section 5.2.11(ii) consisting of its proportionate share thereof (and in connection therewith, Sublessee shall at their cost be entitled to install a fence or cage to separate Sublessee's portion that is within the prorationate share) and shall only have the right to use one (1) General Storage Area described in Section 5.2.11(i). Under no circumstances shall rent abate under this Sublease except to the extent that rent correspondingly abates under the Master Lease as

to the Subleased Premises. For clarification purposes, Sublessor at its sole cost shall be responsible for any Transfer Premium, if any, payable under the Master Lease for the subleasing of the Subleased Premises to Sublessee hereunder, and Sublessor shall pay all consent and review fees set forth in the Master Lease in connection with this Sublease.

Notwithstanding the foregoing, the following provisions of the Master Lease shall not be incorporated herein: Summary of Basic Lease Information (except reference to "Building"), Preamble, Sections 1.1.1 (except the last sentence), 1.1.3 (the last three sentences), 1.2 (the first sentence), 1.3 (the first sentence) and 1.5 (the last two sentences), Articles 2 and 3, Sections 4.1 (first clause of the first sentence and the second sentence only), 4.3.2 (the last sentence), 4.6, 8.1 (the second sentence), 14.4 (the reference to 60%), and 14.7, Articles 18 (the first sentence after the semicolon and the last sentence) and 20, Sections 24.8 (except Section 24.8.1 (after the first sentence), 24.8.4, 24.8.6 (other than the fourth sentence)), 24.19, 24.25, 24.28, and 24.32 (first sentence), Exhibits A, B, E and F and Rider. In addition, notwithstanding subpart (iii) above, (a) references in the following provisions to "Landlord" shall mean Master Lessor only: Sections 1.1.3, 1.2, 1.4.1, 1.5, 4.2.3, 4.2.5, 4.2.7, 4.3.4, 5.2.9, 5.3.2 (the first sentence), 6.1, 6.2(ii), 6.3 (last sentence), 6.5 (before "provided, that"), 6.8, 6.9, 7.1 (the first clause of the first sentence), 7.2 (the first two sentences) and 8.4 (the first, third and fourth instance in the penultimate sentence), Articles 11, 12, 21 (except the last sentence) and 23, Sections 24.5 (except the last two sentences), 24.14, 24.30 (except the first sentence) 24.35.2; and (b) references in the following provisions to "Landlord" shall mean Master Lessor and Sublessor: Sections 5.2.5, 5.3.5, 6.6, 9 (the last sentence), 10.3.7 and 24.7.

B. Assumption of Obligations. This Sublease is and at all times shall be subject and subordinate to the Master Lease and the rights of Master Lessor thereunder. Sublessee hereby expressly assumes and agrees: (i) to comply with all provisions of the Master Lease which are incorporated hereunder; and (ii) to perform all the obligations on the part of the "Tenant" to be performed under the terms of the Master Lease during the Term of this Sublease that are incorporated hereunder. In the event the Master Lease is terminated for any reason whatsoever, this Sublease shall terminate simultaneously with such termination (unless Master Lessor or a successor tenant agrees to permit Sublessee to continue to occupy the Subleased Premises on the terms of this Sublease for the remainder of the Term), without any liability of Sublessor to Sublessee. Notwithstanding the foregoing, Sublessor shall not, without Sublessee's prior written consent, terminate the Master Lease (except as set forth in Paragraph 20 below or if Master Lessor or a successor tenant agrees to allow Sublessee to continue to occupy the Subleased Premises for the remaining Term on the terms of this Sublease), or amend or waive any provisions of the Master Lease or make any elections, exercise any right or remedy or give any consent or approval under the Master Lease in each case that would adversely affect Sublessee's use or occupancy of the Subleased Premises or increase Sublessee's liability hereunder. In the event of a conflict between the provisions of this Sublease and the Master Lease, as between Sublessor and Sublessee, the provisions of this Sublease shall control. In the event of a conflict between the express provisions of this Sublease and the provisions of the Master Lease, as incorporated herein, the express provisions of this Sublease shall prevail.

19. Conditions Precedent: This Sublease and Sublessor's and Sublessee's obligations hereunder are conditioned upon the written consent of Master Lessor. Unless waived by Sublessee (which waiver shall be deemed to have been made upon Sublessee's and Sublessor's execution of Master Lessor's consent form), such consent shall provide that (i) Sublessee shall be permitted to use the Hazardous Materials specifically listed on the Hazardous Materials List attached hereto as Exhibit C (as the same may be updated from time to time as permitted in Section 5.2.3 of the Master Lease), (ii) the terms of Section 10.4 of the Master Lease (Mutual Waiver of Subrogation) shall also apply as between Master Lessor and Sublessee, (iii) the terms of Section 14.7 of the Master Lease shall also apply to Sublessee such that an assignment or subletting of the Subleased Premises to an Affiliate of Sublessee or in connection with any deemed Transfer due to a transfer of shares or membership interests of Sublessee under Section 14.6 of the

Master Lease shall not be deemed a Transfer under the Master Lease so long as the conditions set forth in Section 14.7 of the Master Lease are satisfied, (iv) Sublessee shall have the signage rights described in Paragraph 21 of this Sublease, (v) Master Lessor agrees that Syncopation Life Sciences is not an "Objectionable Name", and (vi) Master Lessor approves of the installation by Sublessee of a security system serving the Sublease Premises (including, without limitation, the option to integrate the same with the base Building access control and visitor management systems) subject to Master Lessor's reasonable approval of the design and specifications thereof. Each party shall use commercially reasonable efforts to obtain such consent. If Sublessor fails to obtain Master Lessor's consent within thirty (30) days after execution of this Sublease by Sublessor, then Sublessor or Sublessee may terminate this Sublease by giving the other party written notice thereof prior to the date such consent is received, and Sublessor shall return to Sublessee its payment of the first month's Rent paid by Sublessee pursuant to Paragraph 4 hereof and the Security Deposit.

20. Termination; Recapture: Notwithstanding anything to the contrary herein, Sublessee acknowledges that, under the Master Lease, both Master Lessor and Sublessor have certain termination and recapture rights, including, without limitation, in Sections 11.2, 11.4, 12 and 14.4. Nothing herein shall prohibit Master Lessor or Sublessor from exercising any such rights and neither Master Lessor nor Sublessor shall have any liability to Sublessee as a result thereof. In the event Master Lessor or Sublessor exercise any such termination or recapture rights, this Sublease shall terminate without any liability to Master Lessor or Sublessor.

21. Parking and Signage: Sublessee shall have the right to park in thirty-nine (39) of the parking spaces in the on-site parking lot that serves the Building available to Sublessor as provided in Article 23 of the Master Lease, as incorporated herein. Sublessee shall have no right to install signage without the prior written consent of Sublessor and Master Lessor, and any such signs installed by or for Sublessee shall be removed by Sublessee at the expiration or earlier termination of this Sublease. Notwithstanding the foregoing, subject to Master Lessor's and Sublessor's consent as to the specifications thereof, Sublessee shall be entitled to place Building standard signage with Sublessee's name and logo on the entry door to the Subleased Premises and in the elevator lobby, and Sublessee shall also be entitled to signage in the lobby directory of the Building consistent with other tenants in the Building. Sublessor agrees that Syncopation Life Sciences is not an "Objectionable Name".

22. Sublessor Representations: Sublessor represents and warrants that (a) the Master Lease is in full force and effect, and there exists under the Master Lease no default beyond applicable notice and cure periods by either Sublessor, or to Sublessor's knowledge, Master Lessor, nor, to Sublessor's knowledge, has there occurred any event which, with the giving of notice or passage of time or both, could constitute such a default, and (b) the copy of the Master Lease attached hereto as Exhibit A is a true, correct and complete copy of the Master Lease.

23. Access: Sublessee shall have access to the Subleased Premises twenty-four (24) hours a day, seven (7) days a week to the extent Sublessor is permitted such access under the Master Lease to the Premises.

24. Security System: Sublessee shall have the right to install its own security system serving the Subleased Premises (including, without limitation, the option to integrate the same with the base Building access control and visitor management systems) subject to the approval of Sublessor and Master Lessor of the design and specifications thereof.

25. Wall Removal: Subject to Master Lessor's consent thereto, Sublessee shall have the right to remove the wall identified on Exhibit D to this Sublease. Sublessee shall not be required to remove or restore the same upon the expiration or earlier termination of the Sublease unless restoration of such wall is required by Master Lessor.

26. Furniture: Promptly following the Commencement Date, Sublessor shall, at Sublessor's cost, order the following furniture and cause the same to be installed in the Subleased Premises: 36 workstations (the "Furniture"). The Furniture shall be consistent with the furniture procured by Sublessor in the remainder of the Premises. Sublessee shall pay to Sublessor as Additional Rent within thirty (30) days of invoice fifty (50%) of the cost incurred by Sublessor to purchase and install the Furniture including the cost to add electric feeds to the workstations (which electrical costs Sublessor understands to be $5,000-$10,000). Sublessee shall have the right to use during the Term following installation thereof, the Furniture at no additional cost. The Furniture is provided in its "AS IS, WHERE IS" condition, without representation or warranty whatsoever. Sublessee shall insure the Furniture under the property insurance policy required under the Master Lease, as incorporated herein, and pay all taxes with respect to the Furniture. Sublessee shall maintain the Furniture in good condition and repair, reasonable wear and tear excepted, and shall be responsible for any loss or damage to the same occurring during the Term. Sublessee shall surrender the Furniture to Sublessor upon the termination of this Sublease in the same condition as exists as of the date the Furniture is installed, reasonable wear and tear excepted. Sublessee shall not remove any of the Furniture from the Subleased Premises.

IN WITNESS WHEREOF, the parties have executed this Sublease as of the day and year first above written.

SUBLESSOR:

BIGHAT BIOSCIENCES, INC.,
a Delaware corporation

By: /s/ Mark DePristo
Name: Mark DePristo
Its: CEO

Address: 1900 Alameda de las Pulgas
Suite 300
San Mateo, CA 94403
Attn: Business Operations

SUBLESSEE:

SYNCOPATION LIFE SCIENCES, INC.,
a Delaware corporation

By: /s/ Abraham Bassan
Name: Abraham Bassan
Its: President

Address: 1900 Alameda de las Pulgas
Suite 350
San Mateo, CA 94403
Attn: Chief Operating Officer

GENESIS 1900 ALAMEDA

LEASE

BP3-SF6 1900 ADLP LLC,
a Delaware limited liability company,

as Landlord,

and

BIGHAT BIOSCIENCES, INC.,
a Delaware corporation,

as Tenant

SUMMARY OF BASIC LEASE INFORMATION

This Summary of Basic Lease Information ("**Summary**") is hereby incorporated into and made a part of the attached Lease. Each reference in the Lease to any term of this Summary shall have the meaning as set forth in this Summary for such term. In the event of a conflict between the terms of this Summary and the Lease, the terms of the Lease shall prevail. Any capitalized terms used herein and not otherwise defined herein shall have the meaning as set forth in the Lease.

TERMS OF LEASE (References are to the Lease)		**DESCRIPTION**
1.	Date:	September 3 , 2021
2.	Landlord:	BP3-SF6 1900 ADLP LLC a Delaware limited liability company
3.	Address of Landlord (Section 24.19):	For notices to Landlord: BP3-SF6 1900 ADLP LLC 4380 La Jolla Village Drive, Suite 230 San Diego, CA 92122 Attention: W. Neil Fox, CEO with a copy to: Allen Matkins Leck Gamble Mallory & Natsis LLP 600 West Broadway, 27th Floor San Diego, CA 92101 Attention: Martin L. Togni, Esq. For payment of Rent only: BP3-SF6 1900 ADLP LLC PO Box 515756 Los Angeles, CA 90051-5156
4.	Tenant:	BIGHAT BIOSCIENCES, INC. a Delaware corporation
5.	Address of Tenant (Section 24.19):	733 Industrial Road San Carlos, California 94070 Attention: Business Operations (Prior to Lease Commencement Date) and 1900 Alameda de las Pulgas, Suite 300 San Mateo, CA 94403 Attention: Business Operations (After Lease Commencement Date)

TERMS OF LEASE
(References are to the Lease) **DESCRIPTION**

6. Premises (Article 1):

6.1 Premises: 31,117 rentable square feet of space located on the third (3rd) floor of the Building (as defined below), as depicted on **Exhibit A** attached hereto.

6.2 Building: The Premises are located in the building whose address is 1900 Alameda de las Pulgas, San Mateo, California 94403 (the "**Building**").

7. Term (Article 2):

7.1 Lease Term: Eight (8) years and two (2) months.

7.2 Lease Commencement Date: October 1, 2021.

7.3 Lease Expiration Date: November 30, 2029.

8. Base Rent (Article 3):

Months of Lease Term	Annual Base Rent	Monthly Installment of Base Rent*	Monthly Rental Rate per Rentable Square Foot**
10/01/21 09/30/22***	$2,464,466.40	$205,372.20	$6.60
10/01/22 09/30/23	$2,550,722.76	$212,560.23	$6.83
10/01/23 09/30/24	$2,639,998.08	$219,999.84	$7.07
10/01/24 09/30/25	$2,732,397.96	$227,699.83	$7.32
10/01/25 09/30/26	$2,828,031.84	$235,669.32	$7.57
10/01/26 09/30/27	$2,927,013.00	$243,917.75	$7.84
10/01/27 09/30/28	$3,029,458.44	$252,454.87	$8.11
10/01/28 09/30/29	$3,135,489.48	$261,290.79	$8.40
10/01/29 11/30/29	$3,245,231.64	$270,435.97	$8.69

* The initial monthly installment of Base Rent amount was calculated by multiplying the initial monthly Base Rent per rentable square foot amount by the number of rentable square feet of space in the Premises, and the Annual Base Rent amount was calculated by multiplying the initial monthly installment of Base Rent amount by twelve (12). In all subsequent Base Rent payment periods during the Lease Term commencing on the first (1st) day of the full calendar month that is Lease Month 13, the calculation of each monthly installment of Base Rent amount reflects an annual increase of three and one-half percent (3.5%) and each Annual Base Rent amount was calculated by multiplying the corresponding monthly installment of Base Rent amount by twelve (12).

TERMS OF LEASE (References are to the Lease)	**DESCRIPTION**

** The amounts identified in the column entitled “Monthly Rental Rate per Rentable Square Foot” are rounded amounts provided for information purposes only.

*** Subject to abatement as provided in Article 3.

9.	Tenant’s Share of Operating Expenses, Tax Expenses and Utilities Costs (Section 4.2.6):	27.46% (31,117 rentable square feet within the Premises/113,284 rentable square feet within the Building).
10.	Letter of Credit (Article 20):	$540,871.94.
11.	Brokers (Section 24.25):	CBRE, Inc. representing Landlord, and Jones Lang LaSalle representing Tenant.
12.	Parking (Article 23):	Total of seventy-eight (78) unreserved parking spaces (2.5 unreserved parking spaces for every 1,000 rentable square feet of the Premises).

TABLE OF CONTENTS

INDEX

LEASE

This Lease, which includes the preceding Summary and the exhibits attached hereto and incorporated herein by this reference (the Lease, the Summary and the exhibits to be known sometimes collectively hereafter as the "**Lease**"), dated as of the date set forth in Section 1 of the Summary, is made by and between BP3-SF6 1900 ADLP LLC, a Delaware limited liability company ("**Landlord**"), and BIGHAT BIOSCIENCES, INC., a Delaware corporation ("**Tenant**").

ARTICLE 1

PROJECT, BUILDING AND PREMISES

1.1 Project, Building and Premises.

1.1.1 Premises. Upon and subject to the terms, covenants and conditions hereinafter set forth in this Lease, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises described in Section 6.1 of the Summary (the "**Premises**"), which Premises are located in the Building (as defined in Section 6.2 of the Summary) and located within the Project (as defined below). The floor plan of the Premises is attached hereto as **Exhibit A**. Tenant has the right, throughout the Lease Term, to use the iLab benches existing in the Premises as of the date hereof.

1.1.2 Building and Project. The Building consists of four (4) floors with a total of 113,284 rentable square feet and is part of the commercial project known as "Genesis 1900 Alameda", located on 4.585 acres of land in the City of San Mateo. The term "**Project**" as used in this Lease, shall mean, collectively: (i) the Building; (ii) any outside plaza areas, walkways, driveways, courtyards, public and private streets, transportation facilitation areas and other improvements and facilities now or hereafter constructed surrounding and/or servicing the Building, which are designated from time to time by Landlord as common areas appurtenant to or servicing the Building, and any such other improvements; (iii) any additional buildings, improvements, facilities and common areas which Landlord (any common area association formed by Landlord, Landlord's predecessor-in-interest and/or Landlord's assignee for the Project) may add thereto from time to time within or as part of the Project; and (iv) the land upon which any of the foregoing are situated. The site plan depicting the current configuration of the Project is attached hereto as **Exhibit A-1**. The Building contains a parking area ("**Parking Area**"). Notwithstanding the foregoing or anything contained in this Lease to the contrary, (1) Landlord has no obligation to expand or otherwise make any improvements within the Project, including, without limitation, any of the outside plaza areas, walkways, driveways, courtyards, public and private streets, transportation facilitation areas and other improvements and facilities which may be depicted on **Exhibit A-1** attached hereto (as the same may be modified by Landlord from time to time without notice to Tenant), other than Landlord's obligations (if any) specifically set forth in the Tenant Work Letter attached hereto as **Exhibit B**, and (2) Landlord (and/or any other owners of the Project) shall have the right from time to time to include or exclude any improvements or facilities within the Project, at such party's sole election, as more particularly set forth in Section 1.1.3 below.

1.1.3 Tenant's and Landlord's Rights. Tenant shall have the right to the nonexclusive use of the common corridors and hallways, stairwells, elevators (if any), restrooms and other public or common areas located within the Building, and the non-exclusive use of those areas located on the Project that are designated by Landlord (and/or any other owners of the Project) from time to time as common areas for the Building; provided, however, that (i) Tenant's use thereof shall be subject to (A) the provisions of any covenants, conditions and restrictions regarding the use thereof now or hereafter recorded against the Project, and (B) such reasonable, non-discriminatory rules and regulations as Landlord may make from

time to time (which shall be provided in writing to Tenant), and (ii) Tenant may not go on the roof of Building without Landlord's prior consent (which may be withheld in Landlord's sole and absolute (but good faith) discretion) and without otherwise being accompanied by a representative of Landlord. Landlord (and/or any other owners of the Project) reserve the right from time to time to use any of the common areas of the Project, and the roof, risers and conduits of the Building for telecommunications and/or any other purposes, and to do any of the following, so long as the same does not unreasonably interfere with Tenant's use of or access to the Premises or Tenant's parking rights and does not materially increase the obligations or materially decrease the rights of Tenant under this Lease: (1) make any changes, additions, improvements, repairs and/or replacements in or to the Project or any portion or elements thereof, including, without limitation, (x) changes in the location, size, shape and number of driveways, entrances, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways, public and private streets, plazas, courtyards, transportation facilitation areas and common areas, and (y) expanding or decreasing the size of the Project and any common areas and other elements thereof, including adding, deleting and/or excluding buildings thereon and therefrom; (2) close temporarily any of the common areas while engaged in making repairs, improvements or alterations to the Project; (3) retain and/or form a common area association or associations under covenants, conditions and restrictions to own, manage, operate, maintain, repair and/or replace all or any portion of the landscaping, driveways, walkways, public and private streets, plazas, courtyards, transportation facilitation areas and/or other common areas located outside of the Building and, subject to Article 4 below, include the common area assessments, fees and taxes charged by the association(s) and the cost of maintaining, managing, administering and operating the association(s), in Operating Expenses or Tax Expenses; and (4) perform such other acts and make such other changes with respect to the Project as Landlord may, in the exercise of good faith business judgment, deem to be appropriate. On or before December 31, 2021, Landlord shall install, at Landlord's sole expense, bicycle racks for use by the Building tenants. Notwithstanding the foregoing, Tenant shall have the right to use the training room, game room, glasswash and autoclave, bike racks and patio areas with tables and benches, throughout the Lease Term. Subject to Force Majeure events and any required repairs, Landlord shall continuously maintain the training room, game room, glasswash, autoclave, bike racks and patio areas with tables and benches throughout the Lease Term.

1.2 Condition of Premises. Except as expressly set forth in this Lease and in the Tenant Work Letter, Landlord shall not be obligated to provide or pay for any improvement, remodeling or refurbishment work or services related to the improvement, remodeling or refurbishment of the Premises, and Tenant shall accept the Premises in its "As Is" condition on the Lease Commencement Date; provided, however, that in the event that, in the first twelve (12) months of the Lease Term only, a repair is required for the Base, Shell and Core or the Premises (which is Tenant's responsibility pursuant to Section 7.1 of the Lease), and if any such repair is covered by a warranty held by Landlord, then Landlord shall use commercially reasonable efforts to cause the repair of such repair items. Pursuant to Civil Code Section 1938, Landlord states that, as of the date hereof, the Premises has not undergone inspection by a Certified Access Specialist ("**CASp**") to determine whether the Premises meet all applicable construction-related accessibility standards under California Civil Code Section 55.53. Tenant also acknowledges that, except as otherwise expressly set forth in this Lease, neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises, the Building, or the Project or their condition, or with respect to the suitability thereof for the conduct of Tenant's business (including, but not limited to, any zoning/conditional use permit requirements which shall be Tenant's responsibility and Tenant's failure to obtain any such zoning/use permits (if any are required) shall not affect Tenant's obligations under this Lease). Subject to Landlord's delivery obligations hereunder, the taking of possession of the Premises by Tenant shall conclusively establish that the Premises (including the Tenant Improvements therein), the Building and the Project were at such time complete and in good, sanitary and satisfactory condition and without any obligation on Landlord's part to make any alterations, upgrades or improvements thereto. For purposes of Section 1938(a) of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASp). In addition, the following notice is hereby provided pursuant to Section 1938(e) of the California Civil Code:

> "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

In furtherance of and in connection with such notice: (i) Tenant, having read such notice and understanding Tenant's right to request and obtain a CASp inspection and with advice of counsel, hereby elects not to obtain such CASp inspection and waives its rights to obtain a CASp inspection with respect to the Premises, Building and/or Project to the extent permitted by applicable laws now or hereafter in effect; and (ii) if the waiver set forth in clause (i) hereinabove is not enforceable pursuant to applicable laws, then Landlord and Tenant hereby agree as follows (which constitute the mutual agreement of the parties as to the matters described in the last sentence of the foregoing notice): (A) Tenant shall have the one-time right to request for and obtain a CASp inspection, which request must be made, if at all, in a written notice delivered by Tenant to Landlord on or before that date which is ten (10) days after the date hereof; (B) any CASp inspection timely requested by Tenant shall be conducted (1) between the hours of 9:00 a.m. and 5:00 p.m. on any business day, (2) only after ten (10) days' prior written notice to Landlord of the date of such CASp inspection, (3) in a professional manner by a CASp designated by Landlord and without any testing that would damage the Premises, Building or Project in any way, and (4) at Tenant's sole cost and expense, including, without limitation, Tenant's payment of the fee for such CASp inspection, the fee for any reports prepared by the CASp in connection with such CASp inspection (collectively, the "**CASp Reports**") and all other costs and expenses in connection therewith; (C) Tenant shall deliver a copy of any CASp Reports to Landlord within three (3) business days after Tenant's receipt thereof; (D) Tenant, at its sole cost and expense, shall be responsible for making any legally required improvements, alterations, modifications and/or repairs to or within the Premises to correct violations of construction-related accessibility standards including, without limitation, any violations disclosed by such CASp inspection ordered by Tenant; and (E) if such CASp inspection ordered by Tenant identifies any improvements, alterations, modifications and/or repairs necessary to correct violations of construction-related accessibility standards relating to those items of the Building and Project located outside the Premises that are Landlord's obligation to repair under the Lease (as amended hereby), then Landlord shall perform such improvements, alterations, modifications and/or repairs as and to the extent required by applicable laws to correct such violations, and Tenant shall reimburse Landlord for the cost of such improvements, alterations, modifications and/or repairs within ten (10) business days after Tenant's receipt of an invoice therefor from Landlord.

1.3 Rentable Square Feet. The rentable square feet of the Premises is approximately as set forth in Section 6.1 of the Summary. Such square footage figure shall be binding on Landlord and Tenant for the entire Lease Term absent a casualty or condemnation that affects the actual size of the Premises or an actual change in the size of the Building or the Project. In any such event, the rentable square feet of the Premises and the Building shall be calculated by Landlord using a commercially reasonable measurement method that is substantially consistent with then industry custom and practice.

1.4 Fitness Center.

1.4.1 Fitness Center. Provided Tenant's employees execute landlord's standard waiver of liability form, during the term of this Lease Tenant's employees (the "**Fitness Center Users**") shall be entitled to use the fitness center (the "**Fitness Center**") in the Building at no additional charge. The use of the Fitness Center shall be subject to the rules and regulations (including rules regarding hours of use) established from time to time by landlord for the Fitness Center. Landlord and Tenant acknowledge that the use of the Fitness Center by the Fitness Center Users shall be at their own risk and that for purposes of Section 10.1, the use of the Fitness Center by Tenant's employees shall constitute a use of the Project by Tenant. The costs of operating, maintaining and repairing the Fitness Center may be included in Operating Expenses. Landlord shall continuously maintain the Fitness Center (or any other fitness facility) throughout the term of this Lease except in the event of Force Majeure events, Landlord's repairs/alterations and/or Landlord's relocating of the same within the Project.

1.4.2 Release. Subject to the foregoing, Tenant hereby unconditionally releases Landlord and its property manager and their respective officers, directors, employees, representatives and agents (collectively, "**Landlord Parties**"), from all fines, suits, losses, liabilities, expenses, claims, costs (including attorneys' fees and court costs) demands, actions, or causes of actions, of any kind without regard to the cause or causes thereof, or the negligence of one or more of the Landlord Parties, for damage to property, or injury or death to any person arising from, growing out of, or in any way related to the use of the Fitness Center by Tenant, its officers, directors, shareholders, partners, members, managers, employees, agents, invitees, visitors, licensees and customers, in addition, Tenant waives any claims it may have against the Landlord Parties arising out of or related to loss (by theft or otherwise) or damage to any property brought to the Fitness Center by Tenant or its officers, directors, shareholders, partners, members, managers, employees, agents, invitees, visitors, licensees and customers. Tenant expressly waives all rights under the provisions of Section 1542 of the California Civil Code, Section 1542 of the California Civil Code provides that "A general release does not extend to claims which the creditor does not know or expect to exist in his favor at the time of executing the release which, if known by him, must have materially affected his settlement with the debtor."

1.5 Charging Stations. In the event Landlord, after the date hereof, elects to install electric vehicle charging stations for use in common for all tenants of the Building, then Tenant shall not be responsible to pay for Tenant's Share of any capital costs associated with the same but Tenant shall pay Tenant's Share of the cost to operate, maintain and repair the same as part of Operating Expenses. Tenant shall have the right to use any such Landlord installed charging stations. Tenant shall have the right, at Tenant's sole cost and expense, subject to all of the terms and conditions of Article 8, to install up to three (3) electric vehicle charging stations in the Parking Area in a location to be mutually approved by Landlord and Tenant. Tenant's parking spaces shall be reduced by the parking spaces utilized for such electric vehicle charging stations.

ARTICLE 2

LEASE TERM

The terms and provisions of this Lease shall be effective as of the date of this Lease except for the provisions of this Lease relating to the payment of Rent and Tenant's obligations under Articles 7 and 21 and Section 10.1 (or any other performance obligations that tenants typically perform only after the Lease Commencement Date). The term of this Lease (the "**Lease Term**") shall be as set forth in Section 7.1 of the Summary and shall commence on the date (the "**Lease Commencement Date**") set forth in Section 7.2 of the Summary (subject, however, to the terms of the Tenant Work Letter), and shall terminate on the date (the "**Lease Expiration Date**") set forth in Section 7.3 of the Summary, unless this Lease is sooner terminated as hereinafter provided. For purposes of this Lease, the term "Lease Year" shall mean each consecutive twelve (12) month period during the Lease Term, provided that the last Lease Year shall end on the Lease Expiration Date. If the Lease Commencement Date is a date which is other than the date set forth in Section 7.2(i) of the Summary, then, following the Lease Commencement Date, Landlord shall deliver to Tenant an amendment in the form as set forth in **Exhibit C**, attached hereto, setting forth, among other things, the Lease Commencement Date and the Lease Expiration Date, which amendment Tenant shall execute and return to Landlord within ten (10) business days after Tenant's receipt thereof. If Tenant fails to execute and return the amendment within such 10-business day period, Tenant shall be deemed to have approved and confirmed the dates set forth therein, provided that such deemed approval shall not relieve Tenant of its obligation to execute and return the amendment (and such failure shall constitute a default by Tenant hereunder (after the expiration of all applicable notice and cure periods)).

ARTICLE 3

BASE RENT

Tenant shall pay, without notice or demand, by ACH or to Landlord at the address set forth in Section 3 of the Summary, or at such other place as Landlord may from time to time designate in writing, in currency or a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("**Base Rent**") as set forth in Section 8 of the Summary, payable in equal monthly installments as set forth in Section 8 of the Summary in advance on or before the first day of each and every month during the Lease Term, without any setoff or deduction whatsoever. Concurrently with Tenant's execution of this Lease, Tenant shall deliver to Landlord an amount equal to $255,470.57, which amount shall be comprised of the following: (i) the Base Rent payable by Tenant for the Premises for the third (3rd) full month of the Lease Term (i.e., $205,372.20); and (ii) the Estimated Expenses (as defined below) payable by Tenant for the Premises for the first (1st) full month of the Lease Term (i.e., $50,098.37). If any rental payment date (including the Lease Commencement Date) falls on a day of the month other than the first day of such month or if any rental payment is for a period which is shorter than one month, then the rental for any such fractional month shall be a proportionate amount of a full calendar month's rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

Notwithstanding anything to the contrary contained herein and so long as Tenant is not then in default under this Lease (beyond the expiration of all applicable notice and cure periods), Landlord hereby agrees to abate Tenant's obligation to pay one hundred percent (100%) of Tenant's monthly Base Rent during the period which is the first (1st) and second (2nd) full calendar months of the initial Lease Term (the "**Abated Rent**"). During such abatement period, Tenant shall still be responsible for the payment of all of its other monetary obligations under this Lease. In the event of a default by Tenant under the terms of this Lease that results in early termination pursuant to the provisions of Article 19 of this Lease, then as part of the recovery set forth in Article 19 of this Lease, Landlord shall be entitled to the recovery of the unamortized portion of the Abated Rent that was abated under the provisions of this Article 3.

ARTICLE 4

ADDITIONAL RENT

4.1 Additional Rent. In addition to paying the Base Rent specified in Article 3 above, Tenant shall pay as additional rent the sum of the following: (i) Tenant's Share (as such term is defined below) of the annual Operating Expenses allocated to the Building (pursuant to Section 4.3.4 below); plus (ii) Tenant's Share of the annual Tax Expenses allocated to the Building (pursuant to Section 4.3.4 below); plus (iii) Tenant's Share of the annual Utilities Costs allocated to the Building (pursuant to Section 4.3.4 below). Landlord currently estimates that such amounts will be $1.61 per rentable square foot per month in 2021, excluding utilities to the Premises; provided, however, that such estimate shall not be binding on Landlord whatsoever (nor affect Tenant's obligations under this Lease) in the event that the actual amounts are in excess of such estimate. Such additional rent, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms of this Lease (including, without limitation, pursuant to Article 6), shall be hereinafter collectively referred to as the "**Additional Rent**." The Base Rent and Additional Rent are herein collectively referred to as the "**Rent**." All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner, time and place as the Base Rent. Without limitation on other obligations of Tenant which shall survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term.

4.2 Definitions. As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 "**Calendar Year**" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires.

4.2.2 "**Expense Year**" shall mean each Calendar Year.

4.2.3 "**Operating Expenses**" shall mean all expenses, costs and amounts of every kind and nature which Landlord shall pay during any Expense Year because of or in connection with the ownership, management, maintenance, repair, restoration or operation of the Project, including, without limitation, any amounts paid for: (i) the cost of operating, maintaining, repairing, renovating and managing the utility systems, lab systems, central plant, mechanical systems, sanitary and storm drainage systems, any elevator systems (if applicable) and all other "Systems and Equipment" (as defined in Section 4.2.4 of this Lease), and the cost of supplies and equipment and maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections, and the cost of contesting the validity or applicability of any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with implementation and operation (by Landlord or any common area association(s) formed for the Project) of any transportation system management program or similar program; (iii) the cost of insurance carried by Landlord, in such amounts as Landlord may reasonably determine or as may be required by any mortgagees of any mortgage or the lessor of any ground lease affecting the Project; (iv) the cost of landscaping, relamping, supplies, tools, equipment and materials, and all fees, charges and other costs (including consulting fees, legal fees and accounting fees) incurred in connection with the management, operation, repair and maintenance of the Project; (v) any equipment rental agreements or management agreements (including the cost of any management fee (to be equal to three percent (3%) of Tenant's then annual Base Rent) but excluding the rental of any office space provided thereunder); (vi) costs of operating amenities in the Project and the wages, salaries and other compensation and benefits of all persons to the extent they are engaged in the operation, management, maintenance or security of the Project, and employer's Social Security taxes, unemployment taxes or insurance, and any

other taxes which may be levied on such wages, salaries, compensation and benefits; (vii) payments under any easement, license, operating agreement, declaration, restrictive covenant, underlying or ground lease (excluding rent), or instrument pertaining to the sharing of costs by the Project (including but not limited to, the REA described in Article 5 hereof); (viii) the cost of janitorial service, trash removal (provided, however, Operating Expenses shall not include the cost of janitorial services and trash removal services provided to the Premises or the premises of other tenants of the Building and/or the Project or the cost of replacing light bulbs, lamps, starters and ballasts for lighting fixtures in the Premises and the premises of other tenants in the Building and/or the Project to the extent such services are directly provided and paid for by Tenant pursuant to Section 6.6 below), alarm and security service, if any, window cleaning, replacement of wall and floor coverings, ceiling tiles and fixtures in lobbies, corridors, restrooms and other common or public areas or facilities, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (ix) amortization (including interest on the unamortized cost) over the useful life of the item of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project; (x) the cost of any capital improvements or other costs (I) which are intended as a labor-saving device or to effect other economies in the operation or maintenance of the Project or which are otherwise permitted hereunder, (II) made to the Project or any portion thereof after the Lease Commencement Date that are required under any governmental law or regulation, or (III) which are Conservation Costs (as defined below) and/or which are reasonably determined by Landlord to be in the best interests of the Project; provided, however, that if any such cost described in (I), (II) or (III) above, is a capital expenditure, such cost shall be amortized (including interest on the unamortized cost) over the useful life of the item as Landlord shall reasonably determine; and (xi) the costs and expenses of complying with, or participating in, conservation, recycling, sustainability, energy efficiency, waste reduction or other programs or practices implemented or enacted from time to time at the Building and/or Project, including, without limitation, in connection with any LEED (Leadership in Energy and Environmental Design) rating or compliance system or program, including that currently coordinated through the U.S. Green Building Council or Energy Star rating and/or compliance system or program (collectively, "**Conservation Costs**"). If Landlord is not furnishing any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If any of (x) the Building and (y) any additional buildings are added to the Project pursuant to Section 1.1.3 above (but only during the period of time after such additional buildings have been fully constructed and ready for occupancy and are included by Landlord within the Project) are less than ninety-five percent (95%) occupied during all or a portion of any Expense Year, Landlord shall make an appropriate adjustment to the variable components of Operating Expenses for such year or applicable portion thereof, employing sound accounting and management principles, to determine the amount of Operating Expenses that would have been paid had the Building and such additional buildings (if any) been ninety-five percent (95%) occupied; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year, or applicable portion thereof.

Subject to the provisions of Section 4.3.4 below, Landlord shall have the right, from time to time, to equitably allocate some or all of the Operating Expenses (and/or Tax Expenses and Utilities Costs) between the Building and among different tenants of the Project and/or among the Other Buildings (as defined in Section 4.3.4 below, if any), as and when such different buildings are constructed and added to (and/or excluded from) the Project or otherwise (the "**Cost Pools**"). Such Cost Pools may also include an allocation of certain Operating Expenses (and/or Tax Expenses and Utilities Costs) within or under covenants, conditions and restrictions affecting the Project. In addition, subject to the provisions of Section 4.3.4 below, Landlord shall have the right from time to time, in its reasonable discretion, to include future buildings in the Project for purposes of determining Operating Expenses, Tax Expenses and Utilities Costs and/or the provision of various services and amenities thereto, including allocation of Operating Expenses, Tax Expenses and Utilities Costs in any such Cost Pools.

Notwithstanding the foregoing, Operating Expenses shall not, however, include: (A) costs of leasing commissions, attorneys' fees and other costs and expenses incurred in connection with negotiations or disputes with present or prospective tenants or other occupants of the Project; (B) costs (including permit, license and inspection costs) incurred in renovating or otherwise improving, decorating or redecorating rentable space for other tenants or vacant rentable space; (C) costs incurred due to the violation by Landlord of the terms and conditions of any lease of space in the Project; (D) costs of overhead or profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for services in or in connection with the Project to the extent the same exceeds the costs of overhead and profit increment included in the costs of such services which could be obtained from third parties on a competitive basis; (E) costs of interest on debt or amortization on any mortgages, and rent payable under any ground lease of the Project; (F) Utilities Costs; (G) Tax Expenses; (H) costs occasioned by casualties or condemnation; (I) costs to correct violation of law applicable to the Premises or the Project on the Lease Commencement Date: (J) costs incurred in connection with the presence of any Hazardous Materials, except to the extent caused by the release or emission of the Hazardous Material in question by Tenant or any of Tenant's Parties; (K) expense reserves; (L) costs which could properly be capitalized under generally accepted accounting principles, except as specifically provided in 4.2.3(x), above, and only to the extent amortized over the useful life of the capital item in question; (M) costs for services not provided to Tenant under this Lease or are of a nature that are paid directly by Tenant; (N) profit by Landlord for managing or administering the Project except as set forth in Section 4.2.3(v) above; and (O) any costs related to construction of any other buildings or completion of the work described in Sections 1.1.3 or 24.30 or **Exhibit B**.

4.2.4 "**Systems and Equipment**" shall mean any plant (including any central plant), machinery, transformers, duct work, cable, wires, and other equipment, facilities, and systems designed to supply heat, ventilation, air conditioning and humidity or any other services or utilities, or comprising or serving as any component or portion of the electrical, gas, steam, plumbing, sprinkler, communications, alarm, lab, security, or fire/life safety systems or equipment, or any other mechanical, electrical, electronic, computer or other systems or equipment which serve the Building and/or any other building in the Project in whole or in part.

4.2.5 "**Tax Expenses**" shall mean all federal, state, county, or local governmental or municipal taxes, fees, assessments, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary, (including, without limitation, real estate taxes, general and special assessments, transit assessments, fees and taxes, child care subsidies, fees and/or assessments, job training subsidies, fees and/or assessments, open space fees and/or assessments, housing subsidies and/or housing fund fees or assessments, public art fees and/or assessments, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project), which Landlord shall pay during any Expense Year because of or in connection with the ownership, leasing and operation of the Project or Landlord's interest therein. For purposes of this Lease, Tax Expenses shall be calculated as if (i) the tenant improvements in the Building and any additional buildings added to the Project pursuant to Section 1.1.3 above (but only during the period of time that such additional buildings are included by Landlord within the Project) were fully constructed, and (ii) the Project, the Building and such additional buildings (if any) and all tenant improvements therein were fully assessed for real estate tax purposes.

4.2.5.1 Tax Expenses shall include, without limitation:

(i) Any tax on Landlord's rent, right to rent or other income from the Project or as against Landlord's business of leasing any of the Project;

(ii) Any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("**Proposition 13**") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants. It is the intention of Tenant and Landlord that all such new and increased assessments, taxes, fees, levies, and charges and all similar assessments, taxes, fees, levies and charges be included within the definition of Tax Expenses for purposes of this Lease;

(iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the rent payable hereunder, including, without limitation, any gross income tax upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof;

(iv) Any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises; and

(v) Any reasonable expenses incurred by Landlord in attempting to protest, reduce or minimize Tax Expenses.

4.2.5.2 Notwithstanding anything to the contrary contained in this Section 4.2.5, there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, documentary transfer taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state net income taxes, and other taxes to the extent applicable to Landlord's net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, (iii) any items paid by Tenant under Section 4.4 below, and (iv) any assessments in excess of the amount which would be payable if such assessments were paid in installments over the longest permitted term but only to the extent the payment of such assessments is allowed under applicable laws to be paid in installments without any additional costs other than normal interest.

4.2.6 "**Tenant's Share**" shall mean the percentage set forth in Section 9 of the Summary. Tenant's Share was calculated by dividing the number of rentable square feet of the Premises by the total rentable square feet in the Building (as set forth in Section 9 of the Summary), and stating such amount as a percentage. Subject to the terms of Section 9 of the Summary and Section 1.3 above, Tenant's Share shall be binding on the parties for the entire Term. If Tenant's Share is adjusted pursuant to Section 1.3 above then, as to the Expense Year in which such adjustment occurs, Tenant's Share for such year shall be determined on the basis of the number of days during such Expense Year that each such Tenant's Share was in effect.

4.2.7 "**Utilities Costs**" shall mean all actual charges for utilities for the Building and the Project (including utilities for the additional buildings, if any, added to the Project during the period of time the same are included by Landlord within the Project) which Landlord shall pay during any Expense Year, including, but not limited to, the costs of water, sewer, gas and electricity, and the costs of HVAC and other utilities, including any lab utilities and central plant utilities (but excluding those charges for

which tenants directly reimburse Landlord or otherwise pay directly to the utility company) as well as related fees, assessments, measurement meters and devices and surcharges. Utilities Costs shall be calculated assuming the Building (and, during the period of time when such buildings are included by Landlord within the Project and any additional buildings, if any, added to the Project) are at least ninety-five percent (95%) occupied. If, during all or any part of any Expense Year, Landlord shall not provide any utilities (the cost of which, if provided by Landlord, would be included in Utilities Costs) to a tenant (including Tenant) who has undertaken to provide the same instead of Landlord, Utilities Costs shall be deemed to be increased by an amount equal to the additional Utilities Costs which would reasonably have been incurred during such period by Landlord if Landlord had at its own expense provided such utilities to such tenant. Utilities Costs shall include any costs of utilities which are allocated to the Project under any declaration, restrictive covenant, or other instrument pertaining to the sharing of costs by the Project or any portion thereof, including any covenants, conditions or restrictions now or hereafter recorded against or affecting the Project. Notwithstanding the foregoing, Utilities Costs shall not include: (A) any costs that would be considered a capital expenditure (with such costs treated, instead, as Operating Expenses, as allowed under Section 4.2.3 above), (B) any connection fees, tap-in fees, or other fees for service to the Project not in existence as of the Lease Commencement Date or (C) costs for services or utilities not provided to Tenant under this Lease or of a nature that are paid directly by Tenant.

4.3 Calculation and Payment of Additional Rent.

4.3.1 Payment of Operating Expenses, Tax Expenses and Utilities Costs. For each Expense Year ending or commencing within the Lease Term, Tenant shall pay to Landlord, as Additional Rent, the following, which payment shall be made in the manner set forth in Section 4.3.2 below: (i) Tenant's Share of Operating Expenses allocated to the Building pursuant to Section 4.3.4 below; plus (ii) Tenant's Share of Tax Expenses allocated to the Building pursuant to Section 4.3.4 below; plus (iii) Tenant's Share of Utilities Costs allocated to the Building pursuant to Section 4.3.4 below.

4.3.2 Statement of Actual Operating Expenses, Tax Expenses and Utilities Costs and Payment by Tenant. Landlord shall endeavor to give to Tenant on or before the first (1st) day of June following the end of each Expense Year, a statement (the "**Statement**") which shall state the Operating Expenses, Tax Expenses and Utilities Costs incurred or accrued for such preceding Expense Year that are allocated to the Building pursuant to Section 4.3.4 below, and which shall indicate therein Tenant's Share thereof. Within thirty (30) days after Tenant's receipt of the Statement for each Expense Year ending during the Lease Term, Tenant shall pay to Landlord the full amount of the Tenant's Share of Operating Expenses, Tax Expenses and Utilities Costs for such Expense Year, less the amounts, if any, paid during such Expense Year as the Estimated Expenses as defined in and pursuant to Section 4.3.3 below. If any Statement reflects that Tenant has overpaid Tenant's Share of Operating Expenses and/or Tenant's Share of Tax Expenses and/or Tenant's Share of Utilities Costs for such Expense Year, then Landlord shall, at Landlord's option, either (i) remit such overpayment to Tenant within thirty (30) days after such applicable Statement is delivered to Tenant, or (ii) credit such overpayment toward the Rent next due and payable by Tenant under this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord from enforcing its rights under this Article 4; provided, however, Tenant shall not be required to pay for any Operating Expenses, Tax Expenses or Utilities Costs until thirty (30) days after receipt of such Statement as provided in the second sentence of this Section 4.3.2 (and Estimated Expenses as provided in Section 4.3.3). Even though the Lease Term has expired and Tenant has vacated the Premises, if the Statement for the Expense Year in which this Lease terminates reflects that Tenant has overpaid and/or underpaid Tenant's Share of the Operating Expenses and/or Tenant's Share of Tax Expenses and/or Tenant's Share of Utilities Costs for such Expense Year, then within thirty (30) days after Landlord's delivery of such Statement to Tenant, Landlord shall refund to Tenant any such overpayment, or Tenant shall pay to Landlord any such underpayment, as the case may be. Tenant's failure to object any Statement

within six (6) months after Tenant's receipt thereof shall constitute Tenant's irrevocable waiver to object to the same. The provisions of this Section 4.3.2 shall survive the expiration or earlier termination of the Lease Term. Notwithstanding the foregoing to the contrary, Tenant shall not be responsible for Tenant's Share of any Operating Expenses, Utilities Costs or Tax Expenses attributable to any calendar year which was first billed to Tenant more than twenty-four (24) months after the date (the "**Cutoff Date**") which is the earlier of (i) the expiration of the applicable calendar year or (i) the Lease Expiration Date, except that Tenant shall be responsible for Tenant's Share of any Operating Expenses, Utilities Costs and Tax Expenses levied by any governmental authority or by any public utility company at any time following the applicable Cutoff Date which are attributable to any calendar year occurring prior to such Cutoff Date, so long as Landlord delivers to tenant a bill and supplemental statement for such amounts within ninety (90) days following Landlord's receipt of the applicable bill therefor.

4.3.3 Statement of Estimated Operating Expenses, Tax Expenses and Utilities Costs. Landlord shall endeavor to give Tenant a yearly expense estimate statement (the "**Estimate Statement**") which shall set forth Landlord's reasonable estimate (the "**Estimate**") of the total amount of Tenant's Share of the Operating Expenses, Tax Expenses and Utilities Costs allocated to the Building pursuant to Section 4.3.4 below for the then-current Expense Year shall be, and which shall indicate therein Tenant's Share thereof (the "**Estimated Expenses**"). The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Expenses under this Article 4. Following Landlord's delivery of the Estimate Statement for the then-current Expense Year, Tenant shall pay, within thirty (30) days thereafter, a fraction of the Estimated Expenses for the then-current Expense Year (reduced by any amounts paid pursuant to the last sentence of this Section 4.3.3). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year to the month of such payment, both months inclusive, and shall have twelve (12) as its denominator. Until a new Estimate Statement is furnished, Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Expenses set forth in the previous Estimate Statement delivered by Landlord to Tenant.

4.3.4 Allocation of Operating Expenses, Tax Expenses and Utilities Costs to Building. The parties acknowledge that the Building is part of a multi-building commercial project consisting of the Building, and such other buildings as Landlord may elect to construct and include as part of the Project from time to time (any such other buildings are sometimes referred to herein, collectively, as the "**Other Buildings**"), and that certain of the costs and expenses incurred in connection with the Project (i.e. the Operating Expenses, Tax Expenses and Utilities Costs) shall be shared among the Building and/or such Other Buildings (if any), while certain other costs and expenses which are solely attributable to the Building and such Other Buildings, as applicable, shall be allocated directly to the Building and the Other Buildings, respectively. Accordingly, as set forth in Sections 4.1 and 4.2 above, Operating Expenses, Tax Expenses and Utilities Costs are determined annually for the Project as a whole, and a portion of the Operating Expenses, Tax Expenses and Utilities Costs, which portion shall be determined by Landlord on an equitable basis, shall be allocated to the Building (as opposed to the tenants of the Other Buildings), and such portion so allocated shall be the amount of Operating Expenses, Tax Expenses and Utilities Costs payable with respect to the Building upon which Tenant's Share shall be calculated. Such portion of the Operating Expenses, Tax Expenses and Utilities Costs allocated to the Building shall include all Operating Expenses, Tax Expenses and Utilities Costs which are attributable solely to the Building, and an equitable portion of the Operating Expenses, Tax Expenses and Utilities Costs attributable to the Project as a whole and shall not include Operating Expenses, Tax Expenses or Utilities Costs related solely to Other Buildings. As an example of such allocation with respect to Tax Expenses and Utilities Costs, it is anticipated that Landlord (and/or any other owners of the Project) may receive separate tax bills which separately assess the improvements component of Tax Expenses for each building in the Project and/or Landlord may receive separate utilities bills from the utilities companies identifying the Utilities Costs for certain of the utilities

costs directly incurred by each such building (as measured by separate meters installed for each such building), and such separately assessed Tax Expenses and separately metered Utilities Costs shall be calculated for and allocated separately to each such applicable building. In addition, in the event Landlord (and/or any other owners of the Project) elect to subdivide certain common area portions of the Project such as landscaping, public and private streets, driveways, walkways, courtyards, plazas, transportation facilitation areas and/or accessways into a separate parcel or parcels of land (and/or separately convey all or any of such parcels to a common area association to own, operate and/or maintain same), the Operating Expenses, Tax Expenses and Utilities Costs for such common area parcels of land may be aggregated and then reasonably allocated by Landlord to the Building and such Other Buildings on an equitable basis as Landlord (and/or any applicable covenants, conditions and restrictions for any such common area association) shall provide from time to time.

4.4 Taxes and Other Charges for Which Tenant Is Directly Responsible. Tenant shall reimburse Landlord upon demand for all taxes or assessments required to be paid by Landlord (except to the extent included in Tax Expenses by Landlord), excluding state, local and federal personal or corporate income taxes measured by the net income of Landlord from all sources and estate and inheritance taxes, whether or not now customary or within the contemplation of the parties hereto, when:

4.4.1 said taxes are measured by or reasonably attributable to the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises;

4.4.2 said taxes are assessed upon or due to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project; or

4.4.3 said taxes are assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

4.5 Late Charges. If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days of the due date therefor, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the amount due plus any reasonable attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder, at law and/or in equity and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid by the date that they are due shall thereafter bear interest until paid at a rate (the "**Interest Rate**") equal to the lesser of (i) the "Prime Rate" or "Reference Rate" announced from time to time by the Bank of America (or such reasonable comparable national banking institution as selected by Landlord in the event Bank of America ceases to exist or publish a Prime Rate or Reference Rate), plus four percent (4%), or (ii) the highest rate permitted by applicable law. Notwithstanding the foregoing, before assessing a late charge or interest the first time in any one (1) year period, Landlord shall provide Tenant written notice of the delinquency, and shall waive such late charge if Tenant pays such delinquency within five (5) days thereafter.

4.6 Audit Rights. Tenant shall have the right, at Tenant's cost, after reasonable notice to Landlord, to have Tenant's authorized employees or agents inspect, at Landlord's main corporate office during normal business hours, Landlord's books, records and supporting documents concerning the Operating Expenses, Tax Expenses and Utilities Costs set forth in any Statement delivered by Landlord to Tenant for a particular Expense Year pursuant to Section 4.3.2 above; provided, however, Tenant shall have no right to conduct such inspection or object to or otherwise dispute the amount of the Operating Expenses,

Tax Expenses and Utilities Costs set forth in any such Statement, unless Tenant notifies Landlord of such inspection objection and dispute, completes such inspection within six (6) months immediately following Landlord's delivery of a Statement (the "**Review Period**"); provided, further, that notwithstanding any such timely inspection, objection, dispute, and/or audit, and as a condition precedent to Tenant exercise of its right of inspection, objection, dispute, and/or audit as set forth in this Section 4.6, Tenant shall not be permitted to withhold payment of, and Tenant shall timely pay to Landlord, the full amounts as required by the provisions of this Article 4 in accordance with such Statement. However, such payment may be made under protest pending the outcome of any audit. In connection with any such inspection by Tenant, Landlord and Tenant shall reasonably cooperate with each other so that such inspection can be performed pursuant to a mutually acceptable schedule, in an expeditious manner and without undue interference with Landlord's operation and management of the Project. If after such inspection and/or request for documentation, Tenant disputes the amount of the Operating Expenses, Tax Expenses and Utilities Costs set forth in the Statement, Tenant shall have the right, but not the obligation, within the Review Period, to cause an independent certified public accountant which is not paid on a contingency basis and which is mutually approved by Landlord and Tenant (the "**Accountant**") to complete an audit of Landlord's books and records to determine the proper amount of the Operating Expenses, Tax Expenses and Utilities Costs incurred and amounts payable by Tenant for the Expense Year which is the subject of such Statement. Such audit by the Accountant shall be final and binding upon Landlord and Tenant. If Landlord and Tenant cannot mutually agree as to the identity of the Accountant within thirty (30) days after Tenant notifies Landlord that Tenant desires an audit to be performed, then the Accountant shall be one of the "Big 4" accounting firms selected by Landlord, which is not paid on a contingency basis and is not, and has not been, otherwise employed or retained by Landlord. If such audit reveals that Landlord has over-charged Tenant, then within thirty (30) days after the results of such audit are made available to Landlord, Landlord shall reimburse to Tenant the amount of such over-charge. If the audit reveals that the Tenant was under-charged, then within thirty (30) days after the results of such audit are made available to Tenant, Tenant shall reimburse to Landlord the amount of such under-charge. Tenant agrees to pay the cost of such audit unless it is subsequently determined that Landlord's original Statement which was the subject of such audit was in error to Tenant's disadvantage by five percent (5%) or more of the total Operating Expenses, Tax Expenses and Utilities Costs which was the subject of the audit (in which case Landlord shall pay the cost of such audit). The payment by Tenant of any amounts pursuant to this Article 4 shall not preclude Tenant from questioning the correctness of any Statement provided by Landlord at any time during the Review Period, but the failure of Tenant to object thereto, conduct and complete its inspection and have the Accountant conduct and complete the audit as described above prior to the expiration of the Review Period shall be conclusively deemed Tenant's approval of the Statement in question and the amount of Operating Expenses, Tax Expenses and Utilities Costs shown thereon, subject to Tenant's right to review Statements for the prior twelve (12) months. In connection with any inspection and/or audit conducted by Tenant pursuant to this Section 4.6, Tenant agrees to keep, and to cause all of Tenant's employees and consultants and the Accountant to keep, all of Landlord's books and records and the audit, and all information pertaining thereto and the results thereof, strictly confidential, and in connection therewith, Tenant shall cause such employees, consultants and the Accountant to execute such reasonable confidentiality agreements as Landlord may require prior to conducting any such inspections and/or audits.

ARTICLE 5

USE OF PREMISES; HAZARDOUS MATERIALS; ODORS AND EXHAUST

5.1 Use. Tenant shall use the Premises solely for general office, laboratory, research and development, manufacturing, all other life science uses and all other legally-permitted uses associated with Tenant's business to the extent consistent with the current zoning for the Premises, all applicable laws and the first-class nature of the Project as a first-class biotechnology project, and Tenant shall not use or permit the Premises to be used for any other purpose or purposes whatsoever without Landlord's consent. Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the provisions of **Exhibit D**, attached hereto, or in violation of the laws of the United States of America, the state in which the Project is located, or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Project. Tenant shall comply with the Rules and Regulations and all recorded covenants, conditions, and restrictions, and the provisions of all ground or underlying leases, now or hereafter affecting the Project, including but not limited to, that certain Declaration of Covenants, Conditions and Restrictions (as amended, modified or supplemented from time to time, the "**Declaration**"), dated June 6, 1984, by California Casualty Management Company, a California corporation, which was recorded as document #84061165 in the official records of San Mateo County, California, and the Parcel 1 and Parcel 2 Owners; as amended by that certain Amendment to Declaration of Covenants, Conditions and Restrictions dated and recorded on January 16, 2020 as Instrument 2020-004242 (collectively, the existing "**CC&Rs**"), as the same may be amended, amended and restated, supplemented or otherwise modified from time to time; provided that any such amendments, restatements, supplements or modifications do not materially modify Tenant's rights or obligations hereunder.

5.2 Hazardous Materials.

5.2.1 Definitions: As used in this Lease, the following terms have the following meanings:

(a) "**Environmental Law**" means any past, present or future federal, state or local statutory or common law, or any regulation, ordinance, code, plan, order, permit, grant, franchise, concession, restriction or agreement issued, entered, promulgated or approved thereunder, relating to (a) the environment, human health or safety, including, without limitation, emissions, discharges, releases or threatened releases of Hazardous Materials (as defined below) into the environment (including, without limitation, air, surface water, groundwater or land), or (b) the manufacture, generation, refining, processing, distribution, use, sale, treatment, receipt, storage, disposal, transport, arranging for transport, or handling of Hazardous Materials.

(b) "**Environmental Permits**" mean collectively, any and all permits, consents, licenses, approvals and registrations of any nature at any time required pursuant to, or in order to comply with, any Environmental Law including, but not limited to, any Spill Control Countermeasure Plan and any Hazardous Materials Management Plan.

(c) "**Hazardous Materials**" shall mean and include any hazardous or toxic materials, substances or wastes as now or hereafter designated or regulated under any Environmental Law, including, without limitation, asbestos, petroleum, petroleum hydrocarbons and petroleum based products, urea formaldehyde foam insulation, polychlorinated biphenyls ("PCBs"), freon and other chlorofluorocarbons, "biohazardous waste," "medical waste," "infectious agent", "mixed waste" or other waste under California Health and Safety Code §§ 117600 et, seq.

(d) "**Release**" shall mean with respect to any Hazardous Materials, any release, deposit, discharge, emission, leaking, pumping, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Materials in violation of Environmental Law or this Lease.

5.2.2 Tenant's Obligations Environmental Permits. Tenant will (i) obtain and maintain in full force and effect all Environmental Permits that may be required from time to time under any Environmental Laws applicable to Tenant or Tenant's use of Hazardous Materials in the Premises and (ii) be and remain in compliance with all terms and conditions of all such Environmental Permits and with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in all Environmental Laws applicable to Tenant or the Premises.

5.2.3 Tenant's Obligations Hazardous Materials. Except as expressly permitted herein (including with respect to Hazardous Materials on the Hazardous Materials List, as to which no consent is required), Tenant agrees not to cause or permit any Hazardous Materials to be brought upon, stored, used, handled, generated, released or disposed of on, in, under or about the Premises, or any other portion of the Property by Tenant, its agents, employees, subtenants, assignees, licensees, contractors or invitees (collectively, "**Tenant's Parties**"), without the prior written consent of Landlord, which consent must be provided or withheld within seven (7) days of Tenant's request and which Landlord may withhold in its reasonable discretion. Landlord acknowledges that it is not the intent of this Section 5.2 to prohibit Tenant from operating its business for the uses permitted hereunder, and Landlord hereby consents to Tenant's storage, use, generation or release in compliance with applicable Environmental Laws of those Hazardous Materials that are on the Landlord approved Hazardous Materials List or reasonably required for Tenant's business. Tenant may operate its business according to the custom of Tenant's industry so long as the use or presence of Hazardous Materials is strictly and properly monitored in accordance with applicable Environmental Laws. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Lease Commencement Date a list identifying each type of Hazardous Material to be present at the Premises and setting forth any and all governmental approvals or permits required in connection with the presence of such Hazardous Material at the Premises (the "**Hazardous Materials List**"). Tenant shall deliver to Landlord an updated Hazardous Materials List on or prior to each annual anniversary of the Lease Commencement Date. Tenant shall deliver to Landlord true and correct copies of the following documents (hereinafter referred to as the "**Documents**") relating to the handling, storage, disposal and emission of Hazardous Materials prior to the Lease Commencement Date or, if unavailable at that time, concurrently with the receipt from or submission to any Governmental Authority: permits; approvals; reports and correspondence; storage and management plans; notices of violations of applicable Environmental Laws; plans relating to the installation of any storage tanks to be installed in, on, under or about the Premises (provided that installation of storage tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent Landlord may withhold in its sole and absolute (but good faith) discretion); and all closure plans or any other documents required by any and all governmental authorities for any storage tanks installed in, on, under or about the Premises for the closure of any such storage tanks. For each type of Hazardous Material listed, the Documents shall include (t) the chemical name, (u) the material state (e.g., solid, liquid, gas or cryogen), (v) the concentration, (w) the storage amount and storage condition (e.g., in cabinets or not in cabinets), (x) the use amount and use condition (e.g., open use or closed use), (y) the location (e.g., room number or other identification) and (z) if known, the chemical abstract service number. Tenant shall not be required, however, to provide Landlord with any portion of the Documents containing information of a proprietary nature, which Documents, in and of themselves, do not contain a reference to any Hazardous Materials or activities related to Hazardous Materials. Upon the expiration or earlier termination of this Lease, Tenant agrees to promptly remove from the Premises, the Building and the Project, at its sole cost and expense, any and all Hazardous Materials, including any equipment or systems containing Hazardous Materials which are installed, brought upon, stored, used, generated or released (to the extent clean-up of any release is required by Environmental Laws) upon, in, under or about the Premises, the Building and/or the Project or any portion thereof by Tenant or any of Tenant's Parties during the Term of this Lease.

5.2.4 Landlord's Right to Conduct Environmental Assessment. At any time during the Lease Term, Landlord shall have the right to conduct an environmental assessment of the Premises as well as any other areas in, on or about the Project that Landlord reasonably believes may have been affected adversely by Tenant's use of the Premises (collectively, the "**Affected Areas**") in order to confirm that the Premises and the Affected Areas do not contain any Hazardous Materials in violation of applicable Environmental Laws or under conditions constituting or likely to constitute a Release of Hazardous Materials. Such environmental assessment shall be a so-called "Phase I" assessment or such other level of investigation which shall be the standard of diligence in the purchase or lease of similar property at the time, together with any additional investigation and report which would customarily follow any discovery contained in such initial Phase I assessment (including, but not limited to, any so-called "Phase II" report). Such right to conduct such environmental assessment shall not be exercised more than once per calendar year unless Tenant is in default under this Section 5.2. Such environmental assessments or inspections shall be subject to Article 22 and be at Landlord's sole cost and expense unless it is discovered that Tenant has violated the terms of this Lease pertaining to Hazardous Materials.

5.2.5 Tenant's Obligations to perform Corrective Action. If the data from any environmental assessment authorized and undertaken by Landlord pursuant to Section 5.2.4 indicates there has been a Release, threatened Release or other conditions with respect to Hazardous Materials on, under or emanating from the Premises and the Affected Areas by Tenant or Tenant's Parties that may require any investigation and/or active response action, including without limitation active or passive remediation and monitoring or any combination of these activities ("**Corrective Action**"), Tenant shall immediately undertake Corrective Action with respect to such contamination if, and to the extent, required by the governmental authority exercising jurisdiction over the matter. Any Corrective Action performed by Tenant will be performed with Landlord's prior written approval and in accordance with applicable Environmental Laws, at Tenant's sole cost and expense and by an environmental consulting firm (reasonably acceptable to Landlord). Tenant may perform the Corrective Action before or after the expiration or earlier termination of this Lease, to the extent permitted by governmental agencies with jurisdiction over the Premises, the Building and the Project (provided, however, that any Corrective Action performed after the expiration or earlier termination of this Lease shall be subject to the access fee provisions set forth below). If Tenant undertakes or continues Corrective Action after the expiration or earlier termination of this Lease, Landlord, upon being given forty-eight (48) hours' advance notice, may, in Landlord's sole discretion, elect (without limiting any of the Landlord's other rights and remedies under this Lease, at law and/or in equity), to provide, at an "access fee" equal to one hundred fifty percent (150%) of the Monthly Rent in effect for the last month immediately preceding the expiration or earlier termination of this Lease, plus all other sums due under this Lease (prorated for partial months based on days of actual access and only if the Premises cannot be used by a third party during such period), access to the Premises, the Building and the Project as may be requested by Tenant and its consultant to accomplish the Corrective Action. Tenant or its consultant may install, inspect, maintain, replace and operate remediation equipment and conduct the Corrective Action as it considers necessary, subject to Landlord's approval. Tenant and Landlord shall, in good faith, cooperate with each other with respect to any Corrective Action after the expiration or earlier termination of this Lease so as not to interfere unreasonably with the conduct of Landlord's or any third party's business on the Premises, the Building and the Project. Landlord may, in its sole discretion, provide access until Tenant delivers evidence reasonably satisfactory to Landlord that Tenant's Corrective Action activities on the Premises and the Affected Areas satisfy applicable Environmental Laws. It shall be reasonable for Landlord to require Tenant to deliver a "no further action" letter or substantially similar document from the applicable governmental agency. Tenant shall pay the access fee for each day that Landlord is not able to use the Premises and the Affected Areas for such purposes as Landlord reasonably desires. Landlord's "reasonableness" as used in the immediately preceding sentence shall be based on (i) the zoning of the Premises as of the date in question, and (ii) the logical uses of the Premises as of the date in question. If Landlord desires to situate a tenant in the Premises, the Building or the Project and is unable to do so due to the presence of Hazardous Materials in violation of Environmental Laws and caused by Tenant or Tenant Parties, and remediation of the Premises and the Affected Areas is ongoing, Landlord shall be deemed to be unable to use the Premises, the Building and the Project in the way Landlord reasonably desires and

Tenant shall be obligated to continue paying the access fee until such time as Landlord is able to situate said tenant in the Premises, the Building and/or the Project. Tenant agrees to install, at Tenant's sole cost and expense, screening around its remediation equipment so as to protect the aesthetic appeal of the Premises, the Building and the Project. Tenant also agrees to use reasonable efforts to locate its remediation and/or monitoring equipment, if any (subject to the requirements of Tenant's consultant and governmental agencies with jurisdiction over the Premises, the Building and the Project) in a location which will allow Landlord, to the extent reasonably practicable, the ability to lease the Premises, the Building and the Project to a subsequent user. Notwithstanding anything above to the contrary, if any clean-up or monitoring procedure is required by any applicable governmental authorities in, on, under or about the Premises and the Affected Areas during the Lease Term as a consequence of any Hazardous Materials contamination caused by Tenant or Tenant's Parties and the procedure for clean-up is not completed (to the satisfaction of Landlord and/or the governmental authorities) prior to the expiration or earlier termination of this Lease then, at Landlord's election, (i) this Lease shall be deemed renewed for a term commencing on the expiration or earlier termination of this Lease and ending on the date the clean-up procedure is anticipated to be completed; or (ii) Tenant shall be deemed to have impermissibly held over (and Article 16 of this Lease shall apply with full force and effect) and Landlord shall be entitled to all damages directly or indirectly incurred, including, without limitation, damages occasioned by the inability to relet the Premises and/or any other portion of the Building or a reduction of the fair market or rental value of the Premises and/or the Building.

5.2.6 Tenant's Duty to Notify Landlord Regarding Releases. Tenant agrees to promptly notify Landlord of any Release of Hazardous Materials in the Premises, the Building or any other portion of the Project which Tenant becomes aware of during the Term of this Lease, whether caused by Tenant or any other persons or entities. In the event of any release of Hazardous Materials caused by Tenant or any of Tenant's Parties, Landlord shall have the right, but not the obligation, to cause Tenant, at Tenant's sole cost and expense, to immediately take all reasonable steps Landlord deems necessary or appropriate to remediate such Release and prevent any similar future release as required by Environmental Law to the satisfaction of Landlord and Landlord's mortgagee(s). Tenant will, upon the request of Landlord at any time during which Landlord has reason to believe that Tenant is not in compliance with this Section 5.2 (and in any event no earlier than sixty (60) days and no later than thirty (30) days prior to the expiration of this Lease), cause to be performed an environmental audit of the Premises at Tenant's expense by an established environmental consulting firm reasonably acceptable to Landlord. In the event the audit provides that Corrective Action is required then Tenant shall immediately perform the same at its sole cost and expense.

5.2.7 Tenant's Environmental Indemnity. To the fullest extent permitted by law, Tenant agrees to promptly indemnify, protect, defend and hold harmless Landlord and Landlord's members, partners, subpartners, independent contractors, officers, directors, shareholders, employees, agents, successors and assigns (collectively, "**Landlord Parties**") from and against any and all claims, damages, judgments, suits, causes of action, losses, liabilities, penalties, fines, expenses and costs (including, without limitation, clean-up, removal, remediation and restoration costs, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees and court costs) which arise or result from the Release of Hazardous Materials on, in, under or about the Premises, the Building or any other portion of the Project and which are caused by Tenant or any of Tenant's Parties during the Term of this Lease, including arising from or caused in whole or in part, directly or indirectly, by (i) Tenant's or other Tenant Party's actual, proposed or threatened use, treatment, storage, transportation, holding, existence, disposition, manufacturing, control, management, abatement, removal, handling, transfer, generation or Release (past, present or threatened) of Hazardous Materials to, in, on, under, about or from the Premises and the Affected Areas in violation of Environmental Laws or this Lease; (ii) any past, present or threatened non-compliance or violations of any Environmental Laws in connection with Tenant and/or Tenant's particular use of the

Premises and/or the Affected Areas; (iii) personal injury claims; (iv) the payment of any environmental liens, or the disposition, recording, or filing or threatened disposition, recording or filing of any environmental lien encumbering or otherwise affecting the Premises and/or the Affected Areas; (v) diminution in the value of the Premises and/or the Project; (vi) damages for the loss or restriction of use of the Premises and/or the Project, including prospective rent, lost profits and business opportunities; (vii) sums paid in settlement of claims; (viii) reasonable attorneys' fees, consulting fees and expert fees; (ix) the cost of any investigation of site conditions; and (x) the cost of any repair, clean-up or remediation ordered by any governmental or quasi-governmental agency or body. Tenant's obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary repair, cleanup or detoxification or decontamination of the Premises, the Building and/or the Project, or the preparation and implementation of any closure, remedial action or other required plans in connection therewith. For purposes of the indemnity provisions in this Section 5.2, any acts of Tenant and/or Tenant's Parties or others acting for or on behalf of Tenant (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Tenant. The provisions of this Section 5.2.7 will survive the expiration or earlier termination of this Lease.

5.2.8 Limitations on Tenant's Obligations. Notwithstanding anything to the contrary contained in this Lease, Tenant shall have no liability in connection with any Hazardous Materials (i) in existence on the Premises, Building or Project prior to the Lease Commencement Date or brought onto the Premises, Building or Project after the Lease Commencement Date by any third party other than a Tenant Party or (ii) which may migrate into the Premises through air, water or soil, through no fault of Tenant or any of Tenant's Parties.

5.2.9 Landlord's Termination Option for Certain Environmental Problems. If Hazardous Materials are present at the Premises that are required by Environmental Law to be remediated and Tenant is not responsible therefor pursuant to Section 5.2, Landlord shall remediate such Hazardous Materials, in which event this Lease shall continue in full force and effect, Landlord shall provide Tenant with abatement of Rent as provided in, but subject to, Section 6.8 below, to the extent such work materially interferes with Tenant's conduct of its business in the Premises and Tenant does not occupy all or any material portion of the Premises on account of such work.

5.2.10 Control Areas. Tenant shall be allowed to utilize up to its pro rata share of the Hazardous Materials inventory within any control area or zone (located within the Premises), as designated by the applicable building code, for chemical use or storage. As used in the preceding sentence, Tenant's pro rata share of any control areas or zones located within the Premises shall be determined based on the rentable square footage that Tenant leases within the applicable control area or zone. For purposes of example only, if a control area or zone contains 10,000 rentable square feet and 2,000 rentable square feet of a tenant's premises are located within such control area or zone (while such premises as a whole contains 5,000 rentable square feet), the applicable tenant's pro rata share of such control area would be 20%.

5.2.11 Storage Areas. Tenant shall, during the Lease Term, have the right to use (i) two (2) dedicated general storage areas (the "**General Storage Areas**") and (ii) one (1) dedicated hazardous materials storage area (the "**Hazardous Materials Storage Area**") in the locations depicted on Exhibit G (collectively, the "**Storage Areas**"). Tenant shall take such Storage Areas in their "as-is" condition and Landlord shall not be obligated to make any improvements or repairs to the same; such improvement/repair responsibility shall be Tenant's responsibility at Tenant's sole cost and expense. The Storage Areas shall be considered part of the Premises under this Lease except that no Rent shall be payable by Tenant for such Storage Areas.

5.3 Odors and Exhaust. Tenant acknowledges that Landlord would not enter into this Lease with Tenant unless Tenant assured Landlord that under no circumstances will the Premises be damaged by any exhaust from Tenant's operations. Landlord and Tenant therefore agree as follows:

5.3.1 Tenant shall not cause or permit (or conduct any activities that would cause) any release of any odors or fumes of any kind from the Premises in violation of Environmental Laws.

5.3.2 Landlord has installed a ventilation system that, in Landlord's reasonable judgment, is adequate, suitable, and appropriate to reasonably vent the Premises for a typical lab use in a manner that does not release odors detectable by a typical person and not unreasonably affecting any indoor or outdoor part of the Premises, and Tenant shall vent the Premises through such system. The placement and configuration of all ventilation exhaust pipes, louvers and other equipment shall be subject to Landlord's reasonable approval. Tenant acknowledges Landlord's legitimate desire to maintain the Premises (indoor and outdoor areas) in an odor-free manner, and Landlord may require Tenant to abate and remove all odors in a manner that goes beyond the requirements of applicable laws.

5.3.3 Tenant shall, at Tenant's sole cost and expense, provide odor eliminators and other devices (such as filters, air cleaners, scrubbers and whatever other equipment may in Landlord's judgment be necessary or appropriate from time to time) to completely remove, eliminate and abate any odors, fumes or other substances in Tenant's exhaust stream that, in Landlord's judgment, emanate from the Premises. Any work Tenant performs under this Section 5.3 shall constitute Alterations.

5.3.4 Tenant's responsibility to remove, eliminate and abate odors, fumes and exhaust shall continue throughout the Term.

5.3.5 If Tenant fails to install satisfactory odor control equipment within ten (10) business days after Landlord's demand made at any time, then Landlord may, without limiting Landlord's other rights and remedies, require Tenant to cease and suspend any operations in the Premises that, in Landlord's determination, cause odors, fumes or exhaust.

ARTICLE 6

SERVICES AND UTILITIES

6.1 Standard Tenant Services. Landlord shall provide the following services on all days during the Lease Term, unless otherwise stated below.

6.1.1 Subject to reasonable changes implemented by Landlord and to all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating, ventilation and air conditioning ("**HVAC**") to the office portions of the Premises for normal office use in the Premises from Monday through Friday, during the period from 8:00 a.m. to 6:00 p.m., except for the date of observation of New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and other locally or nationally recognized holidays as designated by Landlord (collectively, the "**Holidays**"). Landlord shall provide HVAC to the lab portions of the Premises on a 24/7 basis.

6.1.2 Landlord shall provide adequate electrical wiring and facilities for power for the Premises. Landlord shall designate the electricity utility provider from time to time.

6.1.3 Landlord shall provide nonexclusive automatic passenger elevator service at all times.

6.1.4 Landlord shall provide water in the Common Areas and Premises for lavatory, drinking, laboratory and landscaping purposes. Such cost shall be paid by Tenant as Additional Rent.

6.1.5 Landlord shall provide gas and sewer services to the Premises and the Project and trash pick-up from the Project as are reasonable and customary for a biotechnology project.

6.1.6 Landlord shall provide house vacuum and compressed air to the existing lab benches and compressed air capacity to the lab portion of the Premises at all times.

6.2 Overstandard Tenant Use. Tenant shall not overload the Systems and Equipment serving the Building. If Tenant desires to use HVAC for the office portions of the Premises during hours other than those for which Landlord is obligated to supply such utilities pursuant to the terms of Section 6.1 of this Lease, (i) Tenant shall give Landlord such prior notice, as Landlord shall from time to time establish as appropriate, of Tenant's desired use, (ii) Landlord shall supply such HVAC to Tenant at such hourly cost to Tenant as Landlord shall from time to time establish, and (iii) Tenant shall pay such cost to Landlord within thirty (30) days after billing, as additional rent. The hourly after-hours HVAC cost shall be equal to (A) the actual cost incurred by Landlord to supply such after-hours HVAC on an hourly basis (but based on a one (1) hour minimum provision of such after-hours HVAC), (B) increased wear and tear and depreciation of equipment to provide such after-hours HVAC, and (C) the pro rata maintenance costs related to such after-hours HVAC.

6.3 Utilities. Tenant shall pay for all water (including the cost to service, repair and replace reverse osmosis, de-ionized and other treated water), gas, heat, light, power, telephone, internet service, cable television, other telecommunications and other utilities supplied to the Premises, together with any fees, surcharges and taxes thereon. If any such utility is not separately metered or submetered to Tenant, Tenant shall pay Tenant's Share of all charges of such utility jointly metered with other premises as Additional Rent (provided, however, if any occupants of the Building are, in Landlord's good faith business judgment, using a disproportionate amount of utilities, Landlord shall exclude such disproportionate use before calculating Tenant's Share) or, in the alternative, Landlord may, at its option, monitor the usage of such utilities by Tenant and charge Tenant with the actual, documented cost of such utilities, and the cost of purchasing, installing and monitoring such metering equipment shall be paid by Landlord; provided, however, that monitoring equipment for any server room HVAC or any other special equipment installed by Tenant shall be Tenant's responsibility at Tenant's sole cost and expense. To the extent that Tenant uses more than Tenant's Share of any utilities, then Tenant shall pay Landlord Tenant's Share of Operating Expenses to reflect such excess. Notwithstanding the foregoing, Landlord represents that electricity to the Premises is separately submetered.

6.4 Interruption of Use. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise (subject to Section 6.8), for failure to furnish or delay in furnishing any service (including, but not limited to, any central plant or other lab system, telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by required repairs, replacements, or improvements (in each case scheduled at reasonable times with Tenant, except in cases of emergency), by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Project after reasonable effort to do so, by any accident or casualty beyond Landlord's reasonable control, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or, subject to Section 6.8 below, relieve Tenant from paying Rent or performing any of its obligations under this Lease. Furthermore, subject to Section 6.8 below, Landlord shall not be liable under any circumstances for a loss of, or injury to, property (including scientific research and any intellectual property) or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6.

6.5 Additional Services. Landlord shall also have the right, but not the obligation, at Tenant's request, to provide any additional services which may be required by Tenant, including, without limitation, locksmithing and additional repairs and maintenance, provided that Tenant shall pay to Landlord within thirty (30) days after billing and as Additional Rent hereunder, the sum of all costs to Landlord of such additional services plus a five percent (5%) administration fee.

6.6 Janitorial Service. Landlord shall not be obligated to provide any janitorial services to the Premises or replace any light bulbs, lamps, starters and ballasts for lighting fixtures within the Premises. Tenant shall be solely responsible, at Tenant's sole cost and expense, for (i) performing all janitorial services, trash removal and other cleaning of the Premises, and (ii) replacement of all light bulbs, lamps, starters and ballasts for lighting fixtures within the Premises, all as appropriate to maintain the Premises in a first-class manner consistent with the first-class nature of the Building and Project. Such services to be provided by Tenant shall be performed by contractors and pursuant to service contracts approved by Landlord. Tenant shall deposit trash as reasonably required in the area designated by Landlord from time to time. All trash containers must be covered and stored in a manner to prevent the emanation of odors into the Premises or the Project. Landlord shall have the right to inspect the Premises upon reasonable notice to Tenant and to require Tenant to provide additional cleaning, if necessary. In the event Tenant shall fail to provide any of the services described in this Section 6.6 to be performed by Tenant within five (5) days after notice from Landlord, which notice shall not be required in the event of an emergency, Landlord shall have the right to provide such services and any charge or cost incurred by Landlord in connection therewith shall be deemed Additional Rent due and payable by Tenant upon receipt by Tenant of a written statement of cost from Landlord.

6.7 Energy Statements. For any utilities serving the Premises for which Tenant is billed directly by such utility provider, Tenant agrees to furnish to Landlord (a) any invoices or statements for such utilities within thirty (30) days after Tenant's receipt thereof, (b) within thirty (30) days after Landlord's request, any other utility usage information reasonably requested by Landlord, and (c) within thirty (30) days after each calendar year during the Term, an ENERGY STAR® Statement of Performance (or similar comprehensive utility usage report if requested by Landlord) and any other information reasonably requested by Landlord for the immediately preceding year. Tenant shall retain records of utility usage at the Premises, including invoices and statements from the utility provider, for at least sixty (60) months, or such other period of time as may be requested by Landlord. Tenant acknowledges that any utility information for the Premises may be shared with third parties, including Landlord's consultants and governmental authorities. In the event that Tenant fails to comply with this Section, Tenant hereby authorizes Landlord to collect utility usage information directly from the applicable utility providers and agree to pay Landlord a fee of One Hundred Dollars ($100) per month to collect such utility usage information.

6.8 Abatement of Rent When Tenant is Prevented From Using Premises. In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, for five (5) consecutive business days (the "**Eligibility Period**") as a result of (i) any repair, maintenance or alteration performed by Landlord after the applicable Lease Commencement Date and required to be performed by Landlord under this Lease or permitted pursuant to Section 5.2.9 above or Section 24.30 below, or (ii) any failure by Landlord to provide to the Premises any of the facilities for essential utilities and services required to be provided in Section 6.1 above, or (iii) any failure by Landlord to provide access to the Premises, then Tenant's obligation to pay Base Rent and Tenant's Share of Operating Expenses, Tax Expenses and Utilities

Costs shall be abated or reduced, as the case may be, from and after the first (1st) day following the Eligibility Period and continuing until such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in the proportion that the rentable square feet of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable square feet of the Premises; provided, however, that Tenant shall only be entitled to such abatement of rent if the matter described in clauses (i), (ii) or (iii) of this sentence is within Landlord's reasonable control or caused by Landlord's negligence or willful misconduct or violation of this Lease. To the extent Tenant shall be entitled to abatement of rent because of a damage or destruction pursuant to Article 11 or a taking pursuant to Article 12, then the Eligibility Period shall not be applicable.

6.9 Landlord's Emergency Generator. Tenant shall have the right to draw Tenant's Share of power from the emergency generator serving the Building ("**Generator**") at all times when the emergency generator is in emergency operation; provided, however, that (a) Tenant may only draw Tenant's Share of available power for Tenant's critical power requirements (i.e., certain portions of Tenant's labs in the Premises) and (b) in the event the Generator is replaced, Landlord shall use commercially reasonable efforts to cause any replacement emergency generator to provide at least the same electrical capacity to the Premises (as the Generator provides to the Premises) at all times when the power is out, subject to Force Majeure. Until such Generator is replaced, Landlord will use commercially reasonable efforts to cause the same to be operational at all times when power is out, subject to Force Majeure.

ARTICLE 7

REPAIRS

7.1 Tenant's Repairs. Subject to Landlord's repair obligations in Sections 7.2 and 11.1 below, Tenant shall, at Tenant's own expense, keep the Premises, including all improvements, fixtures and furnishings therein, in good order, repair and condition at all times during the Lease Term, which repair obligations shall include, without limitation, the obligation to promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures and appurtenances, together with all portions of the HVAC, electrical, mechanical plumbing, life safety and lab systems from the point that such systems are located in and solely serve the Premises and all portions of all fume hoods and other exhaust systems that are located in and exclusively serve the Premises (all such systems collectively being referred to as the "**Premises Systems**"), in the condition received. Tenant's obligations shall include restorations, replacements or renewals, including capital expenditures for restorations, replacements or renewals which will have an expected life beyond the Term, when necessary to keep the Premises and all improvements thereon or a part thereof and the Premises Systems in the order, condition and repair received and in compliance with all applicable laws. Except as expressly set forth in this Lease, it is intended by the parties hereto that Landlord shall have no obligation, in any manner whatsoever, to repair or maintain the Premises, the improvements located therein or the equipment therein, or the Premises Systems, all of which obligations are intended to be the expense of Tenant (whether or not such repairs, maintenance or restoration shall have an expected life extending beyond the Term). Tenant's maintenance of the Premises Systems shall comply with the manufacturers' recommended operating and maintenance procedures. Tenant shall enter into and pay for maintenance contracts (in forms satisfactory to Landlord in its reasonable discretion, which may require, without limitation, that any third party contractor provide Landlord with evidence of insurance as required by Landlord) for the Premises Systems in accordance with the manufacturers' recommended operating and maintenance procedures. Such maintenance contracts shall be with reputable contractors, satisfactory to Landlord in its reasonable discretion, who shall have not less than ten (10) years of experience in maintaining such systems in biotechnical facilities. Upon Landlord's request, Tenant shall provide maintenance reports from any such contractors. Tenant shall be solely responsible for the cost of all improvements or alterations to the Premises or the Premises Systems required by law to the extent

required under Article 21. Notwithstanding the foregoing, if Tenant fails to make such repairs, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof, including a percentage of the cost thereof (to be uniformly established for the Building) sufficient to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such repairs and replacements forthwith upon being billed for same. In addition, Landlord reserves the right, upon notice to Tenant, to procure and maintain any or all of such service contracts, and if Landlord so elects, Tenant shall reimburse Landlord, upon demand, for the costs thereof.

7.2 Landlord's Repairs. Anything contained in Section 7.1 above to the contrary notwithstanding, and subject to Articles 11 and 12 below, Landlord shall repair and maintain the structural portions of the Building, including the plumbing, HVAC and electrical systems serving the Building and not located in and exclusively serving the Premises; provided, however, to the extent such maintenance and repairs are caused by the act, neglect, fault of or omission of any duty by Tenant, its agents, servants, employees or invitees, Tenant shall pay to Landlord as Additional Rent, the reasonable cost of such maintenance and repairs. Moreover, Landlord shall perform and construct, and Tenant shall have no responsibility to perform or construct, any repair, maintenance or improvements (a) necessitated by the acts of Landlord, (b) for which Landlord has a right of reimbursement from others, and (c) to any portion of the Building outside of the demising walls of the Premises, and the common areas of the Project. Landlord shall not be liable for any failure to make any such repairs, or to perform any maintenance. There shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Project, Building or the Premises or in or to fixtures, appurtenances and equipment therein. Tenant hereby waives and releases its right to make repairs at Landlord's expense under Sections 1941 and 1942 of the California Civil Code; or under any similar law, statute, or ordinance now or hereafter in effect.

ARTICLE 8

ADDITIONS AND ALTERATIONS

8.1 Landlord's Consent to Alterations. Tenant may not make any improvements, alterations, additions or changes to the Premises (collectively, the "**Alterations**") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than thirty (30) days prior to the commencement thereof, and which consent shall not be unreasonably withheld or delayed by Landlord; provided, however, Landlord may withhold its consent in its sole and absolute discretion with respect to any Alterations which may materially or adversely affect the structural components of the Building or the Systems and Equipment or which can be seen from outside the Premises ("**Prohibited Alterations**"). Notwithstanding the foregoing to the contrary, prior consent shall not be required with respect to any interior Alterations to the premises which (i) are not Prohibited Alterations, (ii) cost less than Fifty Thousand Dollars ($50,000.00) for any one (1) job and, other than minor electrical, cabling and lighting work (such as adding an outlet or light switch), do not require a building permit, and (iii) are not visible from outside the Premises, so long as the other conditions of this Article 8 are satisfied including, without limitation, conforming to Landlord's rules, regulations and insurance requirements which govern contractors. Tenant shall pay for all overhead, general conditions, fees and other costs and expenses of the Alterations, and shall pay to Landlord a Landlord supervision fee of two percent (2%) of the cost of the Alterations for which Landlord's consent is required. The construction of the initial improvements to the Premises shall be governed by the terms of the Tenant Work Letter and not the terms of this Article 8.

8.2 Manner of Construction. Landlord may impose, as a condition of its consent to all Alterations or repairs of the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved by Landlord; provided, however, Landlord may impose such requirements as Landlord may determine, in its sole and absolute discretion, with respect to any work materially and adversely affecting the structural components of the Building or Systems and Equipment (including designating specific contractors to perform such work). Tenant shall construct such Alterations and perform such repairs in compliance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance and pursuant to a valid building permit, issued by the city in which the Building is located, and in conformance with Landlord's construction rules and regulations. Landlord's approval of the plans, specifications and working drawings for Tenant's Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. All work with respect to any Alterations must be done in a good and workmanlike manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the period of work. Tenant shall cause all Alterations to be performed in such manner as not to obstruct access by any person to the Building or Project or the common areas, and as not to obstruct the business of Landlord or other tenants of the Project, or interfere with the labor force working at the Project. If Tenant makes any Alterations, Tenant agrees to carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 below immediately upon completion thereof. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations (the estimated cost of which exceeds Two Hundred Fifty Thousand Dollars ($250,000)) and naming Landlord as a co-obligee. Upon completion of any Alterations, Tenant shall (i) cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Project is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, (ii) deliver to the management office of the Building a reproducible copy of the "as built" drawings of the Alterations, and (iii) deliver to Landlord evidence of payment, contractors' affidavits and full and final waivers of all liens for labor, services or materials.

8.3 Landlord's Property. All Alterations, improvements, fixtures and/or equipment which may be installed or placed in or about the Premises (including, but not limited to, all floor and wall coverings, built-in cabinet work and paneling, sinks and related plumbing fixtures, laboratory benches, exterior venting fume hoods and walk-in freezers and refrigerators, ductwork, conduits, electrical panels and circuits), shall be at the sole cost of Tenant and shall be and become the property of Landlord excluding Tenant's fixtures and equipment, including portable benches (other than iLab benches provided by Landlord and/or if otherwise paid for by Landlord which shall remain Landlord's property), autoclaves, glasswashes, freezers, refrigerators, portable fume hoods, and biosafety cabinets. Furthermore, Landlord may require that Tenant remove any specialized/non-Building Standard Alterations, improvements, fixtures and/or equipment (other than the Tenant Improvements) upon the expiration or early termination of the Lease Term, and repair any damage to the Premises and Building caused by such removal; provided that Landlord notifies in writing that such removal will be required at the time Landlord provides its consent to such Alterations, improvements, fixtures and/or equipment (or at the time Tenant notifies Landlord with respect to Alterations not requiring Landlord's consent). If Tenant fails to complete such removal and/or to repair by the end of the Lease Term, Landlord may do so and may charge the cost thereof to Tenant. Notwithstanding any other provision of this Article 8 to the contrary, in no event shall Tenant remove any improvement from the Premises as to which Landlord contributed payment, including the Tenant Improvements, without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion.

8.4 Wi-Fi Network. Without limiting the generality of the foregoing, if Tenant desires to install wireless intranet, Internet and communications network ("**Wi-Fi Network**") in the Premises for the use by Tenant and its employees, then the same shall be subject to the provisions of this Section 8.4 (in addition to the other provisions of this Article 8). In the event Landlord consents to Tenant's installation of such Wi-Fi Network, Tenant shall, in accordance with Article 15 below, remove the Wi-Fi Network from the Premises prior to the termination of the Lease. Tenant shall use the Wi-Fi Network so as not to cause any interference to other tenants in the Building or to other tenants at the Project or with any other tenant's communication equipment, and not to damage the Building or Project or interfere with the normal operation of the Building or Project, and Tenant hereby agrees to indemnify, defend and hold Landlord harmless from and against any and all claims, costs, damages, expenses and liabilities (including attorneys' fees) arising out of Tenant's failure to comply with the provisions of this Section 8.4, except to the extent same is caused by the negligence or willful misconduct of Landlord or Landlord's breach of this Lease. Should any interference occur, Tenant shall take all necessary steps as soon as reasonably possible and no later than three (3) calendar days following such occurrence to correct such interference. If such interference continues after such three (3) day period, Tenant shall immediately cease operating such Wi-Fi Network until such interference is corrected or remedied to Landlord's satisfaction. Tenant acknowledges that Landlord has granted and/or may grant telecommunication rights to other tenants and occupants of the Building and Project and to telecommunication service providers and in no event shall Landlord be liable to Tenant for any interference of the same with such Wi-Fi Network. Landlord makes no representation that the Wi-Fi Network will be able to receive or transmit communication signals without interference or disturbance. Tenant shall (i) be solely responsible for any damage caused as a result of the Wi-Fi Network, (ii) promptly pay any tax, license or permit fees charged pursuant to any laws or regulations in connection with the installation, maintenance or use of the Wi-Fi Network and comply with all precautions and safeguards recommended by all governmental authorities, (iii) pay for all necessary repairs, replacements to or maintenance of the Wi-Fi Network, and (iv) be responsible for any modifications, additions or repairs to the Building or Project, including without limitation, Building or Project systems or infrastructure, which are required by reason of the installation, operation or removal of Tenant's Wi-Fi Network. Should Landlord be required to retain professionals to research any interference issues that may arise and confirm Tenant's compliance with the terms of this Section 8.4, Tenant shall reimburse Landlord for the costs incurred by Landlord in connection with Landlord's retention of such professionals, the research of such interference issues and confirmation of Tenant's compliance with the terms of this Section 8.4 within twenty (20) days after the date Landlord submits to Tenant an invoice for such costs. This reimbursement obligation is in addition to, and not in lieu of, any rights or remedies Landlord may have in the event of a breach or default by Tenant under this Lease.

ARTICLE 9

COVENANT AGAINST LIENS

Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon the Project, Building or Premises, and any and all liens and encumbrances created by Tenant shall attach to Tenant's interest only. Landlord shall have the right at all times to post and keep posted on the Premises any notice which it deems necessary for protection from such liens. Tenant shall not cause or permit any lien of mechanics or materialmen or others to be placed against the Project, the Building or the Premises with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and, in case of any such lien attaching or notice of any lien, Tenant shall cause it to be immediately released and removed of record. If any such lien is not released and removed within ten (10) business days after notice of such lien is delivered by Landlord to Tenant, then Landlord may, at its option, take all action necessary to release and remove such lien, without any duty to investigate

the validity thereof, and all sums, costs and expenses, including reasonable attorneys' fees and costs, incurred by Landlord in connection with such lien shall be deemed Additional Rent under this Lease and shall immediately be due and payable by Tenant. In the event that Tenant leases or finances the acquisition of equipment, furnishings or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code financing statement shall, upon its face or by exhibit thereto, indicate that such financing statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Premises be furnished on a financing statement without qualifying language as to applicability of the lien only to removable personal property located in an identified suite leased by Tenant. Should any holder of a financing statement record or place of record a financing statement that appears to constitute a lien against any interest of Landlord or against equipment that may be located other than within an identified suite leased by Tenant, Tenant shall, within ten (10) days after Landlord's request, cause Tenant's lender to amend such financing statement and any other documents of record to clarify that any liens imposed thereby are not applicable to any interest of Landlord in the Premises.

ARTICLE 10

INDEMNIFICATION AND INSURANCE

10.1 Indemnification and Waiver. Tenant hereby assumes all risk of damage to property and injury to persons, in, on, or about the Premises from any cause whatsoever and agrees that Landlord and the Landlord Parties shall not be liable for, and are hereby released from any responsibility for, any damage to property or injury to persons or resulting from the loss of use thereof, which damage or injury is sustained by Tenant or by other persons claiming through Tenant other than that arising from the negligence or willful misconduct of Landlord or its agents, contractors, licensees or invitees or a violation of Landlord's obligations under this Lease or due to defects in the design or condition of the Building that were not caused by Tenant. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from any cause in, on or about the Premises (including, without limitation, Tenant's installation, placement and removal of Alterations, improvements, fixtures and/or equipment in, on or about the Premises), and any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, licensees or invitees of Tenant or any such person, in, on or about the Premises, the Building and Project; provided, however, that the terms of the foregoing indemnity shall not apply to the negligence, violation of this Lease or willful misconduct of Landlord or defects in the design or condition of the Building that were not caused by Tenant. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease. Notwithstanding anything in this Lease to the contrary, Landlord shall not be liable to Tenant for, and Tenant assumes all risk of, damage to personal property or scientific research or intellectual property, including loss of records kept by Tenant within the Premises and damage or losses caused by fire, electrical malfunction, gas explosion or water damage of any type (including broken water lines, malfunctioning fire sprinkler systems, malfunctioning lab systems including any malfunction of the central plant systems, roof leaks or stoppages of lines). Tenant further waives any claim for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property as described above.

10.2 Tenant's Compliance with Landlord's Fire and Casualty Insurance. Tenant shall, at Tenant's expense, comply as to the Premises with all insurance company requirements pertaining to Tenant's particular use of the Premises. If Tenant's conduct or use of the Premises causes any increase in the premium for such insurance policies, then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body to the extent Tenant would be required to comply with the same if they were legal requirements under Article 21.

10.3 Tenant's Insurance. Tenant shall maintain the following coverages in the following amounts (which liability insurance limits may be met by umbrella coverage):

10.3.1 Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage arising out of Tenant's operations, assumed liabilities or use of the Premises, including a Broad Form Commercial General Liability endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 10.1 above, (and liquor liability coverage if alcoholic beverages are served on the Premises) for limits of liability not less than:

Bodily Injury and Property Damage Liability	$5,000,000 each occurrence $5,000,000 annual aggregate
Personal Injury Liability	$5,000,000 each occurrence $5,000,000 annual aggregate 0% Insured's participation

10.3.2 Physical Damage Insurance covering (i) all furniture, trade fixtures, equipment, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant and (ii) all other improvements, alterations and additions to the Premises contracted for by Tenant, including any improvements, alterations or additions installed at Tenant's request above the ceiling of the Premises or below the floor of the Premises other than the Tenant Improvements. Such insurance shall be written on a "physical loss or damage" basis under a "special form" policy, for the full replacement cost value new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include a vandalism and malicious mischief endorsement, sprinkler leakage coverage and earthquake sprinkler leakage coverage.

10.3.3 Workers' compensation insurance as required by law.

10.3.4 Loss-of-income, business interruption and extra-expense insurance in such amounts as will reimburse Tenant for direct and indirect loss of earnings attributable to all perils commonly insured against by prudent tenants or attributable to prevention of loss of access to the Premises or to the Building as a result of such perils.

10.3.5 If Tenant rents or owns automobiles at the Project, Tenant shall carry comprehensive automobile liability insurance having a combined single limit of not less than Two Million Dollars ($2,000,000.00) per occurrence and insuring Tenant against liability for claims arising out of ownership, maintenance or use of any owned, hired or non-owned automobiles.

10.3.6 Environmental Liability insurance (in form and substance satisfactory to Landlord) with limits of coverage not less than Two Million Dollars ($2,000,000.00) combined per occurrence and in the aggregate insuring against any and all liability with respect to the Premises and all areas appurtenant thereto arising out of any death or injury to any person, damage or destruction of any property, other loss, cost or expense resulting from any release, spill, leak or other contamination of the Premises, or any other property surrounding the Premises attributable to the presence of Hazardous Materials. Upon Landlord's request, Tenant shall also obtain (at Tenant's sole cost and expense)

environmental impairment liability insurance and environmental remediation liability insurance (in form and substance (including limits) acceptable to Landlord). If, at any time it reasonably appears to Landlord that Tenant is not maintaining sufficient insurance or other means of financial capacity to enable Tenant to fulfill its obligations to Landlord hereunder, whether or not then accrued, liquidated, conditional or contingent, Tenant shall procure and thereafter maintain in full force and effect such insurance or other form of financial assurance, with or from companies or persons and in form and substance reasonably acceptable to Landlord, as Landlord may from time to time reasonably request. Without limiting the generality of the foregoing, all such environmental liability insurance shall specifically insure the performance by Tenant of the indemnity provisions set forth in this Lease.

10.3.7 Form of Policies. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall: (i) name Landlord, and any other party it so specifies, as an additional insured; (ii) specifically cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 10.1 above; (iii) be issued by an insurance company having a rating of not less than A /VII in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the state in which the Project is located; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant; (v) to the extent consistent with industry custom and practice, provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee or ground or underlying lessor of Landlord; (vi) contain a cross-liability endorsement or severability of interest clause acceptable to Landlord; and (vii) with respect to the insurance required in Sections 10.3.1, 10.3.2 and 10.3.4 above, have deductible amounts not exceeding Twenty Thousand Dollars ($20,000.00). Tenant shall deliver such policies or certificates thereof to Landlord on or before the applicable Lease Commencement Date and at least thirty (30) days before the expiration dates thereof. If Tenant shall fail to procure such insurance, or to deliver such policies or certificate, within such time periods, Landlord may, at its option, in addition to all of its other rights and remedies under this Lease, and without regard to any notice and cure periods set forth in Section 19.1, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord as Additional Rent within ten (10) days after delivery of bills therefor. Tenant shall have the right to carry the insurance required hereunder in the form of blanket and/or umbrella policies.

10.4 Waiver of Subrogation. Notwithstanding anything to the contrary in this Lease, Landlord and Tenant each hereby waive any right that either may have against the other on account of any loss or damage to their respective property to the extent such loss or damage is insurable under policies of insurance for fire and all risk coverage, theft, or other similar insurance, without regard to the negligence or willful misconduct of the entity so released. All of Landlord's and Tenant's repair and indemnity obligations under this Lease shall be subject to the waiver contained in this paragraph.

10.5 Additional Insurance Obligations. Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10, and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord so long as such amounts or types are then generally being required by landlords of comparable buildings in the general vicinity of the Building.

ARTICLE 11

DAMAGE AND DESTRUCTION

11.1 Repair of Damage to Premises by Landlord. Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty. If the Premises or any common areas of the Building or Project serving or providing access to the Premises shall be damaged by fire or other casualty, Landlord shall notify Tenant of the estimated date of completion of the repair ("**Estimated Repair Completion Date**"). Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the Premises, including the Tenant Improvements, and such common areas. Such restoration shall be to substantially the same condition of the base, shell, and core of the Premises, the Tenant Improvements and common areas prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Project and/or the Building, or the lessor of a ground or underlying lease with respect to the Building, or any other modifications to the common areas deemed desirable by Landlord, provided access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Upon the occurrence of any damage to the Premises, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3 of this Lease attributable to Alterations made by Tenant, and Landlord shall repair any damage to such Alterations installed in the Premises and shall return such alterations to their original condition; provided that if the costs of such repair of such Alterations by Landlord exceeds the amount of insurance proceeds received by Landlord therefor from Tenant's insurance carrier, as assigned by Tenant, the excess costs of such repairs shall be paid by Tenant to Landlord prior to Landlord's repair of the damage. In connection with such repairs and replacements of any such Alterations, Tenant shall, prior to Landlord's commencement of such improvement work, submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the contractors to perform such improvement work. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or common areas necessary to Tenant's occupancy, Landlord shall allow Tenant a proportionate abatement of Base Rent and Tenant's Share of Operating Expenses, Tax Expenses and Utilities Costs during the time and to the extent the Premises are unusable by Tenant for its business purposes permitted under this Lease, and not occupied by Tenant as a result thereof.

11.2 Landlord's Option to Repair. Notwithstanding Section 11.1 above to the contrary, Landlord may elect not to rebuild and/or restore the Premises, the Building and/or any other portion of the Project and instead terminate this Lease by notifying Tenant in writing of such termination within sixty (60) days after the date Landlord becomes aware of such damage, such notice to include a termination date giving Tenant ninety (90) days to vacate the Premises, but Landlord may so elect only if the Building shall be damaged by fire or other casualty or cause, and the Premises are affected, and one or more of the following conditions is present: (i) repairs cannot reasonably be substantially completed within one hundred eighty (180) days after the date of such damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Project and/or the Building or ground or underlying lessor with respect to the Project and/or the Building shall require that at least Two Million Five Hundred Thousand Dollars ($2,500,000.00) of the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground or underlying lease, as the case may be and Landlord elects to terminate the leases of all other tenants of the Building similarly affected by the damage and destruction; or (iii) at least Two Million Five Hundred Thousand Dollars ($2,500,000.00) of the damage is not fully covered, except for deductible amounts, by Landlord's insurance policies and Landlord elects to terminate the leases of all other tenants of the Building similarly affected by the damage and destruction;

provided, however, Landlord may not exercise any of the foregoing rights to terminate this Lease if Landlord intends to restore the damage within twelve (12) months of the date of the damage. In addition, if the Premises and the Building is destroyed or damaged to any substantial extent during the last year of the Lease Term, then notwithstanding anything contained in this Article 11, Landlord shall have the option to terminate this Lease by giving written notice to Tenant of the exercise of such option within thirty (30) days after such damage, in which event this Lease shall cease and terminate as of the date of such notice. Upon any such termination of this Lease pursuant to this Section 11.2, Tenant shall pay the Base Rent and Additional Rent, properly apportioned up to such date of termination, and both parties hereto shall thereafter be discharged of all further obligations under this Lease, except for those obligations which expressly survive the expiration or earlier termination of the Lease Term.

11.3 Waiver of Statutory Provisions. The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or any other portion of the Project, and any statute or regulation of the state in which the Project is located, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or any other portion of the Project.

11.4 Tenant's Termination Rights Following Damage. Tenant, at any time after the damage until such rebuilding is completed, may terminate this Lease by delivering written notice to Landlord of such termination, in which event this Lease shall terminate as of the date of the giving of such notice, in any of the following circumstances: (i) Landlord fails to restore the Premises (including reasonable means of access thereto) within a period which is sixty (60) days longer than the Estimated Repair Completion Date stated in Landlord's notice to Tenant as the estimated rebuilding period (which sixty (60) day period shall be deemed extended due to Force Majeure delays (not to exceed ninety (90) days for reasons other than regulations and restrictions related to COVID-19 or any variant thereof or any pandemic not in effect as of the date hereof) and/or delays caused by Tenant); (ii) the Estimated Completion Repair Date is more than two hundred ten (210) days following the damage; or (iii) material damage to a material portion of the Premises occurs within the last year of the Term to the extent that in Tenant's judgment it cannot effectively operate its business in the Premises.

ARTICLE 12

CONDEMNATION

12.1 Permanent Taking. If the whole or any substantial part of the Premises, Building or Project shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any substantial part of the Premises, Building or Project, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease upon ninety (90) days' notice, provided such notice is given no later than one hundred eighty (180) days after the date of such taking, condemnation, deed or other instrument. If more than ten percent (10%) of the rentable square feet of the Premises is taken, or if any of the Premises is taken that would materially interfere with Tenant's use of the Premises, or if access to the Premises is substantially impaired due to a taking, Tenant shall have the option to terminate this Lease upon ninety (90) days' notice, provided such notice is given no later than one hundred eighty (180) days after the date of such taking. Landlord shall be entitled to receive the entire award or payment in connection therewith, except that Tenant

shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, for the unamortized value of any improvements to the Premises paid for by Tenant and for relocation expenses, so long as such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination, or the date of such taking, whichever shall first occur. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Base Rent and Tenant's Share of Operating Expenses, Tax Expenses and Utilities Costs shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of The California Code of Civil Procedure.

12.2 Temporary Taking. Notwithstanding anything to the contrary contained in this Article 12, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, then this Lease shall not terminate but the Base Rent and Tenant's Share of Operating Expenses, Tax Expenses and Utilities Costs shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking.

ARTICLE 13

COVENANT OF QUIET ENJOYMENT

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

ARTICLE 14

ASSIGNMENT AND SUBLETTING

14.1 Transfers. Tenant shall not, without the prior written consent of Landlord (not to be unreasonably withheld), assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as "Transfers" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "**Transferee**"). If Tenant shall desire Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "**Transfer Notice**") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "**Subject Space**"), (iii) all of the terms of the proposed Transfer, the name and address of the proposed Transferee, and a copy of all existing and/or proposed documentation pertaining to the proposed Transfer, (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, (v) a list of Hazardous Materials, certified by the proposed Transferee to be true and correct, that the proposed Transferee intends to use or store in the Premises, and (vi) such other information as Landlord may reasonably require. Any Transfer made without Landlord's prior written consent shall, at Landlord's option,

be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease after the expiration of applicable notice and cure periods. Whether or not Landlord shall grant consent, within thirty (30) days after written request by Landlord, Tenant shall pay to Landlord up to Two Thousand Five Hundred Dollars ($2,500.00) to reimburse Landlord for its review and processing fees, and any legal fees incurred by Landlord in connection with Tenant's proposed Transfer.

14.2 Landlord's Consent. Landlord shall not unreasonably withhold, condition or delay its consent to any proposed Transfer on the terms specified in the Transfer Notice. In no event shall Landlord be deemed to be unreasonable for declining to consent to a Transfer to a transferee jeopardizing directly or indirectly the status of Landlord or any of Landlord's affiliates as a Real Estate Investment Trust under the Internal Revenue Code of 1986 (as the same may be amended from time to time, the "**Revenue Code**"). Notwithstanding anything contained in this Lease to the contrary, (w) no Transfer shall be consummated on any basis such that the rental or other amounts to be paid by the occupant, assignee, manager or other transferee thereunder would be based, in whole or in part, on the income or profits derived by the business activities of such occupant, assignee, manager or other transferee; (x) Tenant shall not consummate a Transfer with any person in which Landlord owns an interest, directly or indirectly (by applying constructive ownership rules set forth in Section 856(d)(5) of the Revenue Code); and (z) Tenant shall not consummate a Transfer with any person or in any manner that could cause any portion of the amounts received by Landlord pursuant to this Lease or any sublease, license or other arrangement for the right to use, occupy or possess any portion of the Premises to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Revenue Code, or any similar or successor provision thereto or which could cause any other income of Landlord to fail to qualify as income described in Section 856(c)(2) of the Revenue Code. The parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply, without limitation as to other reasonable grounds for withholding consent:

14.2.1 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease;

14.2.2 The Transferee is either a governmental agency or instrumentality thereof;

14.2.3 The Transfer will result in more than a reasonable and safe number of occupants per floor within the Subject Space;

14.2.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities involved under the Lease or the applicable sublease on the date consent is requested;

14.2.5 The proposed Transfer would cause Landlord to be in violation of another lease or agreement to which Landlord is a party, or would give an occupant of the Project a right to cancel its lease;

14.2.6 The terms of the proposed Transfer will allow the Transferee to exercise a right of renewal, right of expansion, right of first offer, or other similar right held by Tenant (or will allow an assignee to occupy space leased by Tenant pursuant to any such right); or

14.2.7 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent, (ii) is negotiating with Landlord to lease space in the Project at such time, in each case if Landlord then has suitable space available to such proposed Transferee.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 below), Tenant may within six (6) months after Landlord's consent, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 above, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (i) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (ii) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease).

14.3 Transfer Premium. If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any Transfer Premium received by Tenant from such Transferee. "**Transfer Premium**" shall mean all rent, additional rent or other consideration payable by such Transferee in excess of the Rent and Additional Rent payable by Tenant under this Lease on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any reasonable changes, alterations and improvements to the Premises in connection with the Transfer (but only to the extent approved by Landlord), (ii) any market standard brokerage commissions and attorneys' fees in connection with the Transfer and (iii) free rent or sublease allowances (collectively, the "**Subleasing Costs**"). Transfer Premium shall also include, but not be limited to, key money and bonus money paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer. For purposes of calculating the "Transfer Premium" in this section, Base Rent shall be deemed to have not been abated pursuant to Article 3.

14.4 Landlord's Option as to Subject Space. Notwithstanding anything to the contrary contained in this Article 14, if Tenant requests Landlord's consent to a Transfer that is an assignment of this Lease or a sublease of more than sixty percent (60%) of the Premises for all of the remaining Term, then Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of any Transfer Notice, to recapture the Subject Space. Such recapture notice shall terminate this Lease with respect to the Subject Space as of the date stated in the Transfer Notice as the effective date of the proposed Transfer. If this Lease is terminated with respect to less than the entire Premises, the Rent and the L-C Amount reserved herein shall be prorated on the basis of the rentable square feet retained by Tenant in proportion to the rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to recapture the Subject Space under this Section 14.4, then, provided Landlord has consented to the proposed Transfer, Tenant shall be entitled to proceed to transfer the Subject Space to the proposed Transferee, subject to provisions of the last paragraph of Section 14.2 above.

14.5 Effect of Transfer. If Landlord consents to a Transfer: (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified; (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee; (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord; and (iv) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of

the Lease from liability under this Lease. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency and Landlord's costs of such audit.

14.6 Additional Transfers. Subject to Section 14.7 below, for purposes of this Lease, the term "Transfer" shall also include: (i) if Tenant is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of more than fifty percent (50%) of the partners or members, or transfer of more than fifty percent (50%) of the partnership or membership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof; and (ii) if Tenant is a closely held corporation (i.e., whose stock or whose parent's stock is not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Tenant, or (B) the sale or other transfer of more than an aggregate of fifty percent (50%) of the voting shares of Tenant (other than to immediate family members by reason of gift or death or to current shareholders), within a twelve (12)-month period. Notwithstanding the foregoing, the sale, issuance or transfer of Tenant's capital stock or membership interests pursuant to an equity financing or public offering shall not be deemed an assignment, subletting or any other Transfer of this Lease or the Premises.

14.7 Affiliated Companies/Restructuring of Business Organization. The assignment or subletting by Tenant of all or any portion of this Lease or the Premises to (i) a parent or subsidiary of Tenant, or (ii) any person or entity which controls, is controlled by or under common control with Tenant, or (iii) any entity which purchases all or substantially all of the assets or stock of Tenant in one or a series of transactions, (iv) any entity into which Tenant is merged or consolidated, or (v) in connection with any deemed Transfer due to a transfer of shares or membership interests under Section 14.6 above where Tenant remains the tenant under this Lease (all such persons or entities described in (i), (ii), (iii) and (iv) being sometimes hereinafter referred to as "**Affiliates**") shall not be deemed a Transfer under this Article 14, provided that:

14.7.1 Any such Affiliate was not formed as a subterfuge to avoid the obligations of this Article 14;

14.7.2 Tenant gives Landlord prior written notice of any such assignment or sublease to an Affiliate;

14.7.3 Any such Affiliate (or Tenant, if Tenant is to remain the tenant under this Lease) has, following the effective date of any such assignment or sublease, a tangible net worth, in the aggregate, computed in accordance with generally accepted accounting principles, which is sufficient (in Landlord's reasonable good faith opinion) to meet the obligations of Tenant under this Lease or the applicable Transfer document;

14.7.4 Any such assignment or sublease, exclusive of such Transfer as may occur pursuant to Section 14.6, shall be subject to all of the terms and provisions of this Lease, and such assignee or sublessee shall assume, in a written document reasonably satisfactory to Landlord and delivered to Landlord upon or prior to the effective date of such assignment or sublease, all the obligations of Tenant under this Lease; and

14.7.5 Tenant shall remain fully liable for all obligations to be performed by Tenant under this Lease.

An Affiliate that is an assignee of Original Tenant's entire interest in this Lease may be referred to as an "**Affiliate Assignee**."

ARTICLE 15

SURRENDER; OWNERSHIP AND REMOVAL OF PERSONAL PROPERTY

15.1 Surrender of Premises. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in a writing signed by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises.

15.2 Removal of Tenant Property by Tenant. Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear, casualties, alterations or other interior improvements which Tenant is permitted to surrender at the termination of this Lease and repairs which are not the responsibility of Tenant hereunder excepted. Tenant's restoration obligations may also include satisfying Landlord's commercially reasonable procedures regarding the cleaning of any lab systems and sealing any connection points of any such lab systems to the Premises, all at Tenant's sole cost and expense. At least ten (10) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall provide Landlord with (a) a facility decommissioning and Hazardous Materials closure plan for the Premises ("Exit Survey") prepared by an independent third party reasonably acceptable to Landlord, and (b) written evidence of all appropriate governmental releases obtained by Tenant in accordance with applicable laws, including laws pertaining to the surrender of the Premises. In addition, Tenant agrees to remain responsible after the surrender of the Premises for the remediation of any recognized environmental conditions set forth in the Exit Survey and caused by Tenant or any Tenant's Parties and compliance with any recommendations set forth in the Exit Survey. Tenant shall, upon the expiration or earlier termination of this Lease, furnish to Landlord evidence that Tenant has closed all governmental permits and licenses, if any, issued in connection with Tenant's or Tenant's Parties' activities at the Premises. If any such governmental permits or licenses have been issued and Tenant fails to provide evidence of such closure on or before the expiration or earlier termination of this Lease, then until Tenant does so, the holdover provisions of Article 16 of this Lease shall apply if a third party is unable to use the Premises as a result thereof. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all telephone, data, and other cabling and wiring (including any cabling and wiring associated with the Wi-Fi Network, if any) installed or caused to be installed by Tenant (including any cabling and wiring, installed above the ceiling of the Premises or below the floor of the Premises), all debris and rubbish, and such items of furniture, equipment, free-standing cabinet work, and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal. Tenant's obligations under this Section 15.2 shall survive the expiration or earlier termination of this Lease.

ARTICLE 16

HOLDING OVER

If Tenant holds over after the expiration of the Lease Term hereof, with or without the express or implied consent of Landlord, such tenancy shall not constitute a renewal hereof or an extension for any further term, and in such case Base Rent shall be payable at a monthly rate (prorated for partial months) equal to one hundred fifty percent (150%) of the Base Rent applicable during the last rental period of the Lease Term under this Lease. Such tenancy shall be subject to every other term, covenant and agreement contained herein. Landlord hereby expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits to Landlord resulting therefrom.

ARTICLE 17

ESTOPPEL CERTIFICATES

Within ten (10) business days following a request in writing by Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be in the form as may be reasonably required by any prospective mortgagee or purchaser of the Project (or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or Landlord's prospective mortgagees. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. Failure of Tenant to timely execute and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception. Failure by Tenant to so deliver such estoppel certificate shall be a material default of the provisions of this Lease after the expiration of applicable notice and cure periods. In addition, Tenant shall be liable to Landlord, and shall indemnify Landlord from and against any loss, cost, damage or expense, incidental, consequential, or otherwise, including attorneys' fees, arising or accruing directly or indirectly, from any failure of Tenant to execute or deliver to Landlord any such estoppel certificate. Upon request from time to time, which request may only be made if Landlord is selling or financing the Building and if Tenant is not then publicly traded, Tenant agrees to provide to Landlord, within ten (10) days after Landlord's delivery of written request therefor, current financial statements for Tenant, dated no earlier than one (1) year prior to such written request, certified as accurate by Tenant or, if available, audited financial statements prepared by an independent certified public accountant with copies of the auditor's statement. If any guaranty is executed in connection with this Lease, Tenant also agrees to deliver to Landlord, within ten (10) days after Landlord's delivery of written request therefor, current financial statements of the guarantor in a form consistent with the foregoing criteria. Landlord shall hold all such statements confidentially.

ARTICLE 18

SUBORDINATION

This Lease is subject and subordinate to all present and future ground leases of the Project and to the lien of any mortgages or trust deeds, now or hereafter in force against the Project, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages or trust deeds, or the lessors under such ground lease, require in writing that this Lease be superior thereto; provided, however, that a condition precedent to the subordination of this Lease to any future ground or underlying lease or to the lien of any future mortgage or deed of trust is that Landlord shall obtain for the benefit of Tenant a commercially reasonable subordination, non-disturbance and attornment agreement from the landlord or lender of such future instrument. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage, or if any ground lease is terminated, to attorn, without any deductions or set-offs whatsoever, to the purchaser upon any such foreclosure sale, or to the lessor of such ground lease, as the case may be, if so requested to do so by such purchaser or lessor, and to recognize such purchaser or lessor as the lessor under this Lease. Tenant shall, within ten (10) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, or ground leases. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale. Within sixty (60) days after the execution of this Lease (or as soon thereafter as reasonably possible), Landlord shall obtain a non-disturbance agreement from the holder of any pre-existing mortgage encumbering the Building in the form attached hereto as **Exhibit E**, which Tenant agrees to promptly execute; provided, however, that Landlord agrees to use commercially reasonable efforts to cause such holder to include changes Tenant reasonably requests in such non-disturbance agreement.

ARTICLE 19

TENANT'S DEFAULTS; LANDLORD'S REMEDIES

19.1 Events of Default by Tenant. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent. The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent, Additional Rent or any other charge required to be paid under this Lease, or any part thereof, when due; and the continuation of such failure for more than five (5) days following Tenant's receipt of written notice of delinquency; provided, however, that any such notice shall be in addition to any notice required under California Code of Civil Procedure Section 1161 and any similar or successor law; or

19.1.2 Any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant (other than the payment of Rent or Additional Rent) where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided however, that any such notice shall be in addition to, any notice required under California Code of Civil Procedure Section 1161 or any similar or successor law; and provided further that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30)-day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure said default as soon as possible; or

19.1.3 Abandonment of the Premises by Tenant.

19.1.4 Tenant makes an assignment for the benefit of creditors.

19.1.5 A receiver, trustee or custodian is appointed to or does take title, possession or control of all or substantially all of Tenant's assets.

19.1.6 Tenant files a voluntary petition under the United States Bankruptcy Code or any successor statute as the same may be amended from time to time, (the "**Bankruptcy Code**") or an order for relief is entered against Tenant pursuant to a voluntary or involuntary proceeding commenced under any chapter of the Bankruptcy Code.

19.1.7 Any involuntary petition is filed against Tenant under any chapter of the Bankruptcy Code and is not dismissed within one hundred twenty (120) days.

19.1.8 Intentionally Omitted.

19.1.9 Tenant fails to deliver an estoppel certificate in accordance with Article 17 within three (3) days after written notice of such failure.

19.1.10 Tenant's interest in this Lease is attached, executed upon or otherwise judicially seized and such action is not released within one hundred twenty (120) days of the action.

19.2 Landlord's Remedies Upon Default. Upon the occurrence of any such default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; and Landlord may recover from Tenant the following:

(i) the worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; plus

(v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "rent" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate set forth in Section 4.5 above. As used in Section 19.2.1(iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.3 Landlord may, but shall not be obligated to, make any such payment or perform or otherwise cure any such obligation, provision, covenant or condition on Tenant's part to be observed or performed (and may enter the Premises for such purposes). In the event of Tenant's failure to perform any of its obligations or covenants under this Lease, and such failure to perform poses a material risk of injury or harm to persons or damage to or loss of property, then Landlord shall have the right to cure or otherwise perform such covenant or obligation at any time after such failure to perform by Tenant, whether or not any such notice or cure period set forth in Section 19.1 above has expired. Any such actions undertaken by Landlord pursuant to the foregoing provisions of this Section 19.2.3 shall not be deemed a waiver of Landlord's rights and remedies as a result of Tenant's failure to perform and shall not release Tenant from any of its obligations under this Lease.

19.3 Payment by Tenant. Tenant shall pay to Landlord, within ten (10) days after delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with Landlord's performance or cure of any of Tenant's obligations pursuant to the provisions of Section 19.2.3 above; and (ii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all legal fees and other amounts so expended. Tenant's obligations under this Section 19.3 shall survive the expiration or sooner termination of the Lease Term.

19.4 Sublessees of Tenant. If Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. If Landlord elects to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.5 Waiver of Default. No waiver by Landlord of any violation or breach by Tenant of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other or later violation or breach by Tenant of the same or any other of the terms, provisions, and covenants herein contained. Forbearance by Landlord in enforcement of one or more of the remedies herein provided upon a default by Tenant shall not be deemed or construed to constitute a waiver of such default. The acceptance of any Rent hereunder by Landlord following the occurrence of any default, whether or not known to Landlord, shall not be deemed a waiver of any such default, except only a default in the payment of the Rent so accepted.

19.6 Efforts to Relet. For the purposes of this Article 19, Tenant's right to possession shall not be deemed to have been terminated by efforts of Landlord to relet the Premises, by its acts of maintenance or preservation with respect to the Premises, or by appointment of a receiver to protect Landlord's interests hereunder. The foregoing enumeration is not exhaustive, but merely illustrative of acts which may be performed by Landlord without terminating Tenant's right to possession.

19.7 Bankruptcy. In the event a debtor, trustee or debtor in possession under the Bankruptcy Code, or another person with similar rights, duties and powers under any other applicable laws, proposes to cure any default under this Lease or to assume or assign this Lease and is obliged to provide adequate assurance to Landlord that (a) a default shall be cured, (b) Landlord shall be compensated for its damages arising from any breach of this Lease and (c) future performance of Tenant's obligations under this Lease shall occur, then such adequate assurances shall include any or all of the following, as designated by Landlord in its sole and absolute discretion:

(i) Those acts specified in the Bankruptcy Code or other applicable laws as included within the meaning of "adequate assurance," even if this Lease does not concern a shopping center or other facility described in such applicable laws;

(ii) A prompt cash payment to compensate Landlord for any monetary defaults or actual damages arising directly from a breach of this Lease;

(iii) A cash deposit in an amount at least equal to the then-current amount of the Security Deposit; or

(iv) The assumption or assignment of all of Tenant's interest and obligations under this Lease.

ARTICLE 20

LETTER OF CREDIT

20.1 Delivery of Letter of Credit. Concurrently with Tenant's execution and delivery of this Lease, Tenant shall deliver to Landlord an unconditional, clean, irrevocable letter of credit (the "**L-C**") in the amount set forth in Section 10 of the Summary (the "**L-C Amount**"), which L-C shall be issued by a money-center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a California office which will negotiate a letter of credit, or will accept draw requests by facsimile or overnight courier, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approved, issuing bank being referred to herein as the "**Bank**"), which Bank must have a short term Fitch Rating which is not less than "F1", and a long term Fitch Rating which is not less than "A"(or in the event such Fitch Ratings are no longer available, a comparable rating from Standard and Poor's Professional Rating Service or Moody's Professional Rating Service) (collectively, the "**Bank's Credit Rating Threshold**"), and which L-C shall be in the form of Exhibit F attached hereto. Landlord hereby approves Silicon Valley Bank to be the Bank. Tenant shall pay all expenses, points and/or fees incurred by Tenant in

obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of this Lease and continuing until the date (the "**L-C Expiration Date**") that is no less than sixty (60) days after the expiration of the Lease Term as the same may be extended, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least thirty (30) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the International Standby Practices-ISP 98, International Chamber of Commerce Publication #590. Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of this Lease and is not paid within applicable notice and cure periods, or (B) Tenant has filed a voluntary petition under the U. S. Bankruptcy Code or any state bankruptcy code (collectively, "**Bankruptcy Code**"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code and is not dismissed within sixty (60) days, or (D) the Lease has been rejected, or is deemed rejected, under Section 365 of the U.S. Bankruptcy Code, following the filing of a voluntary petition by Tenant under the Bankruptcy Code, or the filing of an involuntary petition against Tenant under the Bankruptcy Code, or (E) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date and Tenant fails to provide a replacement letter of credit that complies with the requirements in this Section at least thirty (30) days before the expiration date of the L-C, or (F) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law that is not dismissed within sixty (60) days, or (G) Tenant executes an assignment for the benefit of creditors, or (H) if (1) any of the Bank's Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are no longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit, conforming in all respects to the requirements of this Article 20 (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this Section 20.1 above), in the amount of the applicable L-C Amount, within ten (10) business days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) (each of the foregoing being an "**L-C Draw Event**"). The L-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C, and regardless of any discrepancies between the L-C and this Lease. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this Article 20, and, within ten (10) business days following Landlord's notice to Tenant of such receivership or conservatorship (the "**L-C FDIC Replacement Notice**"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this Article 20. If Tenant fails to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Section 20.1, then, notwithstanding anything in this Lease to the contrary, Landlord shall have the right to declare Tenant in default of this Lease for which there shall be no notice or grace or cure periods being applicable thereto (other than the aforesaid ten (10) business day period). In the event of an assignment by Tenant of its interest in the Lease (and irrespective of whether Landlord's consent is required for such assignment), the acceptance of any replacement or substitute letter of credit by Landlord from the assignee shall be subject to Landlord's prior written approval, in Landlord's reasonable discretion. In the event that Landlord draws upon the L-C (i) solely due to Tenant's failure to renew or replace the L-C on a timely basis, such failure shall not constitute a default hereunder and (ii) Tenant shall at any time thereafter be entitled to provide Landlord with a replacement L-C that satisfies the requirements hereunder, at which time Landlord shall return the cash proceeds of the original L-C drawn by Landlord.

20.2 Application of L-C. Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may, but without obligation to do so, and without notice to Tenant (except in connection with an L-C Draw Event under Section 20.1(H) above), draw upon the L-C, in part or in whole, to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. The use, application or retention of the L-C, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any applicable law, it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees not to interfere in any way with payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw upon the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional to justify the issuer of the L-C in failing to honor a drawing upon such L-C in a timely manner. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise.

20.3 L-C Amount; Maintenance of L-C by Tenant; Liquidated Damages.

20.3.1 L-C Amount. The L-C Amount shall be equal to the amount set forth in Section 10 of the Summary.

20.3.2 In General. If, as a result of any drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within five (5) business days thereafter, provide Landlord with (i) an amendment to the L-C restoring such L-C to the L-C Amount or (ii) additional L-Cs in an amount equal to the deficiency, which additional L-Cs shall comply with all of the provisions of this Article 20. If Tenant fails to comply with the foregoing, Landlord shall send a second notice requesting that Tenant provide Landlord with (i) an amendment to the L-C restoring such L-C to the L-C Amount or (ii) additional L-Cs in an amount equal to the deficiency. If Tenant fails to provide Landlord with (i) an amendment to the L-C restoring such L-C to the L-C Amount or (ii) additional L-Cs in an amount equal to the deficiency within five (5) business days of receipt of such second notice, then notwithstanding anything to the contrary contained in Section 19.1, the same shall constitute a default by Tenant under this Lease (without the need for any additional notice and/or cure period). Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

20.3.3 Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than thirty (30) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date

upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its sole discretion. If Tenant exercises its option to extend the Lease Term pursuant to the extension option rider attached hereto as **Rider 1** of this Lease then, not later than thirty (30) days prior to the commencement of the Option Term, Tenant shall deliver to Landlord a new L-C or certificate of renewal or extension evidencing the L-C Expiration Date as sixty (60) days after the expiration of the Option Term. However, if the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this Article 20, Landlord shall have the right to present the L-C to the Bank in accordance with the terms of this Article 20, and the proceeds of the L-C may be applied by Landlord against any Rent payable by Tenant under this Lease that is not paid when due and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under this Lease. In the event Landlord elects to exercise its rights under the foregoing item (x), Landlord agrees to pay to Tenant within thirty (30) days after the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any Rent payable by Tenant under this Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under this Lease.

20.4 Transfer and Encumbrance. The L-C shall provide that Landlord, its successors and assigns, may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all or any portion of its interest in and to the L-C to another party, person or entity, in connection with the assignment by Landlord of its rights and interests in and to this Lease, or separate from this Lease if such assignment is to Landlord's lender. In the event of a transfer of Landlord's interest in the Building, Landlord shall transfer the L-C to the transferee and thereupon Landlord shall, without any further agreement between the parties, provided the transferee assumes all of Landlord's obligations hereunder, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be reasonably necessary to effectuate such transfer, and Tenant shall be responsible for paying the Bank's reasonable transfer and processing fees in connection therewith.

20.5 L-C Not a Security Deposit. Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context, including, but not limited to, Section 1950.7 of the California Civil Code, as such Section now exists or as it may be hereafter amended or succeeded (the "**Security Deposit Laws**"), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes the provisions of Section 1950.7 of the California Civil Code and any successor statute, and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in this Article 20 and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of this Lease, including any damages Landlord suffers following termination of this Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code.

20.6 Non-Interference By Tenant. Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner. Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C.

20.7 Waiver of Certain Relief. Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the L-C:

20.7.1 A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any L-C or the Bank's honoring or payment of sight draft(s); or

20.7.2 Any attachment, garnishment, or levy in any manner upon either the proceeds of any L-C or the obligations of the Bank (either before or after the presentment to the Bank of sight drafts drawn under such L-C) based on any theory whatsoever.

20.8 Remedy for Improper Drafts. Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any L-C shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, together with interest at the Interest Rate and reasonable actual out-of-pocket attorneys' fees, provided that at the time of such refund, Tenant increases the amount of such L-C to the amount (if any) then required under the applicable provisions of this Lease. Tenant acknowledges that the presentment of sight drafts drawn under any L-C, or the Bank's payment of sight drafts drawn under such L-C, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) business days after demand, Tenant shall have the right to deduct the amount thereof together with interest thereon at the Interest Rate from the next installment(s) of Base Rent.

ARTICLE 21

COMPLIANCE WITH LAW

Tenant shall not do anything or suffer anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated. At its sole cost and expense, Tenant shall promptly comply with all such governmental measures, other than the making of structural changes or changes to the Building's life safety system or alterations that would be considered capital expenditures (collectively the "**Excluded Changes**"); provided, however, to the extent such Excluded Changes are required due to or triggered by Tenant's improvements or alterations to and/or manner of use of the Premises, Landlord shall perform such work, at Tenant's cost (which shall be paid by Tenant to Landlord within ten (10) days after Tenant's receipt of invoice therefor from Landlord). In addition, Tenant shall fully comply with all present or future legally required programs intended to manage parking, transportation or traffic in and around the Project, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant.

ARTICLE 22

ENTRY BY LANDLORD

Landlord reserves the right at all reasonable times and upon reasonable notice to Tenant (of not less than one (1) business day except in the event of an emergency) to enter the Premises to: (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants, or to the ground lessors; (iii) to post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building if necessary to comply with current building codes or other applicable laws, or for structural alterations, repairs or improvements to the Building, or as Landlord may otherwise deem necessary. Notwithstanding anything to the contrary contained in this Article 22, Landlord may enter the Premises at any time, without notice to Tenant, in emergency situations and/or to perform janitorial or other services required of Landlord pursuant to this Lease. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to enter without notice and use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. Notwithstanding the foregoing, any entry by Landlord or Landlord's agents shall not unreasonably interfere with Tenant's operations more than reasonably necessary, and shall comply with Tenant's reasonable security measures, including wearing appropriate personal protective equipment (PPE) where required.

ARTICLE 23

PARKING

Throughout the Lease Term, Tenant shall have the right to use, on a "first-come, first-serve" basis, in common with other tenants of the Building and free of parking charges, the number of unreserved parking spaces set forth in Section 12 of the Summary, which unreserved parking spaces are located in the Parking Areas servicing the Building as shall be designated by Landlord from time to time for unreserved parking for the tenants of the Building. Tenant shall (i) abide by (A) the Parking Rules and Regulations which are in effect on the date hereof, as set forth in the attached **Exhibit D** and all reasonable modifications and additions thereto which are prescribed from time to time for the orderly operation and use of the Parking Areas by Landlord, and/or Landlord's Parking Operator (as defined below), and (B) all recorded covenants, conditions and restrictions affecting the Building, and (ii) cooperate in seeing that Tenant's employees and visitors also comply with the Parking Rules and Regulations (and all such modifications and additions thereto, as the case may be), any such other rules and regulations and covenants, conditions and restrictions. Landlord (and/or any other owners of the Project) specifically reserve the right to change the size, configuration, design, layout, location and all other aspects of the Parking Areas (including without limitation, implementing paid visitor parking), and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease, from time to

time, temporarily close-off or restrict access to the Parking Areas so long as the same does not (other than on a temporary basis of less than one (1) week) reduce the number and availability of parking spaces available to Tenant under this Lease. Landlord may delegate its responsibilities hereunder to a parking operator (the "**Parking Operator**") in which case the Parking Operator shall have all the rights of control attributed hereby to Landlord. Any parking tax or other charges imposed by governmental authorities in connection with the use of such parking shall be paid directly by Tenant or the parking users, or, if directly imposed against Landlord, Tenant shall reimburse Landlord for all such taxes and/or charges within thirty (30) days after Landlord's demand therefor. The parking rights provided to Tenant pursuant to this Article 23 are provided solely for use by Tenant's own personnel and such rights may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval, except in connection with an assignment of this Lease or sublease of the Premises made in accordance with Article 14 above. All visitor parking by Tenant's visitors shall be subject to availability, as reasonably determined by Landlord (and/or the Parking Operator, as the case may be), parking in such visitor parking areas as may be designated by Landlord (and/or the Parking Operator) from time to time, and payment by such visitors of the prevailing visitor parking rate (if any) charged by Landlord (and/or the Parking Operator) from time to time.

ARTICLE 24

MISCELLANEOUS PROVISIONS

24.1 Terms; Captions. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

24.2 Binding Effect. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 above.

24.3 No Waiver. No waiver of any provision of this Lease shall be implied by any failure of a party to enforce any remedy on account of the violation of such provision, even if such violation shall continue or be repeated subsequently, any waiver by a party of any provision of this Lease may only be in writing, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

24.4 Modification of Lease. If any current or prospective mortgagee or ground lessor for the Project requires modifications to this Lease, which modifications will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder or unreasonably interfere with Tenant's use of or access to the Premises, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever reasonable documents are required therefor and deliver the same to Landlord within ten (10) days following the request therefor.

If Landlord or any such current or prospective mortgagee or ground lessor require execution of a short form of Lease for recording, containing, among other customary provisions, the names of the parties, a description of the Premises and the Lease Term, Tenant shall execute such short form of Lease and to deliver the same to Landlord within ten (10) days following the request therefor.

24.5 Transfer of Landlord's Interest. Landlord has the right to transfer all or any portion of its interest in the Project, the Building and/or in this Lease, and upon any such transfer, Landlord shall automatically be released from all liability under this Lease and Tenant shall look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer. The liability of any transferee of Landlord shall be limited to the amount of the interest of such transferee in the Project including all proceeds therefrom and such transferee shall otherwise be without personal liability under this Lease, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. Landlord may also assign its interest in this Lease to a mortgage lender as additional security, but such assignment shall not release Landlord from its obligations hereunder and Tenant shall continue to look to Landlord for the performance of its obligations hereunder. Except for Landlord's liability as limited under the second sentence of this Section 24.5, neither Landlord nor any of its affiliates, nor any of their respective partners, shareholders, directors, officers, employees, members or agents shall be personally liable for Landlord's obligations or any deficiency under this Lease, and service of process shall not be made against any shareholder, member, director, officer, employee or agent of Landlord or any of Landlord's affiliates. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be sued or named as a party in any suit or action, and service of process shall not be made against any partner or member of Landlord except as may be necessary to secure jurisdiction of the partnership, joint venture or limited liability company, as applicable. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be required to answer or otherwise plead to any service of process, and no judgment shall be taken or writ of execution levied against any partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates.

24.6 Prohibition Against Recording. Except as provided in Section 24.4 of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant, and the recording thereof in violation of this provision shall make this Lease null and void at Landlord's election.

24.7 Landlord's Title; Air Rights. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

24.8 Tenant's Signs.

24.8.1 Interior Signs. Tenant shall be entitled, at Landlord's initial cost and expense, to one (1) identification sign on or near the entry doors of the Premises and for multi-tenant floors (if any) on which the Premises are located, one (1) identification or directional sign, as designated by Landlord, in the elevator lobby on the floor on which the Premises are located and signage in the lobby of the Building consistent with other tenants in the Building; any Landlord approved changes to such signage shall be at Tenant's sole cost and expense. Such signs shall be installed by a signage contractor designated by Landlord. The location, quality, design, style, lighting and size of such signs shall be consistent with the Landlord's Building standard signage program and shall be subject to Landlord's prior written approval, in its reasonable discretion. Upon the expiration or earlier termination of this Lease, Tenant shall be responsible, at its sole cost and expense, for the removal of such signage and the repair of all damage to the

Building caused by such removal. Except for such identification signs, Tenant may not install any signs on the exterior or roof of the Building or the common areas of the Building or the Project. Any signs, window coverings, or blinds (even if the same are located behind the Landlord approved window coverings for the Building), or other items visible from the exterior of the Premises or Building are subject to the prior approval of Landlord, in its sole and absolute discretion.

24.8.2 Exterior Signage. Subject to the terms hereof and in addition to the signage rights expressly set forth above in this Section 24.8.1, Tenant, at Tenant's sole cost and expense, shall be entitled to install, at Tenant's sole cost, one (1) Building-top sign on the Building identifying Tenant's name and logo thereon (including lighting) in a location to be mutually approved by Landlord and Tenant (collectively, the "**Tenant's Signage**").

24.8.3 Specifications and Permits. The Tenant's Signage shall set forth Tenant's name and/or logo as determined by Tenant in its sole discretion, but subject to Landlord's reasonable approval, and in no event shall the Tenant's Signage include an "Objectionable Name," as that term is defined below. The graphics, materials, color, design, lettering, lighting, size, illumination, specifications and exact location of the Tenant's Signage shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be consistent and compatible with the quality and nature of the Project and Landlord's Building standard signage specifications. In addition, the Tenant's Signage shall be subject to Tenant's receipt of all necessary governmental or quasi-governmental approvals and permits (collectively, "**Governmental Approvals**") and shall be subject to the CC&Rs (as the same may be modified). Landlord shall use commercially reasonable efforts, at no cost to Landlord, to assist Tenant in obtaining all necessary Governmental Approvals for the Tenant's Signage. Tenant hereby acknowledges that Landlord has made no representation or warranty to Tenant with respect to the probability of obtaining all necessary Governmental Approvals for the Tenant's Signage. In the event Tenant does not receive the necessary Governmental Approvals for the Tenant's Signage, Tenant's and Landlord's rights and obligations under the remaining terms, covenants and conditions of this Lease shall be unaffected.

24.8.4 Objectionable Name. To the extent Tenant desires to change the name and/or logo set forth on the Tenant's Signage, such name and/or logo shall not have a name which relates to an entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of the Comparable Buildings (an "**Objectionable Name**"). Landlord agrees that "BigHat" is not an Objectionable Name.

24.8.5 Termination of Right to Tenant's Signage. The building top Tenant's Signage right granted to Tenant under Section 24.8.3 may not be used for subtenants subleasing less than fifty percent (50%) of the Premises; provided, however, that any such subtenant or any assignee's right to use such building top sign rights is subject to the name of such assignee or subtenant not being an Objectionable Name.

24.8.6 Cost and Maintenance; Change and Replacement. The actual costs of the Tenant's Signage and the installation, design, construction and any and all other costs associated with the Tenant's Signage, including, without limitation, utility charges and hook-up fees, permits, and maintenance and repairs, shall be the sole responsibility of Tenant. Should the Tenant's Signage require repairs and/or maintenance, as determined in Landlord's reasonable judgment, Landlord shall have the right to provide notice thereof to Tenant and Tenant (except as set forth below) shall cause such repairs and/or maintenance to be performed within thirty (30) days after receipt of such notice from Landlord, at Tenant's sole cost and expense; provided, however, if such repairs and/or maintenance are reasonably expected to require longer

than thirty (30) days to perform, Tenant shall commence such repairs and/or maintenance within such thirty (30) day period and shall diligently prosecute such repairs and maintenance to completion. Should Tenant fail to perform such repairs and/or maintenance within the periods described in the immediately preceding sentence, Landlord shall, upon the delivery of an additional five (5) business days' prior written notice, have the right to cause such work to be performed and to charge Tenant as Additional Rent for the actual, reasonable cost of such work. Subject to Tenant's agreement to comply with the terms of this Section 24.8 and Landlord's reasonable approval, Tenant shall be permitted to change and/or replace the Tenant's Signage periodically in Tenant's reasonable discretion. Upon the expiration or earlier termination of this Lease or upon any earlier termination of Tenant's rights to the Tenant's Signage as set forth herein, Tenant shall, at Tenant's sole cost and expense, cause the Tenant's Signage to be removed and shall repair any damage caused by such removal. If Tenant fails to timely remove the Tenant's Signage or to restore the areas in which such the Tenant's Signage was located, as provided in the immediately preceding sentence, then Landlord may perform such work, and all actual, reasonable costs incurred by Landlord in so performing shall be reimbursed by Tenant to Landlord within thirty (30) days after Tenant's receipt of an invoice therefor. The terms and conditions of this Section 24.8.7 shall survive the expiration or earlier termination of the Lease.

24.8.7 Future Signage. In the event Landlord constructs a multi-tenant monument sign serving the Building, then Tenant shall have the right, at Tenant's sole cost and expense, to place its name and logo thereon. The terms of Sections 24.8.3, 24.8.4 and 24.8.6 shall apply to Tenant's rights in this Section 24.8.7.

24.9 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

24.10 Application of Payments. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

24.11 Time of Essence. Time is of the essence of this Lease and each of its provisions.

24.12 Partial Invalidity. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

24.13 No Warranty. In executing and delivering this Lease, Tenant has not relied on any representation, including, but not limited to, any representation whatsoever as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the Exhibits attached hereto.

24.14 Landlord Exculpation. Notwithstanding anything in this Lease to the contrary, and notwithstanding any applicable law to the contrary, the liability of Landlord and the Landlord Parties under this Lease (including any successor landlord) and any recourse by Tenant against Landlord or the Landlord Parties shall be limited solely and exclusively to an amount which is equal to the ownership interest of

Landlord in the Project (including any proceeds thereof), and neither Landlord, nor any of the Landlord Parties (except for Landlord's liability as limited in the preceding portion of this sentence) shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant.

24.15 Entire Agreement. There are no oral agreements between the parties hereto affecting this Lease and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. This Lease and any side letter or separate agreement executed by Landlord and Tenant in connection with this Lease and dated of even date herewith contain all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Premises, shall be considered to be the only agreement between the parties hereto and their representatives and agents, and none of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein. There are no other representations or warranties between the parties, and all reliance with respect to representations is based totally upon the representations and agreements contained in this Lease.

24.16 Right to Lease. Landlord reserves the absolute right to effect such other tenancies in the Building and/or in any other building and/or any other portion of the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Project.

24.17 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, pandemics, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, the "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure; provided, however, Tenant's rights to abate rent or terminate this Lease shall not be delayed as a result thereof, except as expressly provided in this Lease.

24.18 Waiver of Redemption by Tenant. Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

24.19 Notices. All notices, demands, statements or communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder shall be in writing, shall be (A) sent by United States certified or registered mail, postage prepaid, return receipt requested, (B) delivered by a nationally recognized overnight courier, or (C) delivered personally (i) to Tenant at the appropriate address set forth in Section 5 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at the addresses set forth in Section 3 of the Summary, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given three (3) business days after the date it is mailed as provided in this Section 24.19, the date overnight courier delivery is made or upon the date personal delivery is made or

rejected. If Tenant is notified of the identity and address of Landlord's mortgagee or ground lessor, Tenant shall give to such mortgagee or ground lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant.

24.20 Joint and Several. If there is more than one person or entity executing this Lease as Tenant, the obligations imposed upon such persons and entities under this Lease are and shall be joint and several.

24.21 Representations. Tenant guarantees, warrants and represents that (a) Tenant is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) Tenant has and is duly qualified to do business in the state in which the Project is located, (c) Tenant has full corporate, partnership, trust, association or other appropriate power and authority to enter into this Lease and to perform all Tenant's obligations hereunder, (d) each person (and all of the persons if more than one signs) signing this Lease on behalf of Tenant is duly and validly authorized to do so and (e) neither (i) the execution, delivery or performance of this Lease nor (ii) the consummation of the transactions contemplated hereby will violate or conflict with any provision of documents or instruments under which Tenant is constituted or to which Tenant is a party. In addition, Tenant guarantees, warrants and represents that it is not a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other similar governmental action.

24.22 Jury Trial; Attorneys' Fees. IF EITHER PARTY COMMENCES LITIGATION AGAINST THE OTHER FOR THE SPECIFIC PERFORMANCE OF THIS LEASE, FOR DAMAGES FOR THE BREACH HEREOF OR OTHERWISE FOR ENFORCEMENT OF ANY REMEDY HEREUNDER, THE PARTIES HERETO AGREE TO AND HEREBY DO WAIVE ANY RIGHT TO A TRIAL BY JURY. In the event of any such commencement of litigation, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorneys' fees as may have been incurred, including any and all costs incurred in enforcing, perfecting and executing such judgment.

24.23 Governing Law. This Lease shall be construed and enforced in accordance with the laws of the state in which the Project is located.

24.24 Submission of Lease. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or an option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

24.25 Brokers. Landlord and Tenant each hereby represents and warrants to the other party that it (i) has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 11 of the Summary (collectively, the "Brokers"), and (ii) knows of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent in connection with this Lease other than the Brokers. Landlord shall be responsible to pay the commission or fee due to the Brokers as and to the extent provided in a separate written agreement.

24.26 Independent Covenants. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord; provided, however, that the foregoing shall in no way impair the right of Tenant to commence a separate action against Landlord for any violation by Landlord of the provisions hereof so long as notice is first given to Landlord and any holder of a mortgage or deed of trust covering the Building, Project or any portion thereof, of whose address Tenant has theretofore been notified, and an opportunity is granted to Landlord and such holder to correct such violations as provided above.

24.27 Building Name and Signage. Landlord shall have the right at any time to change the name(s) of the Building and Project and to install, affix and maintain any and all signs on the exterior and on the interior of the Building and any portion of the Project as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the names of the Building or Project or use pictures or illustrations of the Building or Project in advertising or other publicity, without the prior written consent of Landlord.

24.28 Building Directory. If the Building contains a tenant name directory, Landlord shall include Tenant's name and location in the Building on one (1) line on the Building directory. The initial cost of such directory signage shall be paid for by Landlord, but any subsequent charges thereto shall be at Tenant's cost.

24.29 Confidentiality. Except as may be required by law or in litigation with Landlord, Tenant shall use commercially reasonable efforts to keep the content of this Lease and any related documents confidential and not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants, proposed subtenants and current and proposed lenders, investors and business partners.

24.30 Landlord's Construction. Except as specifically set forth in this Lease or in the Tenant Work Letter: (i) Landlord has no obligation to alter, remodel, improve, renovate, repair or decorate the Premises, the Building, the Project, or any part thereof; and (ii) no representations or warranties respecting the condition of the Premises, the Building or the Project have been made by Landlord to Tenant. Tenant acknowledges that prior to and during the Lease Term, Landlord (and/or any common area association) will be completing construction and/or demolition work pertaining to various portions of the Building, the Premises, and/or the Project, including without limitation, landscaping and tenant improvements for premises for other tenants and, at Landlord's sole election, such other buildings, improvements, landscaping and other facilities within or as part of the Project as Landlord (and/or such common area association) shall from time to time desire (collectively, the "**Construction**"). In connection with such Construction, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Project, including portions of the common areas, or perform work in the Building and/or the Project, which work may create noise, dust or leave debris in the Building and/or the Project. Notwithstanding the foregoing, Landlord's Construction shall be performed in such a manner as to not unreasonably interfere with Tenant's access to or use of the Premises for Tenant's business purposes, or materially decrease Tenant's rights or increase Tenant's obligations under this Lease. Tenant hereby agrees that such Construction and Landlord's actions in connection with such Construction shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent so long as such Construction does not unreasonably interfere with Tenant's access to or use of the Premises for Tenant's business purposes. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from such Construction, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of

the Premises or of Tenant's personal property or improvements resulting from such Construction or Landlord's actions in connection with such Construction, or for any inconvenience or annoyance occasioned by such Construction or Landlord's actions in connection with such Construction. Landlord reserves full control over the Project to the extent not inconsistent with Tenant's enjoyment the same as provided in this Lease. This reservation includes Landlord's right to subdivide the Project and convert portions of the Project to condominium units, change the size of the Project by selling all or a portion of the Project or adding real property and any improvements thereon to the Project; grant easements and licenses to third parties and maintain or establish ownership of the Buildings separate from the fee title to the Project.

24.31 Intentionally Omitted.

24.32 Net Lease. This Lease shall be deemed and construed to be an "absolute net lease" and, except as herein expressly provided, Landlord shall receive all payments required to be made by Tenant free from all charges, assessments, impositions, expenses and deductions of any and every kind or nature whatsoever. Landlord shall not be required to furnish any services or facilities or to make any repairs, replacements or alterations of any kind in or on the Premises except as specifically provided herein.

24.33 Water Sensors. Tenant shall, at Tenant's sole cost and expense, be responsible for promptly installing web-enabled wireless water leak sensor devices designed to alert the Tenant on a twenty-four (24) hour seven (7) day per week basis if a water leak is occurring in the Premises (which water sensor device(s) located in the Premises shall be referred to herein as "**Water Sensors**"). The Water Sensors shall be installed in any areas in the Premises where water is utilized (such as sinks, pipes, faucets, water heaters, coffee machines, ice machines, water dispensers and water fountains), and in locations that may be designated from time to time by Landlord (the "**Sensor Areas**"). In connection with any Alterations affecting or relating to any Sensor Areas, Landlord may require Water Sensors to be installed or updated in Landlord's sole and absolute discretion. With respect to the installation of any such Water Sensors, Tenant shall obtain Landlord's prior written consent, use an experienced and qualified contractor reasonably approved by Landlord, and comply with all of the other provisions of Article 8 of this Lease. Tenant shall, at Tenant's sole cost and expense, pursuant to Article 7 of this Lease keep any Water Sensors located in the Premises (whether installed by Tenant or someone else) in good working order, repair and condition at all times during the Lease Term and comply with all of the other provisions of Article 7 of this Lease. Notwithstanding any provision to the contrary contained herein, Landlord has neither an obligation to monitor, repair or otherwise maintain the Water Sensors, nor an obligation to respond to any alerts it may receive from the Water Sensors or which may be generated from the Water Sensors. Upon the expiration of the Lease Term, or immediately following any earlier termination of this Lease, Landlord reserves the right to require Tenant, at Tenant's sole cost and expense, to remove all Water Sensors installed by Tenant, and repair any damage caused by such removal; provided, however, if the Landlord does not require the Tenant to remove the Water Sensors as contemplated by the foregoing, then Tenant shall leave the Water Sensors in place together with all necessary user information such that the same may be used by a future occupant of the Premises (e.g., the Water Sensors shall be unblocked and ready for use by a third-party). If Tenant is required to remove the Water Sensors pursuant to the foregoing and Tenant fails to complete such removal and/or fails to repair any damage caused by the removal of any Water Sensors, Landlord may do so and may charge the cost thereof to Tenant.

24.34 Approvals. Whenever this Lease requires an approval, consent, determination or judgment by either Landlord or Tenant, unless another standard is expressly set forth in this Lease, such approval, consent, determination or judgment and any conditions imposed thereby shall be reasonable and shall not be unreasonably withheld or delayed.

24.35 Sustainability.

24.35.1 Sustainable Building Operations.

(a)This Building is or may become in the future certified under the Green Building Initiative's Green Globes™ for Continual Improvement of Existing Buildings (Green Globes™-CIEB), the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system, or operated pursuant to Landlord's sustainable building practices. Landlord's sustainability practices address whole-building operations and maintenance issues including chemical use; indoor air quality; energy efficiency; water efficiency; recycling programs; exterior maintenance programs; and systems upgrades to meet green building energy, water, Indoor Air Quality, and lighting performance standards. Notwithstanding the foregoing, Tenant shall not be required to comply with any Green Building Initiatives or other rating systems as set forth above until the Building is certified as such, and Tenant shall only be required to comply with such Green Building Initiatives with respect to any upgrades, alterations or improvements made by Tenant after the Building is certified as set forth above. In no event shall Tenant be required to make changes, improvements and/or other repairs or replacements to the Premises in order to make the Premises compliant with the above stated initiatives and rating systems. All construction and maintenance methods and procedures, material purchase, and disposal of waste must be in compliance with minimum standards and specifications, in addition to all applicable laws.

(b)Tenant shall use proven energy and carbon reduction measures, including energy efficient bulbs in task lighting; use of lighting controls; daylighting measures to avoid over-lighting interior spaces; closing shades on the south side of the Building to avoid over heating the space; turning off lights and equipment at the end of the work day; and purchasing, with respect to any new equipment that Tenant purchases for the Premises, ENERGY STAR® qualified equipment including but not limited to lighting, office equipment, commercial and residential quality kitchen equipment, vending and ice machines; purchasing products certified by the U.S. EPA's Water Sense® program. Tenant shall not be required to replace any existing equipment used by Tenant as of the date of this Lease which Tenant intends to install in the Premises in order to comply with this provisions of this Section 24.35(b).

24.35.2 Recycling and Waste Management. Tenant covenants and agrees, at its sole cost and expense: (a) to comply with all present and future laws, orders and regulations of the Federal, State, county, municipal or other governing authorities, departments, commissions, agencies and boards regarding the collection, sorting, separation, and recycling of garbage, trash, rubbish and other refuse (collectively, "**trash**"); (b) to comply with Landlord's recycling policy as part of Landlord's sustainability practices where it may be more stringent than applicable law; (c) to sort and separate its trash and recycling into such categories as are provided by law or Landlord's sustainability practices; (d) that each separately sorted category of trash and recycling shall be placed in separate receptacles as directed by Landlord; (e) that Landlord reserves the right to refuse to collect or accept from Tenant any waste that is not separated and sorted as required by law, and to require Tenant to arrange for such collection of Tenant's sole cost and expense, utilizing a contractor satisfactory to Landlord; and (f) that Tenant shall pay all costs, expenses, fines, penalties or damages that may be imposed on Landlord or Tenant by reason of Tenant's failure to comply with the provisions of this Section.

[Remainder of Page Intentionally Left Blank; Signatures on Next Page]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

"**Landlord**":

BP3-SF6 1900 ADLP LLC,
a Delaware limited liability company

By: /s/ W. Neil Fox, III
Name: W. Neil Fox, III
Its: Chief Executive Officer

"**Tenant**":

BIGHAT BIOSCIENCES, INC.,
a Delaware corporation

By: /s/ Mark DePristo
Name: Mark DePristo
Its: CEO

By: _____
Name:
Its:

*** If Tenant is a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. The Lease must be executed by the president or vice president and the secretary or assistant secretary, unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached to this Lease.

EXHIBIT A

OUTLINE OF FLOOR PLAN OF PREMISES

Floor Plan - 3rd Floor

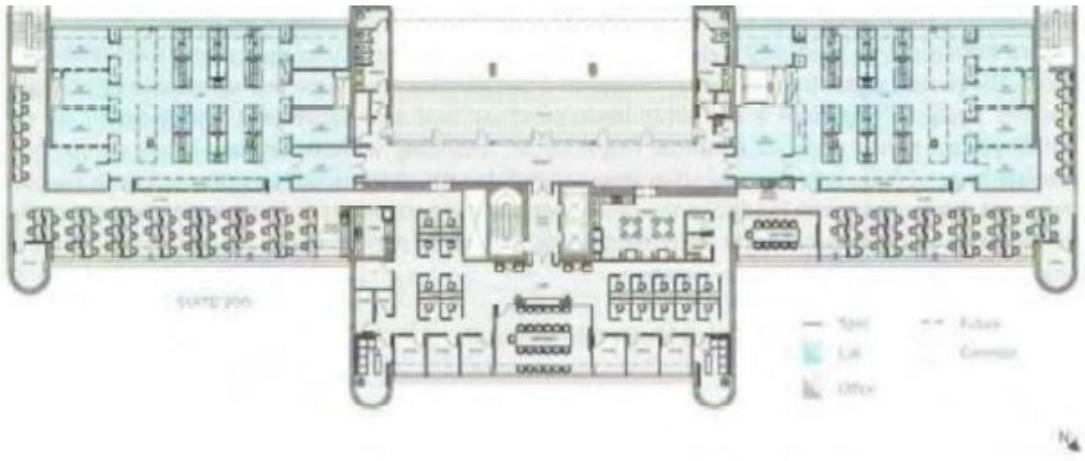


EXHIBIT A-1

SITE PLAN OF PROJECT

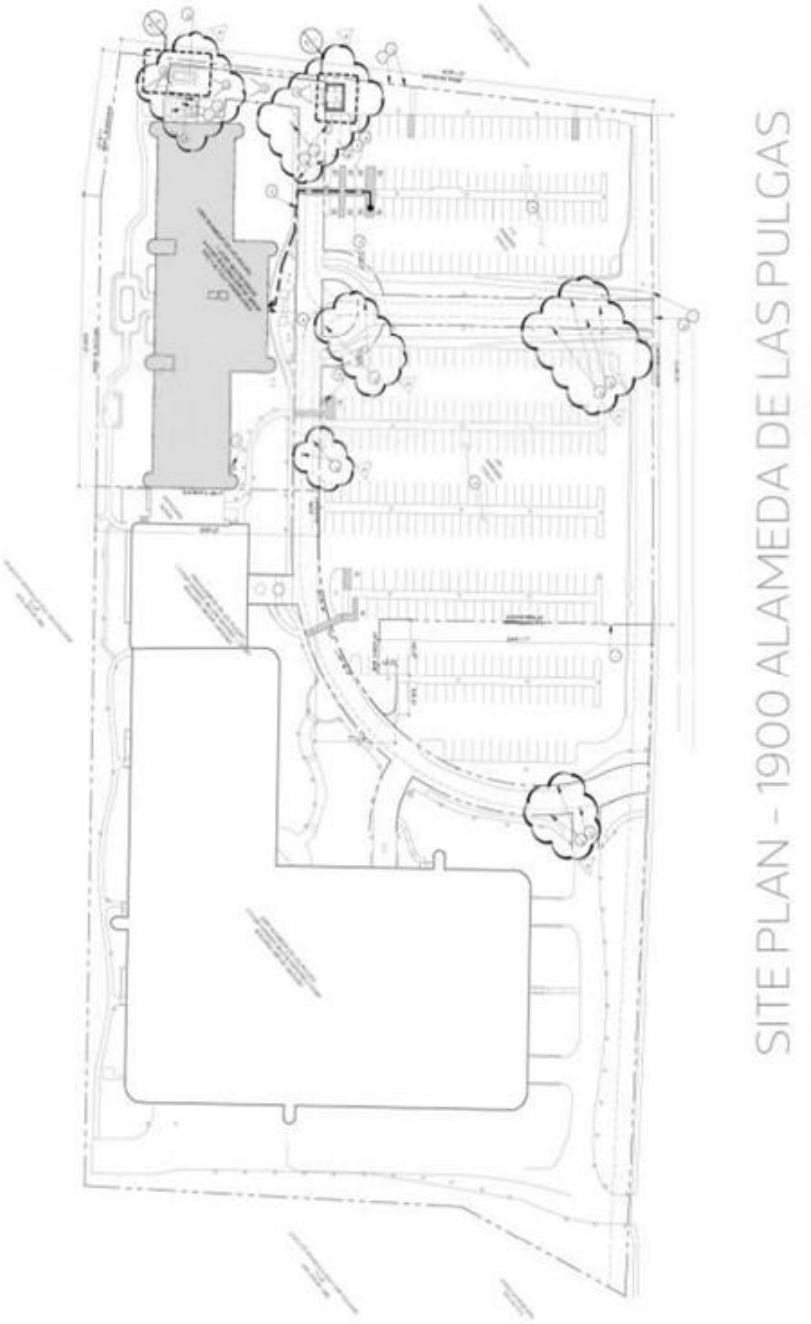


EXHIBIT B

TENANT WORK LETTER

This Tenant Work Letter ("**Tenant Work Letter**") shall set forth the terms and conditions relating to the construction of the Premises. All references in this Tenant Work Letter to the "**Lease**" shall mean the relevant portions of the Lease to which this Tenant Work Letter is attached as Exhibit B.

SECTION 1

BASE, SHELL AND CORE

Landlord has previously constructed the base, shell and core (i) of the Premises and (ii) of the floor(s) of the Building on which the Premises are located (collectively, the "**Base, Shell and Core**"), and, except as provided in the Lease, Tenant shall accept the Base, Shell and Core in its current "As-Is" condition existing as of the date of the Lease. Except for the Allowances set forth below, and as otherwise expressly provided in the Lease, Landlord shall not be obligated to make or pay for any alterations or improvements to the Premises, the Building or the Project.

SECTION 2

TENANT IMPROVEMENTS

2.1 Tenant Improvement Allowance. Tenant shall be entitled to a one-time tenant improvement allowance (the "**Tenant Improvement Allowance**") in the amount of up to, but not exceeding Fifteen Dollars ($15.00) per rentable square foot of the Premises (i.e., up to Four Hundred Sixty-Six Thousand Seven Hundred Fifty-Five Dollars ($466,755.00) based on 31,117 rentable square feet of the Premises), to help Tenant pay for the costs of the design, permitting and construction of Tenant's initial improvements which are permanently affixed to the Premises (collectively, the "**Tenant Improvements**"). Notwithstanding anything above to the contrary, in the event there exists an Over-Allowance Amount (as defined below), Tenant shall have the option, exercisable upon written notice to Landlord prior to the date Tenant is obligated to pay such Over-Allowance Amount, to receive a one-time additional improvement allowance (the "**Additional Allowance**") in the amount not to exceed Ten Dollars ($10.00) per rentable square foot of the Premises, (i.e., up to Three Hundred Eleven Thousand One Hundred Seventy Dollars ($311,170.00) based on 31,117 rentable square feet in the Premises). In the event Tenant exercises such option and as consideration for Landlord providing such Additional Allowance to Tenant, the Base Rent payable by Tenant throughout the entire ninety-eight (98) month initial Lease Term ("**Amortization Period**") shall be increased by an amount sufficient to fully amortize such Additional Allowance throughout said ninety-eight (98) month period based upon monthly payments of principal and interest, with interest imputed on the outstanding principal balance at the rate of eight percent (8%) per annum (the "**Amortization Rent**") and such Amortization Rent shall be subject to the annual Base Rent increase of three and one-half percent (3.5%). By way of illustration, if Tenant utilizes the entire Additional Allowance then the initial Base Rent payable by Tenant under this Lease shall be increased by $4,334.79 and the Base Rent schedule set forth in Section 8 of the Summary shall be revised to reflect such increased Base Rent and such increased Base Rent shall be subject to the annual three and one-half percent (3.5%) increase for all time periods under this Lease. Such revised Base Rent schedule shall be memorialized in an amendment to this Lease to be executed by Landlord and Tenant. Notwithstanding anything in the Lease to the contrary, in no event shall the Amortization Rent be deemed to be Abated Rent nor subject to the abatement of Base Rent set forth in the second paragraph of Article 3 of this Lease. The Tenant Improvement Allowance and the Additional Allowance may collectively be referred to herein as the "**Allowances**". In no event shall

Landlord be obligated to make disbursements for the cost of the Tenant Improvements pursuant to this Tenant Work Letter in a total amount which exceeds the Allowances. Except as provided in Section 2.2.1.8 below, the Allowances may only be used for permanently affixed improvements to the Premises. Landlord shall have no obligation to disburse all or any portion of the Allowances to Tenant unless Tenant makes a request for disbursement pursuant to the terms and conditions of Section 2.2 below prior to September 30, 2022, as extended to the extent Tenant's completion of the Tenant Improvements is delayed due to Landlord Delay. Subject to the terms of this Tenant Work Letter, in no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter in a total amount which exceeds the Allowances. Tenant shall not be entitled to receive any cash payment or credit against Rent or otherwise for any unused portion of the Allowances which is not used to pay for the Tenant Improvement Allowance Items (as defined below).

2.2 Disbursement of the Allowances.

2.2.1. Tenant Improvement Allowance Items. Except as otherwise set forth in this Tenant Work Letter, the Allowances shall be disbursed by Landlord only for the following items and costs (collectively, the "**Tenant Improvement Allowance Items**"):

2.2.1.1 Payment of the fees of the Architect and the Engineers (as such terms are defined below);

2.2.1.2 The payment of plan check, permit and license fees and other soft costs relating to construction of the Tenant Improvements;

2.2.1.3 The cost of construction of the Tenant Improvements, including, without limitation, contractors' fees and general conditions, testing and inspection costs, costs of utilities, trash removal, parking and hoists and (Tenant shall have the right to use the freight elevators for the Building at no charge to Tenant);

2.2.1.4 The cost of any changes in the Base, Shell and Core work when such changes are required by the Construction Drawings (including if such changes are due to the fact that such work is prepared on an unoccupied basis), such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

2.2.1.5 The cost of any changes to the Construction Drawings or Tenant Improvements required by applicable laws;

2.2.1.6 Sales and use taxes and Title 24 fees;

2.2.1.7 The Coordination Fee (as defined below);

2.2.1.8 The cost of autoclaves and glasswashes and associated equipment installed in the Premises by Tenant; provided, however, that in no event shall more than $93,351 of the Tenant Improvement Allowance be utilized for such costs; and

2.2.1.9 All other costs to be expended by Tenant in connection with Tenant's space planning, design, permitting and construction of the Tenant Improvements including the fees of Tenant's construction manager.

2.2.2. Disbursement of Allowances. Subject to Section 2.1 above, prior to and during the construction of the Tenant Improvements, Landlord shall make monthly disbursements of the Allowances for Tenant Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows:

2.2.2.1 Monthly Disbursements. From time to time prior to and during the construction of the Tenant Improvements (but no more frequently than monthly), Tenant shall deliver to Landlord: (i) a request for payment of the Contractor (as defined below), approved by Tenant, in a form to be provided by Landlord, showing the schedule, by trade, of percentage of completion of the Tenant Improvements in the Premises, detailing the portion of the work completed and the portion not completed, and demonstrating that the relationship between the cost of the work completed and the cost of the work to be completed complies with the terms of the Construction Budget (as defined below); (ii) invoices from all of Tenant's Agents (as defined below), for labor rendered and materials delivered to the Premises; (iii) executed mechanic's lien releases from all of Tenant's Agents which shall comply with the appropriate provisions, as reasonably determined by Landlord, of California Civil Code Section 8138; (iv) the construction back-up items described on **Schedule 2** attached hereto to the extent not otherwise included above; and (v) for the final disbursement, each of the general disbursement items referenced in Section 2.2.2.2 below, and all other information reasonably requested by Landlord. Tenant's request for payment shall be deemed Tenant's acceptance and approval as between Landlord and Tenant of the work furnished and/or the materials supplied as set forth in Tenant's payment request. Following Landlord's receipt of a completed disbursement request submission, Landlord shall deliver a check to Tenant made payable to Tenant in payment of the lesser of (A) the amounts so requested by Tenant, as set forth in this Section 2.2.2.1, above, less a ten percent (10%) retention but only if Tenant's Contract with the Contractor does not include a ten percent (10%) retention for all work by the Contractor and subcontractors (the aggregate amount of such retentions to be known as the "**Final Retention**") and (B) the balance of any remaining available portion of the Tenant Improvement Allowance (not including the Final Retention), provided that Landlord does not in good faith dispute any request for payment based on non-compliance of any work with the Approved Working Drawings (as defined below), or due to any substandard work, or for any other valid reason. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request. For avoidance of doubt, Landlord will only waive the Final Retention requirement if (and only if) Tenant's Contract with the Contractor provides for a minimum of a ten percent (10%) retention for all work by the Contractor and subcontractor. Notwithstanding anything to the contrary herein, Landlord shall reimburse Tenant for the following in addition to the Tenant Improvement Allowance: (a) costs incurred due to the presence of Hazardous Materials on or about the Premises in violation of Environmental Law, and (b) costs to bring the Premises, Building, or the Common Areas into compliance with applicable laws and restrictions (with such work described above to be referred to herein as the "**Excluded Work**"). Such reimbursement for such Excluded Work shall be subject to Landlord's approval of the nature of such Excluded Work and the costs thereof.

2.2.2.2 Final Retention. Subject to the provisions of this Tenant Work Letter, a check for the Final Retention (if applicable) payable to Tenant shall be delivered by Landlord to Tenant following the completion of construction of the Premises, provided that (i) Landlord has determined that no substandard work exists which adversely affects the mechanical, electrical, plumbing, HVAC, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Building; and (ii) Tenant has delivered to Landlord: (A) properly executed and final unconditional mechanics lien releases in compliance with applicable California law; (B) a certificate of occupancy or permit cards signed off by the City of Brisbane (the "**City**") with respect to the Premises; (C) as-built plans and City-permitted plans for the Tenant Improvements; (D) operation manuals and warranties for equipment included within the Tenant

Improvements, if applicable; (E) copy of the contract with the Contractor; (F) copy of the Contractor's certificate of insurance, including Additional Insured endorsement naming Landlord (and any other party requested by Landlord) as additional insureds; and (G) the Contractor's schedule of values, showing total contract value.

2.2.2.3 Other Terms. Landlord shall only be obligated to make disbursements from the Allowances to the extent costs are incurred by Tenant for Tenant Improvement Allowance Items.

2.2.3. Specifications for Building Standard Components. Landlord has established specifications (the "**Specifications**") for the Building standard components to be used in the construction of the Tenant Improvements in the Premises which Specifications are attached hereto as **Schedule 1**. Unless otherwise agreed to by Landlord, the Tenant Improvements shall comply with the Specifications.

SECTION 3

CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings. Tenant shall retain the architect/space planner (the "**Architect**") approved by Landlord, which approval shall not be unreasonably withheld, to prepare the Construction Drawings. Tenant shall retain the engineering consultants reasonably approved by Landlord (the "**Engineers**") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work in the Premises that is not part of the Base, Core and Shell. Landlord hereby approves of McFarlane Architects as the Architect. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "**Construction Drawings**." All Construction Drawings shall comply with the drawing format and specifications reasonably determined by Landlord, and shall be subject to Landlord's approval. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base, Core and Shell plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord's review of the Construction Drawings as set forth in this Section 3, shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, code compliance or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings.

3.2 Final Space Plan. Tenant shall supply Landlord with four (4) copies signed by Tenant of its final space plan for the Premises before any architectural working drawings or engineering drawings have been commenced. The final space plan (the "**Final Space Plan**") shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly (i) cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require, and (ii) deliver such revised Final Space Plan to Landlord. Landlord hereby approves the Space Plan and scope of work attached hereto as **Schedule 3** (the "**Initial Space Plan**"), and will not withhold its consent to the aspects of the Final Space Plan or Construction Drawings to the extent set forth in the Initial Space Plan or representing a logical evolution thereof. Tenant shall not be required to restore the Tenant Improvements shown on the attached Initial Space Plan.

3.3 Final Working Drawings. After the Final Space Plan has been approved by Landlord and Tenant, Tenant shall promptly cause the Architect and the Engineers to complete the architectural and engineering drawings for the Premises, and cause the Architect to compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits for the Tenant Improvements (collectively, the "**Final Working Drawings**"), and shall submit the same to Landlord for Landlord's approval (which shall not be unreasonably withheld, conditioned or delayed). Tenant shall supply Landlord with four (4) copies signed by Tenant of such Final Working Drawings. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Working Drawings for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly (i) revise the Final Working Drawings in accordance with such review and any disapproval of Landlord in connection therewith, and (ii) deliver such revised Final Working Drawings to Landlord.

3.4 Approved Working Drawings. The Final Working Drawings shall be approved by Landlord (the "**Approved Working Drawings**") prior to the commencement of construction of the Premises by Tenant. After approval by Landlord of the Final Working Drawings, Tenant shall promptly submit the same to the appropriate governmental authorities for all applicable building permits. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord, which consent shall not be unreasonably withheld.

SECTION 4

CONSTRUCTION OF THE TENANT IMPROVEMENTS

4.1 Tenant's Selection of Contractor and Tenant's Agents.

4.1.1. The Contractor. Tenant shall select and retain a general contractor to construct the Tenant Improvements through a selection process which shall include general contractors selected by Tenant but subject to Landlord's reasonable approval, which shall not be withheld, conditioned or delayed. Landlord hereby approves of XL Construction as the Contractor. The general contractor chosen by Tenant from the approved list of bidders shall be the general contractor submitting the lowest cost bid, unless otherwise determined by Tenant. Following such selection process and Tenant's selection of a general contractor in accordance with the terms hereof, Tenant shall deliver to Landlord notice of its selection of the general contractor upon such selection, which contractor shall thereafter be the "**Contractor**" hereunder.

4.1.2. Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers used by Tenant shall be known collectively as "**Tenant's Agents**." Tenant shall not be required to use union labor.

4.2 Construction of Tenant Improvements by Tenant's Agents.

4.2.1. Construction Contract; Cost Budget. Prior to Tenant's execution of the construction contract and general conditions with Contractor (the "**Contract**"), Tenant shall submit the Contract to Landlord for its review. Prior to the commencement of the construction of the Tenant Improvements, and after Tenant has accepted all bids for the Tenant Improvements, Tenant shall provide

Landlord with a written detailed cost breakdown (the "**Final Costs Statement**"), by trade, of the final costs to be incurred, or which have been incurred, as set forth more particularly in Section 2.2.1.1 through 2.2.1.8 above, in connection with the design, permitting and construction of the Tenant Improvements to be performed by or at the direction of Tenant or the Contractor (which costs form a basis for the amount of the Contract, if any (the "**Final Costs**")). The amount by which the Final Costs exceed the Tenant Improvement Allowance (less any portion thereof already disbursed by Landlord, or in the process of being disbursed by Landlord, on or before the commencement of construction of the Tenant Improvements) shall be referred to herein as the "Over-Allowance Amount". If, after the Final Costs have been delivered by Landlord to Tenant, the costs relating to the design, permitting and construction of the Tenant Improvements shall change, any additional costs necessary to such design, permitting and construction in excess of the Final Costs shall be added to the Over-Allowance Amount. Notwithstanding the terms of Section 2.2.2 above, as Tenant incurs Improvement Allowance Items, Tenant shall pay the Contractor and Architect and/or Engineer for the Over-Allowance Amount in cash in installments pari passu with Landlord's distribution of the Tenant Improvement Allowance, (and, if applicable, the Additional Allowance) in an amount equal to a fraction of such expenses, the numerator of which is the Over-Allowance Amount (less the amount of the Additional Allowance Tenant elects to use) and the denominator of which is the sum of the Allowance and the Over-Allowance Amount and Landlord shall only pay Tenant the balance of the Improvement Allowance Amounts properly requested by Tenant such month.

4.2.2. Tenant's Agents.

4.2.2.1 Landlord's General Conditions for Tenant's Agents and Tenant Improvement Work. Tenant's and Tenant's Agents' construction of the Tenant Improvements shall comply with the following: (i) the Tenant Improvements shall be constructed in strict accordance with the Approved Working Drawings; (ii) Tenant's Agents shall submit schedules of all work relating to the Tenant's Improvements to Contractor and Contractor shall, within five (5) business days after Tenant's receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule; and (iii) Tenant shall abide by all reasonable and non-discriminatory rules made by Landlord's Building contractor or Landlord's Building manager with respect to the use of freight, loading dock and service elevators, storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Tenant Work Letter, including, without limitation, the construction of the Tenant Improvements.

4.2.2.2 Coordination Fee. Tenant shall pay a logistical coordination fee (the "**Coordination Fee**") to Landlord in an amount equal to the product of (i) two percent (2%), and (ii) the sum of the Allowances and the Over-Allowance Amount used by Tenant, which Coordination Fee shall be for services relating to the coordination of the construction of the Tenant Improvements and shall be deducted by Landlord from the Allowances.

4.2.2.3 Indemnity. Tenant's indemnity of Landlord as set forth in the Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Tenant Improvements and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in the Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Tenant Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for the Premises.

4.2.2.4 Insurance Requirements.

4.2.2.4.1 General Coverages. All of Tenant's Contractors and subcontractors shall carry worker's compensation insurance in the amount required by applicable law covering all of their respective employees, and shall also carry public liability insurance, including property damage, all with limits of $1,000,000 per occurrence and $2,000,000 in the aggregate.

4.2.2.4.2 Special Coverages. Tenant shall carry "Builder's All Risk" insurance in an amount equal to the full replacement cost of the improvements being constructed by Tenant. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord, and in form and with companies as are required to be carried by Tenant as set forth in the Lease.

4.2.2.4.3 General Terms. Certificates for all insurance carried pursuant to this Section 4.2.2.4 shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before the Contractor's equipment is moved onto the site. All liability policies carried under this Section 4.2.2.4 shall insure Landlord and Tenant, as their interests may appear, as well as Contractor and Tenant's Contractors and subcontractors, and shall name as additional insureds Landlord's property manager, Landlord's asset manager, and all mortgagees and ground lessors of the Building and any other parties specified by Landlord. All insurance, except Workers' Compensation, maintained by Tenant's Contractors and subcontractors shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the owner and that any other insurance maintained by owner is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under Section 4.2.2.3 of this Tenant Work Letter.

4.2.3. Governmental Compliance. The Tenant Improvements shall comply in all respects with the following: (i) the Code and other state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

4.2.4. Inspection by Landlord. Landlord shall have the right to inspect the Tenant Improvements at all times, provided however, that Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord disapprove any portion of the Tenant Improvements, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations in, and/or disapproval by Landlord of, the Tenant Improvements shall be rectified by Tenant at no expense to Landlord, provided however, that if Landlord determines that a defect or deviation exists or disapproves of any matter in connection with any portion of the Tenant Improvements and such defect, deviation or matter might adversely affect the mechanical, electrical, plumbing, HVAC or life-safety systems of the Building, the structure or exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, Landlord may, take such action as Landlord deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect, deviation and/or matter, including, without limitation, causing the cessation of performance of the construction of the Tenant Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's satisfaction.

4.2.5. Meetings. Commencing upon the commencement of construction, Tenant shall hold weekly meetings at a reasonable time, with the Architect and the Contractor regarding the progress of the preparation of Construction Drawings and the construction of the Tenant Improvements, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. One such meeting each month shall include the review of Contractor's current request for payment.

4.3 Notice of Completion; Copy of "As Built" Plans. Within ten (10) days after completion of construction of the Tenant Improvements, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the County in which the Building is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction, (i) Tenant shall cause the Architect and Contractor (A) to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (B) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of the Lease, (C) to deliver to Landlord two (2) sets of sepias of such as-built drawings within ninety (90) days following issuance of a certificate of occupancy for the Premises, and (D) to deliver to Landlord a computer disk containing the Approved Working Drawings in AutoCAD format, and (ii) Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises.

4.4 Coordination by Tenant's Agents with Landlord. Upon Tenant's delivery of the Contract to Landlord under Section 4.2.1 of this Tenant Work Letter, Tenant shall furnish Landlord with a schedule setting forth the projected date of the completion of the Tenant Improvements and showing the critical time deadlines for each phase, item or trade relating to the construction of the Tenant Improvements.

SECTION 5

MISCELLANEOUS

5.1 Tenant's Entry Into the Premises. Subject to the terms hereof, Landlord shall allow Tenant access to the Premises on the date of the full execution and delivery of this Lease by Landlord and Tenant for the purpose of Tenant performing the Tenant Improvement work (including installing trade fixtures and equipment) therein and without the obligation to pay Rent until the Lease Commencement Date. Tenant further acknowledges and agrees that Landlord shall not be liable for any injury, loss or damage which may occur to any of Tenant's work made in or about the Premises in connection with such entry or to any property placed therein prior to the Lease Commencement Date, the same being at Tenant's sole risk and liability. Tenant shall be liable to Landlord for any damage to any portion of the Premises, including the Tenant Improvement work, caused by Tenant or any of Tenant's employees, agents, contractors, consultants, workmen, mechanics, suppliers and invitees. If the performance of Tenant's work in connection with such entry causes extra costs to be incurred by Landlord, Tenant shall promptly reimburse Landlord for such extra costs. In addition, Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Premises and against injury to any persons caused by Tenant's actions pursuant to this Section 5.1 as provided in the Lease.

5.2 Tenant's Representative. Tenant has designated Harshitha Gamahewage as its sole representative with respect to the matters set forth in this Tenant Work Letter, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

5.3 Landlord's Representative. Landlord has designated John Evans as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

5.4 Time of the Essence in This Tenant Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord.

5.5 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease, if an event of default by Tenant of this Tenant Work Letter or as described in Section 19.1 Lease has occurred at any time on or before the substantial completion of the Tenant Improvements and remains after the expiration of applicable notice and cure periods, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, at law and/or in equity, Landlord shall have the right to withhold payment of all or any portion of the Allowances and/or Landlord may cause Contractor to cease the construction of the Tenant Improvements (in which case, Tenant shall be responsible for any delay in the substantial completion of the Premises caused by such work stoppage), and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease (in which case, Tenant shall be responsible for any delay in the substantial completion of the Tenant Improvements caused by such inaction by Landlord).

5.6 No Obligation to Build Tenant Improvements. Notwithstanding anything to the contrary in this Tenant Work Letter, (a) Tenant shall have no obligation to design or build any Tenant Improvements, and may at any time reduce the scope of the Tenant Improvements, (b) where no time period is specified above, Landlord shall respond to any written consent or approval request within five (5) business days and (c) Landlord's failure to respond in the required period shall, if such failure continues for an additional two (2) business days after Tenant's second written request, be deemed Landlord's consent thereto.

SCHEDULE 1

SPECIFICATIONS

Genesis 1900 Alameda
1900 Alameda de las Pulgas
San Mateo, CA 94403
Tenant Improvement Campus Building Standards*

* Notwithstanding anything to the contrary contain herein or in the Lease, Tenant (i) may elect to install fit and finishes above the levels specified herein and (ii) has the right, given notification and approval by the Landlord, to install finishes to the level which meet their design intent.

1.0 PARTITIONS

1.1 DEMISING WALL - FULL HEIGHT NON-RATED CONSTRUCTION

Full Height non-rated walls shall be constructed to demise tenant spaces with 3 5/8" x 20 gauge metal studs at 16" O.C. Wall is to extend full height from floor to underside of structure above with 5/8" Type "X" gypsum wallboard on each side of studs. Gypsum wallboard shall be taped and finished with joint compound to a Level 4 finish and painted. The stud cavity shall be filled with sound attenuation insulation.

1.2 INTERIOR PARTITIONS

Interior partitions shall be constructed with 3 5/8" x 20 gauge metal studs at 16" O.C. Walls are to extend 6" above adjacent ceilings with 5/8" gypsum wallboard placed on each side of studs. Gypsum wallboard shall be taped and finished with joint compound to a Level 4 finish, with the stud cavity being filled with sound attenuation insulation in partitions between offices. Where no ceilings occur, partitions to extend full height to underside of structure above.

Conference Rooms: Interior Partitions separating conference rooms from private offices; conference rooms to conference rooms or open office areas shall be Full Height non-rated walls constructed with 3 5/8" x 20 gauge metal studs at 16" O.C. Wall is to extend full height from floor to underside of structure above with (2) layers of 5/8" Type "X" gypsum wallboard on each side of studs. Gypsum wallboard shall be taped and finished with joint compound to a Level 4 finish and painted. The stud cavity shall be filled with sound attenuation insulation. Continuous acoustic silicone sealant shall be installed at the head and sill of these full height sound walls with (2) layers of gypsum drywall.

2.0 WOOD DOORS AND FRAMES

2.1 INTERIOR DOORS

2.1.1 Main suite entry doors shall be non-rated 4" deep 1¾" x 3'-0" x 8'-0" (pair) aluminum storefront/glass system, clear anodized finish.

2.1.2 Laboratory Suite Doors shall be rated where required by code, non-rated elsewhere, 1¾" x 3'-0" x 8'-0". Solid core. Marshfield, Face: plain sliced, walnut; Finish: Clear 0-95. Each lab shall have a pair of doors for large equipment access. Rated doors shall have a narrow lite vision panel not exceeding 100 sq. inches (typical ¼" tempered 4" wide x 25" tall). Nonrated doors shall have a half-lite vision panel consisting of ¼" thick tempered safety glass. Closers, armor plates, automatic door bottoms, and thresholds shall be provided on Lab doors at appropriate locations.

2.1.3 Lab Support Doors, where provided, shall be rated as required by code, non-rated elsewhere, 1¾" x 3'-0" x 8'-0". Solid core. Marshfield, Face: plain sliced, walnut; Finish: Clear 0-95 or equivalent. Rated doors shall have a narrow lite vision panel not exceeding 100 sq. inches (typical ¼" tempered 4" wide x 25" tall). Non-rated doors shall have a half-lite vision panel consisting of ¼" thick tempered safety glass. Closers, armor plates, automatic door bottoms, and thresholds shall be provided on Lab doors at appropriate locations.

2.1.4 Office and Conference Room Doors shall be non-rated, 1¾" x 3'-0" x 8'-0". Solid core. Marshfield, Face: plain sliced, walnut; Finish: Clear 0-95 or equivalent. No lite.

2.1.5 Building Service Types of Doors: shall be either 1¾" x 3'-0" x 8'-0", 1¾" x 3'-0" x 8'-0", or a pair of 1¾" x 3'-0" x 8'-0", heavy-duty hollow metal, SDI A250.8, Level 2. Physical Performance shall be Level B, per SDI A250.4, 1-¾" thick (44.5 mm), uncoated face, cold-rolled steel sheet with a minimum thickness of Inch (1.0 mm). Edge shall be constructed as Model 1, Full Flush. At Vivarium locations, edge shall be construction as Model 2, Seamless. Cores shall be manufactured from Kraft-paper honeycomb, polystyrene, polyurethane, polyisocyanurate, mineral-board, or vertical steel-stiffener core at the manufacturer's discretion.

2.2 DOOR AND WINDOW FRAMES

2.2.1 Door and Window frames shall be extruded aluminum alloy as manufactured by Western Integrated Materials Inc. Frames shall be pre-punched for factory installed 14-gauge butt reinforcement, door strike, and closer hardware. Prefinished frame color to be: Clear anodized aluminum.

2.2.2 Rated doors and window frames shall be as required by code, with label ratings for smoke and fire resistance meeting the requirements established by the Underwriters Laboratory (UL). Doors shall include smoke seals. Door frames shall be extruded aluminum alloy as manufactured by Western Integrated Materials Inc. Frames shall be pre-punched for factory installed 14-gauge butt reinforcement, door strike, and closer hardware. Prefinished frame color to be: Clear anodized aluminum.

2.2.3 Service Types of Frames: shall be uncoated steel sheet, minimum thickness of 0.053 inch (1.3 mm), face-welded. Exception at Vivarium areas-frames shall be full profile welded.

2.3 FINISH HARDWARE

2.3.1 SUITE ENTRY & BUILDING CONFERENCE ROOMS

Access-Controlled Aluminum Storefront System:
Hinges: Three-knuckle, concealed bearing hinges.

a. Manufactures: Ives 3CB1HW 4.5 X 4.5 CB Series

b. Standard weight, 4-1/2 inches high

c. Finish: ANSI A8112 steel with steel pin.

d. One electric HW hinge for electronic access control

Lock set: Mortise Lever Schlage L 9092 Series, electronically unlocked, 17A Style,
Finish: 630, US32D, Satin Stainless steel. FSIC lore, “C” keyway.
Concealed Coordinated Closers: LCN 2031 WMS, Finish 689.
Astragal: 383, aluminum finish, by Zero.
Floor stop: IVES FS439, Finish: US26D Satin chrome plated.

2.3.2 INTERIOR DOORS

For solid core wood office doors:

Hinges: Three-knuckle, concealed bearing hinges.

a. Manufactures: Ives 3CB Series

b. Doors up to 36 inches wide: Standard weight, 4-1/2 inches high

c. Finish: ANSI A8112 steel with steel pin.

Office Set: Schlage L Series Mortise L9056 series, 17A. Finish: 630, US32D,
Satin Stainless steel.
Floor stop: IVES FS439, Finish: US26D Satin chrome plated.

For solid core wood Conference room doors:

Hinges: Three-knuckle, concealed bearing hinges.

a. Manufactures: Ives 3CB Series

b. Doors up to 36 inches wide: Standard weight, 4-1/2 inches high

c. Finish: ANSI A8112 steel with steel pin.

Passage Set: Schlage L Series Mortise L9010 17A. Finish: 630, US32D, Satin Stainless steel.
Floor stop: IVES FS439, Finish: US26D Satin chrome plated.

For solid core wood lab doors:

Hinges: Three-knuckle, concealed bearing hinges.

a. Manufactures: Ives 3CB Series

b. Doors up to 36 inches wide: Standard weight, 4-1/2 inches high

c. Doors over 36 inches wide: Heavy weight, 5 inches high

d. Finish: ANSI A8112 steel with steel pin.

Passage Set: Schlage L Series Mortise L9010 17A. Finish: 630, US32D, Satin Stainless steel.
Wall stop: IVES WS406/407CVX, Finish: 630/US32D Satin stainless steel.
Armor plate, automatic door bottom, and threshold.

Pairs of lab doors: same as lab doors above, except provide:

a. Coordinator by IVES, COR X FL, Finish: 628/US28, “Stain aluminum, clear coated.

b. Closers: LCN 1460 series, Finish 630, US32D, Satin Stainless steel.

For solid core wood service doors (Janitor, IT, Electric, etc.):

Hinges: Three-knuckle, concealed bearing hinges.

a. Manufactures: Ives 3CB Series

b. Doors up to 36 inches wide: Standard weight, 4-1/2 inches high

c. Finish: ANSI A8112 steel with steel pin.

Storeroom Set: Schlage L Series Mortise L9080 T, 17A. Finish: 630, US32D, Satin Stainless steel.

Wall stop: IVES WS406/407CVX, Finish: 630/US32D Satin stainless steel.

Armor plate, perimeter seals.

For Hollow Metal service doors:

Hinges: Three-knuckle, concealed bearing hinges.

a. Manufactures: Ives 3CB Series

b. Finish: ANSI A8112 steel with steel pin.

Storeroom Set: Schlage L Series Mortise L9080 T, 17A. Finish: 630, US32D, Satin Stainless steel.
Wall stop: IVES WS406/407CVX, Finish: 630/US32D Satin stainless steel. Coordinator by IVES, COR X FL, Finish: 628/US28, “Stain aluminum, clear coated.
Closers: LCN 1460 series, Finish 630, US32D, Satin Stainless steel.

Armor plate, astragal, perimeter seals, and thresholds as applicable.

3.0 CEILINGS

3.1 ACOUSTICAL CEILINGS

Private Offices & Conference Rooms: Ceilings shall be 2" x 2" ¾%" Armstrong, Ultima Tegular Fine Texture, Color: White. Glass-fiber based panels to be Type IV mineral based with membrane-faced overlay; form 2, water felted with vinyl overlay on face and back of panel. Performance characteristics to meet the following:

a. LR: Not less than 0.90.

b. NRC: Not less than 0.70.

Acoustical panels are treated with manufacturer's standard antimicrobial formulation that inhibits fungus, mold, mildew, and gram-positive and gram-negative bacteria.
Suspension system: Armstrong Silhouette Narrow 9/16" with ¼" reveal; Color: White.

At Offices and Conference rooms: sound batt insulation shall be installed/laid-in above the grid ceiling system.

3.2 VINYL-FACED CEILINGS

Lab Areas: Ceilings shall be 2" x 4" x ½" Certainteed Saint-Gobain, Vinylrock (#1140 CRF-1), Color: White. Vinyl-faced panels shall be Clean Room 5 compatible; high density, ceramic and mineral base panels with scrubbable finish, resistant to heat, moisture, and corrosive fumes, and sag and mold resistant; with a CAC= 40 and a LR=0.78.

Suspension system: Certainteed Saint-Gobain 15/16" trim edge (square); Color: White

3.3 GYPSUM WALLBOARD SOFFITS

Conference rooms, Break Areas, etc.: Gypsum wallboard soffits shall be constructed with 3 5/8" x 20 gauge unpunched metal studs at 16" O.C., with 5/8" gypsum wallboard placed on exterior side of studs. Gypsum wallboard shall be taped and finished with joint compound to a Level 4 finish.

4.0 LIGHTING FIXTURES

4.1 Light Levels in the building are specified at 3,500 Kevin.

4.2 Lab area light fixtures shall be: recessed 4" wide linear LED type by Nulite Lighting, Regolo 4 LED RG4.

4.3 Office areas shall utilize the lab area light fixtures and also employ 9" round X 18" tall Pendants by Cooper Lighting (LSR8A)

4.4 Lab Support rooms shall have recessed 2'x4' LED fixtures.

4.5 All lighting shall have Title 24 compliant lighting controls and sensors.

5.0 FINISHES

5.1 CARPET

a. Manufacturers: Mannington, Tandas-Centiva.

b. Product Size: As indicated on drawings. 6' Roll Power-bond, 24" x 24" carpet tile, 12" x 48" carpet plank; varies per Finish Option

c. Backing: Per manufacturer's recommendation

d. Face Weight: 24 oz./sq. yd. may vary per Finish Option

e. Pile Height Average: 0.106 inch may vary per Finish Option

f. Fiber System: Textured Pattern Loop, Invista Antron Lumena Type 6 Hollow Filament Nylon with Permanent Stain and Bleach Protection, Static Control

g. Soil/Stain Protection: Suratech or equivalent

5.2 CERAMIC TILE

a. Manufacturer: Daltile

b. Composition: Vitreous, impervious natural clay, or porcelain

c. Face Size: Per Drawings

d. Face Size Variation: Calibrated or rectified

e. Thickness: Manufacturers standard

f. Dynamic Coefficient of Friction: Not less than 0.42.

g. Trim Units: Coordinated with sizes and coursing of adjoining flat tile where applicable and matching characteristics of adjoining flat tile. Architect to select from manufacturer’s full range.

5.3 VINYL COMPOSITION TILE (Lab Areas)

a. Manufacturer: Armstrong World Industries, Inc.

b. Tile Standard: ASTM F 1066, Class 1, solid-color

c. Thickness: 0.125 inches

d. Size: 12 by 12 inches and 12 by 24 inches. As indicated on Drawings.

e. Patterns/Design: as indicated on the Drawings.

5.4 LUXURY VINYL TILE (Break Rooms)

a. Manufacturer: Floorfolio, Striations

b. Tile Standard: ASTM F 1700, Class 3, Type B

c. Thickness: 22 mm, heavy commercial

d. Size: As indicated on drawings

e. Patterns/Design: as indicated on the Drawings.

5.5 BASE

a. Manufacturer: Johnsonite

b. Product Standard: ASTM F 1861, Type TP (rubber, thermoplastic).

1. Group: I (solid, homogeneous).
2. Style and Location: As indicated.

c. Thickness: 0.125 inch

d. Height: 4” high

e. Lengths: Coils in manufacturer’s standard length. Pre-cut lengths are not acceptable.

f. Outside Corners: Job formed or preformed.

g. Inside Corners: Job formed or preformed.

5.6 CORNER GUARDS

Shall be installed at locations determined that could be high-traffic corners; they shall be 18 gauge, #4 finish, type 304 Stainless Steel 3” X 3” and adhered per detailing.

5.7 PAINT

All walls shall receive (2) coats of Sherwin Williams, Eggshell Finish; Color: As indicated on drawings. Designated walls shall receive accent paints, choice of Sherwin Williams, Eggshell Finish, Color: As indicated on drawings.

All ceilings and open to structure areas to receive (2) coats of Sherwin Williams, Flat Finish; Color: As indicated on drawings.

6.0 WINDOW TREATMENT

None. Building was retrofitted with all new exterior glazing system, by View Glass, a special insulated glazing system with integral low voltage tinting, managed by a computer system, to provide room darkening at different points throughout the day. No additional window coverings are being provided or necessary.

7.0 MISCELLANEOUS

7.1 SIGNAGE

One building standard suite number and name plaque per entry door. Restroom signage.

7.2 CODE-REQUIRED NON-ILLUMINATED EXIT SIGNAGE

Building exit route and exit signage with Braille as required per Code

7.3 ILLUMINATED EXIT SIGNS

Lithonia (or Isolite equal) ceiling mounted illuminated Edge Lit Series with single face universal mount, with universal arrows & red letters.

8.0 BREAKROOM CABINETRY

Cabinetry: Plastic laminate base cabinetry with base cabinets and upper cabinets. Plastic laminated base and uppers: Wilsonart, Designer white #D354-01 (gloss finish). Provide PVC edge banding (0.018 to match plastic laminate)

Solid surface counter tops and splash: Livingstone L104 Brisk with glass mosaic tile back splash

Plumbing Fixtures: Sink is to be single bowl stainless steel, undercounter mount, ADA depth, with a ADA single handle deck mounted kitchen faucet with gooseneck spout. Casework to accommodate a Front Approach as defined by the Code, doors shall have integral kicks with base and valves and pipes shall have vinyl protective bibbs.

9.0 LABORATORY CASEWORK AND FUME HOODS

9.1 Casework: Labs shall be furnished with modular, mobile metal laboratory casework manufactured by iLab, Inc. Standard countertop height is +37" AFF; with a mixture of 2/3's being fixed height, and 1/3 being manually adjustable height, in general.

Modular mobile pedestals shall be 50% drawer & door and 50% all drawers, and there shall be one (1) provided per each modular bench or table.

Countertops shall be 1" thick chemical resistant epoxy/phenolic resin: Trespa TopLab Plus, by Trespa; color: Slate Grey.

All lab casework shall be 18 gauge/20 gauge cold rolled steel complying with ASTM A 1008/A 1008M with powder coated finish, color: "E-9132 Appliance White".

All hardware shall be brushed aluminum flush style finish.

Island benches shall be pre-piped for Compressed Air and Lab Vacuum with quick disconnect connections located above the ceiling.

Benches with sinks shall have a single basin epoxy sink (25" x 15" x 10" deep). Sink cabinets shall have a hot and cold water mixing faucet with a counter mounted eyewash. Sinks at island benches shall have a stainless-steel glassware pegboard with drip tray and drain hose. At least one (1) lab sink per "lab area" shall be ADA height (+34" AFF), to meet the Code-required "SIDE APPROACH". Benches shall be pre-wired with factory installed single channel raceways for normal and standby power. Typical power design at island benches is as follows:

a. 8' Benches: Provide (1) 20 amp. normal power circuit & (1) 20 amp. standby power circuit;

b. 14', 16,' & 18' Benches: Provide (2) 20 amp. normal power circuits & (1) 20 amp. standby power circuit;

c. 20', 22,' & 24' Benches: Provide (3) 20 amp. normal power circuits & (1) 20 amp. standby power circuit;

Receptacles shall be GFI at wet benches and color coded for normal (grey) and emergency (red) power uses. Cover plates shall be brushed stainless steel. All receptacles shall be labelled with black text for normal power and red text for standby power.

9.2 Fume Hoods: Fume Hoods shall be 6' wide, bench top hoods with a combination sash. Hoods shall be factory pre-piped and pre-wired for Vacuum, Compressed Air and a normal power duplex at each post. Hoods shall be provided with (1) acid and (1) self-closing flammable storage cabinet bases.

SCHEDULE 2

CONSTRUCTION BACK-UP ITEMS

- General Contractor G702/703 - signed
- Subcontractor G702/703 or equivalent for each sub (Copies of signed & notarized)
- Copies of executed Change Orders or executed Schedule of Valves ("**SOV**") change authorizations (pre GMP)
- Unconditional Lien Releases from GC and Subs for prior payment (Civil Code § 8134)
- Unconditional Lien Releases from the General Contractor for payment request (Civil Code § 8134)
- Conditional Lien Releases from GC and Subs for payment request (Civil Code § 8132)
- Releases from suppliers of materials or equipment of any purchase money security interests
- Stored Material Inventory with appropriate backup (bills of sale, evidence of insurance {with Owner as Certificate Holder and standard additional insureds}, confirmation of location, Affidavit, etc.)
- Change Order Log (need to include all pending change orders and status tracking)
- Clarification of self-performed vs. subcontracted work
- Job Cost Activity or similar tracking of GC general conditions costs
- List of all subcontractors
- List of contracts/subcontracts entered into since the last request
- Changes to SOV Values must be authorized by Owner either through an executed Change Order or an executed letter of authorization (pre GMP). Payapps submitted with unauthorized SOV changes on G703's will not be accepted.

The General Contractor shall provide all items to Landlord's Representative directly.

SCHEDULE 3

TENANT'S INITIAL SPACE PLAN

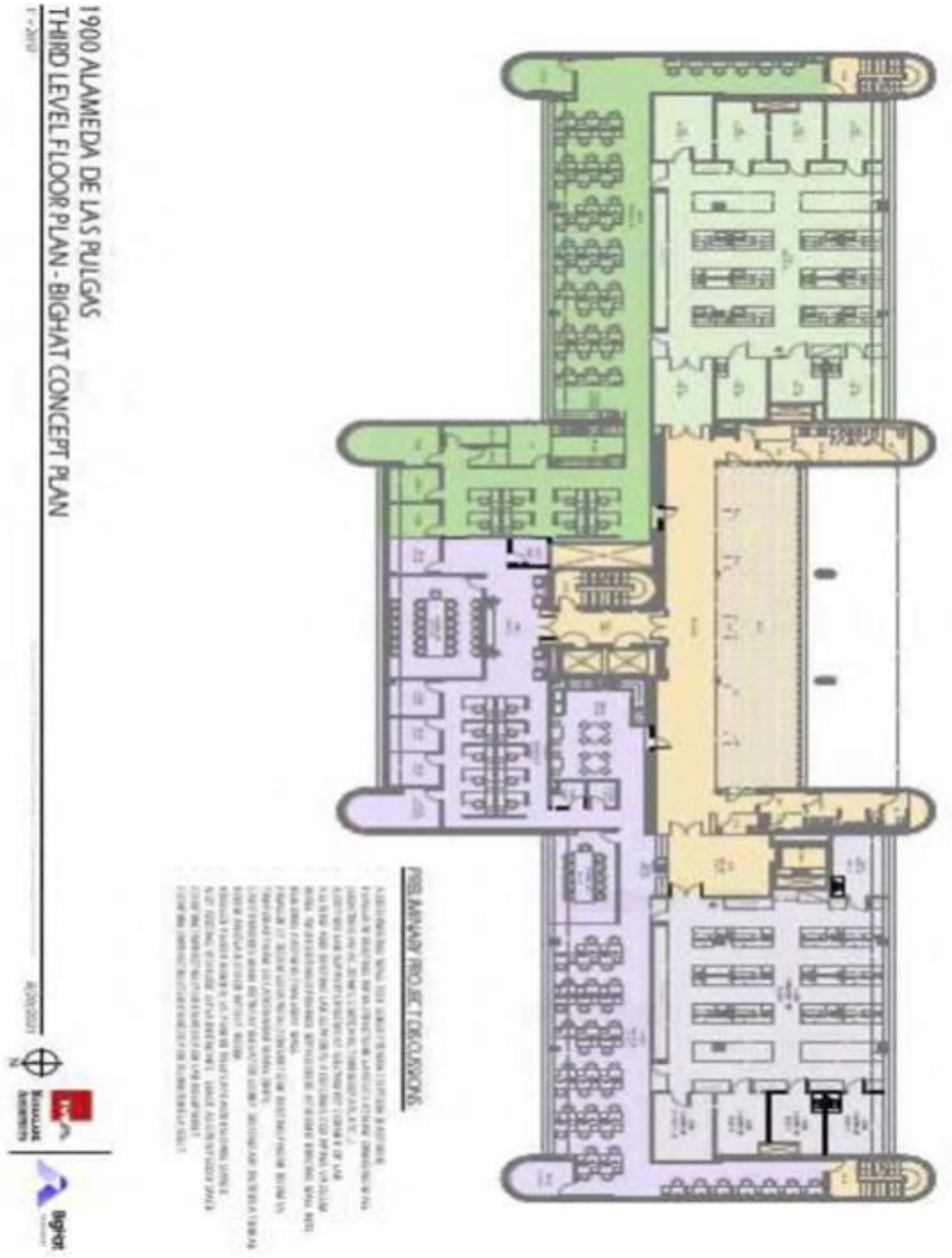


EXHIBIT C

CONFIRMATION OF LEASE TERMS/AMENDMENT TO LEASE

This CONFIRMATION OF LEASE TERMS/AMENDMENT TO LEASE ("**Confirmation/Amendment**") is made and entered into effective as of _____, 20__, by and between BP3-SF6 1900 ADLP LLC, a Delaware limited liability company ("**Landlord**") and BIGHAT BIOSCIENCES, INC., a Delaware corporation ("**Tenant**").

R E C I T A L S :

A. Landlord and Tenant entered into that certain Lease dated as of _____ (the "**Lease**") pursuant to which Landlord leased to Tenant and Tenant leased from Landlord certain "Premises", as described in the Lease, in that certain building located at _____, _____, California _____.

B. Except as otherwise set forth herein, all capitalized terms used in this Amendment shall have the same meaning as such terms have in the Lease.

C. Landlord and Tenant desire to amend the Lease to confirm the commencement and expiration dates of the term, as hereinafter provided.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Confirmation of Dates. The parties hereby confirm that the term of the Lease commenced as of _____ (the "**Lease Commencement Date**") for a term of _____ ending on _____ (unless sooner terminated as provided in the Lease). Tenant shall commence to pay rent on _____, 20__ ("**Rent Commencement Date**").

2. No Further Modification. Except as set forth in this Confirmation/Amendment, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect.

[Remainder of Page Intentionally Left Blank; Signatures Follow]

IN WITNESS WHEREOF, this Confirmation/Amendment has been executed as of the day and year first above written.

"**Landlord**":

BP3-SF6 1900 ADLP LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

"**Tenant**":

BIGHAT BIOSCIENCES, INC.,
a Delaware corporation

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

EXHIBIT D

RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations and the Parking Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations and/or the Parking Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building and/or the Project.

1. Tenant shall not place any lock(s) on any door, or install any security system (including, without limitation, card key systems, alarms or security cameras), in the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, and Landlord shall have the right to retain at all times and to use keys or other access codes or devices to all locks and/or security systems within and to the Premises. A reasonable number of keys to the locks on the entry doors of the Premises shall be furnished by Landlord to Tenant at Tenant's cost, and Tenant shall not make any duplicate keys. All keys shall be returned to Landlord at the expiration or earlier termination of the Lease. Further, if and to the extent Tenant re-keys, re-programs or otherwise changes any locks in or for the Premises, all such locks and key systems must be consistent with the master lock and key system at the Building, all at Tenant's sole cost and expense.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises, unless electrical hold backs have been installed. Sidewalks, doorways, passages, entrances, vestibules, halls, stairways and other Common Areas shall not be obstructed by Tenant or used by Tenant for any purpose other than ingress and egress to and from the Premises, and Tenant, its employees and agents shall not loiter in the entrances or corridors.

3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the vicinity of the Building. Tenant and its employees and agents shall ensure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building register when so doing. After-hours access by Tenant's authorized employees may be provided by hard-key, card-key access or other procedures adopted by Landlord from time to time; Tenant shall pay for the costs of all access cards provided to Tenant's employees and all replacements thereof for lost, stolen and/or damaged cards. Access to the Building and/or the Project may be refused unless the person seeking access has proper identification or has a previously arranged pass for such access. Landlord and its agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building and/or the Project of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building and/or the Project during the continuance of same by any means it deems appropriate for the safety and protection of life and property.

4. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. All damage done to any part of the Building, its contents, occupants and/or visitors by moving or maintaining any such safe or other property shall be the sole responsibility of Tenant and any expense of said damage or injury shall be borne by Tenant.

5. No furniture, freight, packages, supplies, equipment or merchandise will be brought into or removed from the Building or carried up or down in the elevators, except upon prior notice to Landlord, and in such manner, in such specific elevator, and between such hours as shall be designated by Landlord. Tenant shall provide Landlord with not less than 24 hours' prior notice of the need to utilize an elevator for any such purpose, so as to provide Landlord with a reasonable period to schedule such use and to install such padding or take such other actions or prescribe such procedures as are appropriate to protect against damage to the elevators or other parts of the Building. Tenant shall assume all risk for damage to articles moved and injury to any persons resulting from such activity described herein. If equipment, property, or personnel of Landlord or of any other party is damaged or injured as a result of or in connection with such activity described herein, Tenant shall be solely liable for any resulting damage or loss.

6. Landlord shall have the right to control and operate the public portions of the Building and Project, the public facilities, the heating and air conditioning, and any other facilities furnished for the common use of tenants, in such manner as is customary for comparable buildings in the vicinity of the Building.

7. No signs, advertisements or notices shall be painted or affixed to windows, doors or other parts of the Building, except those of such color, size, style and in such places as are first approved in writing by Landlord. Landlord shall have the right to remove any signs, advertisements, and notices not approved in writing by Landlord without notice to and at the expense of Tenant. Landlord may provide and maintain in the first floor (main lobby) of the Building an alphabetical directory board or other directory device listing tenants, and no other directory shall be permitted unless previously consented to by Landlord in writing.

8. The requirements of Tenant will be attended to only upon application at the management office of the Project or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instruction from Landlord.

9. Tenant shall not disturb (by use of any television, radio or musical instrument, making loud or disruptive noises, creating offensive odors or otherwise), solicit, or canvass any occupant of the Building and/or the Project and shall cooperate with Landlord or Landlord's agents to prevent same.

10. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or invitees, shall have caused it.

11. Tenant shall not overload the floor of the Premises. Tenant shall not mark, drive nails or screws, or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof without Landlord's consent first had and obtained; provided, however, Landlord's prior consent shall not be required with respect to Tenant's placement of pictures and other normal office wall hangings on the interior walls of the Premises (but at the end of the Lease Term, Tenant shall repair any holes and other damage to the Premises resulting therefrom).

12. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines of any description other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord. Tenant shall not install, operate or maintain in the Premises or in any other area of the Building, electrical equipment that would overload the electrical system beyond its capacity for proper, efficient and safe operation as determined solely by Landlord.

13. Tenant shall not use any method of heating or air conditioning other than that which may be supplied by Landlord, without the prior written consent of Landlord. Tenant shall not furnish cooling or heating to the Premises, including, without limitation, the use of electronic or gas heating devices, portable coolers (such as “move n cools”) or space heaters, without Landlord’s prior written consent, and any such approval will be for devices that meet federal, state and local code.

14. No inflammable, explosive or dangerous fluids or substances shall be used or kept by Tenant in the Premises, Building and/or about the Project, except for those substances as are typically found in similar premises used for general office and/or laboratory purposes and are being used by Tenant in a safe manner and in accordance with all applicable Laws, rules and regulations. Tenant shall not, without Landlord’s prior written consent, use, store, install, spill, remove, release or dispose of, within or about the Premises or any other portion of the Project, any asbestos-containing materials or any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq. or any other applicable environmental Laws which may now or later be in effect. Tenant shall comply with all Laws pertaining to and governing the use of these materials by Tenant, and shall remain solely liable for the costs of abatement and removal.

15. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building and/or the Project by reason of noise, odors, or vibrations, or interfere in any way with other tenants or those having business therewith.

16. Tenant shall not bring into or keep within the Project, the Building or the Premises any animals (except those assisting handicapped persons), birds, fish tanks, bicycles (provided Landlord has provided adequate bike racks) or other vehicles.

17. Tenant shall not use or occupy the Premises in any manner or for any purpose which might injure the reputation or impair the present or future value of the Premises, the Building and/or the Project. Tenant shall not use, or permit any part of the Premises to be used, for lodging, sleeping or for any illegal purpose.

18. No cooking shall be done or permitted by Tenant on the Premises, nor shall the Premises be used for the storage of merchandise or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters’ laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations, and does not cause odors which are objectionable to Landlord and other tenants. Whenever possible, Tenant shall utilize and purchase Energy Star products in their suites. Tenant understands the importance of energy conservation and sustainability to both the Landlord and the Project, and will assist in conserving energy in their suite with regards to practices and equipment.

19. Landlord will approve where and how telephone, Internet and other cabling are to be introduced to the Premises. No boring or cutting for wires shall be allowed without the consent of Landlord. The location of telephone, Internet, intercom, and other office equipment and/or systems affixed to the Premises shall be subject to the approval of Landlord. Tenant shall not use more than its proportionate share of telephone lines and other telecommunication facilities available to service the Building. At Landlord’s election, Tenant shall remove some or all cabling from the Premises on or prior to expiration of the Lease.

20. Landlord reserves the right to exclude or expel from the Building and/or the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations or cause harm to Building occupants and/or property.

21. All contractors, contractor's representatives and installation technicians performing work in the Building or at the Project shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld, and shall be required to comply with Landlord's standard rules, regulations, policies and procedures, which may be revised from time to time.

22. Tenant shall not employ any person other than the janitor of Landlord for the purpose of cleaning the Premises without prior written consent of Landlord. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness.

23. Tenant shall only employ persons from a list of exclusive vendors selected by Landlord for the removal of hazardous waste materials from the Building and the Project without prior written consent of Landlord.

24. Tenant at all times shall maintain the entire Premises in a neat and clean, first class condition, free of debris. Tenant shall not place items, including, without limitation, any boxes, files, trash receptacles or loose cabling or wiring, in or near any window to the Premises which would be visible anywhere from the exterior of the Premises.

25. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, including, without limitation, the use of window blinds to block solar heat load, and shall refrain from attempting to adjust any controls, dampers, or ductwork. Tenant shall comply with and participate in any program for metering or otherwise measuring the use of utilities and services, including, without limitation, programs requiring the disclosure or reporting of the use of any utilities or services. Tenant shall also cooperate and comply with, participate in, and assist in the implementation of (and take no action that is inconsistent with, or which would result in Landlord, the Building and/or the Project failing to comply with the requirements of) any conservation, sustainability, recycling, energy efficiency, and waste reduction programs, environmental protection efforts and/or other programs that are in place and/or implemented from time to time at the Building and/or the Project, including, without limitation, any required reporting, disclosure, rating or compliance system or program (including, but not limited to, any LEED [Leadership in Energy and Environmental Design] rating or compliance system, including those currently coordinated through the U.S. Green Building Council).

26. Tenant shall store all its recyclables, trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of recyclables, trash and garbage in the city in which the Project is located without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.

27. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

28. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed, when the Premises are not occupied, or when the entry to the Premises is not manned by Tenant on a regular basis.

29. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises without the prior written consent of Landlord. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills. All electrical ceiling fixtures hung in offices or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and bulb color approved by Landlord.

30. The washing and/or detailing of or, the installation of windshields, radios, telephones in or general work on, automobiles shall not be allowed on the Project, except under specific arrangement with Landlord.

31. Food vendors shall be allowed in the Building upon receipt of a written request from Tenant delivered to Landlord; provided, however, no consent is required for food deliveries. The food vendor shall service only the tenants that have a written request on file in the management office of the Project. Under no circumstance shall the food vendor display their products in a public or Common Area including corridors and elevator lobbies. Any failure to comply with this rule shall result in immediate permanent withdrawal of the vendor from the Building. Tenant shall obtain ice, drinking water, linen, barbering, shoe polishing, floor polishing, cleaning, janitorial, plant care or other similar services only from vendors who have registered in the management office of the Project and who have been approved by Landlord for provision of such services in the Premises.

32. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

33. Tenant shall comply with any non-smoking ordinance adopted by any applicable governmental authority. Neither Tenant nor its agents, employees, contractors, guests or invitees shall smoke or permit smoking in the Premises and/or the Common Areas, unless the Common Areas have been declared a designated smoking area by Landlord, nor shall the above parties allow smoke from the Premises to emanate into the Common Areas or any other part of the Building. Landlord shall have the right to designate the Building (including the Premises) as a non-smoking building.

34. Tenant shall not take any action which would violate Landlord's labor contracts or which would cause a work stoppage, picketing, labor disruption or dispute, or interfere with Landlord's or any other tenant's or occupant's business or with the rights and privileges of any person lawfully in the Building ("Labor Disruption"). Tenant shall take the actions necessary to resolve the Labor Disruption, and shall have pickets removed and, at the request of Landlord, immediately terminate any work in the Premises that gave rise to the Labor Disruption, until Landlord gives its written consent for the work to resume, and Tenant shall have no claim for damages against Landlord or any of its trustees, members, principals, beneficiaries, partners, officers, directors, employees, mortgagees, or agents in connection therewith.

35. No tents, shacks, temporary or permanent structures of any kind shall be allowed on the Project. No personal belongings may be left unattended in any Common Areas.

36. Landlord shall have the right to prohibit the use of the name of the Building or Project or any other publicity by Tenant that in Landlord's sole opinion may impair the reputation of the Building or Project or the desirability thereof. Upon written notice from Landlord, Tenant shall refrain from and discontinue such publicity immediately.

37. Landlord shall have the right to designate and approve standard window coverings for the Premises and to establish rules to assure that the Building presents a uniform exterior appearance. Tenant shall ensure, to the extent reasonably practicable, that window coverings are closed on windows in the Premises while they are exposed to the direct rays of the sun.

38. The work of cleaning personnel shall not be hindered by Tenant after 6:00 p.m. Windows, doors, fixtures, and common areas may be cleaned at any time.

39. Tenant shall comply with all Building security procedures as Landlord may effectuate.

40. Tenant shall at all times cooperate with Landlord in preserving a first-class image for the Building.

PARKING RULES AND REGULATIONS

1. Landlord reserves the right to establish and reasonably change the hours for the Parking Areas, on a non-discriminatory basis, from time to time. Tenant shall not store or permit its employees to store any automobiles in the Parking Areas without the prior written consent of Landlord (and/or the Parking Operator, as the case may be). Except for emergency repairs, Tenant and its employees shall not perform any work on any automobiles while located in the Parking Areas or on the Project. The Parking Areas may not be used by Tenant or its agents for overnight parking of vehicles except while Tenant's personnel are traveling. If it is necessary for Tenant or its employees to leave an automobile in the Parking Areas overnight, Tenant shall provide Landlord (or the Parking Operator as the case may be) with prior notice thereof designating the license plate number and model of such automobile.

2. Tenant (including Tenant's employees and agents) will use the parking spaces solely for the purpose of parking passenger model cars, small vans and small trucks and will comply in all respects with any rules and regulations that may be promulgated by Landlord and/or the Parking Operator from time to time with respect to the Parking Areas.

3. Vehicles must be parked entirely within the stall lines painted on the ground, and only cars that fit comfortably in compact spaces may be parked in areas reserved for compact cars.

4. All directional signs and arrows must be observed.

5. The speed limit shall be 5 miles per hour.

6. Parking spaces reserved for handicapped persons must be used only by vehicles properly designated.

7. Parking is prohibited in all areas not expressly designated for parking, including without limitation:

(a) areas not striped for parking;

(b) aisles;

(c) where "no parking" signs are posted;

(d) ramps; and

(e) loading zones.

8. Parking stickers, key cards and any other devices or forms of identification or entry supplied by Landlord or the Parking Operator shall remain the property of Landlord (or the Parking Operator as the case may be). Such device must be displayed as requested and may not be mutilated in any manner. The serial number of any such parking identification device may not be obliterated. Any parking passes and/or devices supplied by Landlord (or the Parking Operator, as the case may be) are not transferable and any pass or device in the possession of an unauthorized holder will be void.

9. Parking managers or attendants are not authorized to make or allow any exceptions to these Parking Rules and Regulations.

10. Every parker is required to park and lock his/her own car.

11. Loss or theft of parking passes, identification, key cards or other such devices must be reported to Landlord (and/or to the Parking Operator as the case may be) immediately. Any parking devices reported lost or stolen found on any authorized car will be confiscated and the illegal holder will be subject to prosecution. Lost or stolen passes and devices found by Tenant or its employees must be reported to Landlord (and to the Parking Operator, as the case may be) immediately.

12. Washing, waxing, cleaning or servicing of any vehicle by the customer and/or its agents is prohibited.

13. Tenant agrees to acquaint all persons to whom Tenant assigns a parking space with these Parking Rules and Regulations.

14. Neither Landlord nor the Parking Operator (as the case may be), from time to time will be liable for loss of or damage to any vehicle or any contents of such vehicle or accessories to any such vehicle, or any property left in any of the Parking Areas, resulting from fire, theft, vandalism, accident, conduct of other users of the Parking Areas and other persons, or any other casualty or cause. Further, Tenant understands and agrees that: (i) Landlord will not be obligated to provide any traffic control, security protection or Parking Operator for the Parking Areas; (ii) Tenant uses the Parking Areas at its own risk; and (iii) Landlord will not be liable for personal injury or death, or theft, loss of or damage to property. Tenant indemnifies and agrees to hold Landlord, any Parking Operator and their respective agents and employees harmless from and against any and all claims, demands, and actions arising out of the use of the Parking Areas by Tenant and its employees and agents, whether brought by any of such persons or any other person.

15. Tenant will ensure that any vehicle parked in any of the parking spaces will be kept in proper repair and will not leak excessive amounts of oil or grease or any amount of gasoline. If any of the parking spaces are at any time used (i) for any purpose other than parking as provided above, (ii) in any way or manner reasonably objectionable to Landlord, or (iii) by Tenant after default by Tenant under the Lease, Landlord, in addition to any other rights otherwise available to Landlord, may consider such default an event of default under the Lease.

16. Tenant’s right to use the Parking Areas will be in common with other tenants of the Building and with other parties permitted by Landlord to use the Parking Areas. Landlord reserves the right to assign and reassign, from time to time, particular parking spaces for use by persons selected by Landlord, provided that Tenant’s rights under the Lease are preserved. Landlord will not be liable to Tenant for any unavailability of Tenant’s designated spaces, if any, nor will any unavailability entitle Tenant to any refund, deduction, or allowance. Tenant will not park in any space designated as: RESERVED, HANDICAPPED, VISITORS ONLY, or LIMITED TIME PARKING (or similar designation).

17. If the Parking Area(s) is/are damaged or destroyed, or if the use of the Parking Area(s) is/are limited or prohibited by any governmental authority, or the use or operation of the Parking Area(s) is/are limited or prevented by strikes or other labor difficulties or other causes beyond Landlord's reasonable control, Tenant's inability to use the parking spaces will not subject Landlord (and/or the Parking Operator, as the case may be) to any liability to Tenant and will not relieve Tenant of any of its obligations under the Lease and the Lease will remain in full force and effect. Tenant will pay to Landlord upon demand, and Tenant indemnifies Landlord against, any and all loss or damage to the Parking Areas, or any equipment, fixtures, or signs used in connection with the Parking Areas and any adjoining buildings or structures caused by Tenant or any of its employees and agents.

18. Tenant has no right to assign or sublicense any of its rights in the parking passes, except as part of a permitted assignment or sublease of the Lease; however, Tenant may allocate the parking passes among its employees.

Tenant shall be responsible for the observance of all of the Rules and Regulations and Parking Rules and Regulations in this **Exhibit D** by Tenant's employees, agents, clients, customers, invitees and guests. Landlord may waive any one or more of the Rules and Regulations and/or Parking Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations and/or Parking Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules or Regulations and/or Parking Rules and Regulations against any or all tenants of the Building and/or the Project. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations and/or the Parking Rules and Regulations, or to make such other and further reasonable Rules and Regulations and/or Parking Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building and Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Tenant shall be deemed to have read these Rules and Regulations and Parking Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

COMMON AREA AMENITIES

1. Tenant understands that Landlord may provide certain common area amenities for Tenant's non-exclusive use. Such amenities are for the use of tenants during regular business hours and shall be reserved through the management office in advance. Tenant and Tenant's agents, employees and invitees shall adhere to all rules Landlord sets forth in respect to use of the amenities, which may change from time to time.

2. Tenant understands and agrees that: (i) Tenant uses the amenities at its own risk; and (ii) Landlord will not be liable for personal injury or death, or theft, loss of or damage to property. Tenant indemnifies and agrees to hold Landlord and its agents and employees harmless from and against any and all claims, demands, and actions arising out of the use of the amenities by Tenant and its agents, employees and invitees, whether brought by any of such persons or any other person.

3. All amenities offered shall remain at the locations designated by Landlord all times. Tenant must use the equipment only in the manner intended. Subject to Landlord's obligations as set forth in the Lease, Landlord reserves the right to limit Tenant's use of any equipment or amenities to ensure the equitable use of the equipment and amenities by all tenants. Tenant shall not move or modify the equipment in any manner whatsoever. If Tenant has reason to believe that any equipment is malfunctioning, Tenant shall notify Landlord immediately.

4. Tenant shall be responsible for the cost or repairs or replacements of any amenities that are not returned to management after use or are damaged during the use of any such amenity by Tenant or Tenant's agents, employees or invitees and Tenant shall reimburse Landlord for any such cost within thirty (30) days after receipt of an invoice therefor.

5. Tenant shall conduct themselves in a quiet and well-mannered fashion when on or about the amenities and not cause any disturbances or interfere with the use or enjoyment of the amenities by other tenants.

6. No alcoholic beverages shall be permitted at the amenities at any time.

7. Neither Tenant nor its agents, employees or invitees shall smoke or permit smoking in the amenity areas at any time.

FITNESS CENTER RULES

Tenant shall cause its employees to comply with the following Fitness Center rules and regulations (subject to change from time to time as Landlord may solely determine):

1. Only Tenant's employees are entitled to use the Fitness Center, and no guests will be permitted to use the Fitness Center.

2. Landlord shall determine in its sole discretion what hours the Fitness Center will be open (which shall not be less than 7 am - 7 pm each business day), and Fitness Center Users shall have no right to enter the Fitness Center at other times.

3. All Fitness Center Users must execute Landlord's waiver of liability prior to use of the Fitness Center and agree to all terms and conditions outlined therein. Landlord shall have the right from time to time to require Fitness Center Users to execute new waivers of liability.

4. All Fitness Center Users must have a pre-authorized keycard to enter the Fitness Center. Access keycards to the Fitness Center shall not be shared and shall only be used by the individual to whom such keycard is issued.

5. If a Fitness Center User violates these rules Landlord shall have the right to immediately and permanently prohibit the use of the Fitness Center by such Fitness Center User.

EXHIBIT E

FORM OF SUBORDINATION,
NON-DISTURBANCE AND ATTORNMENT AGREEMENT

After Recording, Return to:

Seyfarth Shaw, LLP
Two Seaport Lane, Suite 300
Boston, MA 02210-0228
Attn: Andrew M. Pearlstein, Esq.

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

This SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "**Agreement**") is made as of _____, 20__, by and between CITIZENS BANK, NATIONAL ASSOCIATION, a national banking association, whose address for notice under this Agreement is 28 State Street, MS1570, Boston, Massachusetts 02109, Attention: Alex Hofstetter, as Administrative Agent for itself and the other lenders holding an interest in the Loan (as hereinafter defined) from time to time (collectively, "**Lender**"), and BIGHAT BIOSCIENCES, INC., a Delaware corporation, whose address for notice under this Agreement is 33 Industrial Road, San Carlos, CA 94070, Attention: Business Operations, before it relocates to the Premises and the Premises, Attention: Business Operations, after it relocates to the Premises ("**Tenant**").

Statement of Background

A. Lender has made a loan (the "**Loan**") to BP3-SF6 1900 ADLP LLC, a Delaware limited liability company ("**Landlord**"), which is evidenced by one or more promissory notes (collectively, the "**Note**") made by Landlord to order of Lender and is secured by, among other things, a mortgage/deed of trust/debt to secure debt, security agreement, assignment of rents and leases and fixture filing (the "**Security Instrument**") made by Landlord for the benefit of Lender covering the land (the "**Land**") described on **Exhibit A** attached hereto and all improvements (the "**Improvements**") now or hereafter located on the Land (the Land and the Improvements hereinafter collectively referred to as the "**Property**").

B. Tenant is the tenant or lessee under a lease dated as of [_____] (which lease, as the same may have been amended and supplemented as of the date hereof, is hereinafter called the "**Lease**"), covering approximately [_____] square feet of space located in the Improvements (the "**Premises**"). Landlord holds all rights of landlord or lessor under the Lease.

C. The parties hereto desire to make the Lease subject and subordinate to the Security Instrument in accordance with the terms and provisions of this Agreement.

Statement of Agreement

For and in consideration of the mutual covenants herein contained and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and notwithstanding anything in the Lease to the contrary, it is hereby agreed as follows:

1. Lender, Tenant and Landlord do hereby covenant and agree that the Lease with all rights, options (including options to acquire or lease all or any part of the Premises), liens and charges created thereby, is and shall continue to be subject and subordinate in all respects to the Security Instrument and to any renewals, modifications, consolidations and extensions thereof and to all advancements made thereunder.

2. Lender does hereby agree with Tenant that, in the event Lender becomes the owner of the Premises by foreclosure, conveyance in lieu of foreclosure or otherwise, so long as Tenant is not in default under the Lease beyond applicable notice, grace and cure periods, if any, (a) the Lease shall continue in full force and effect as a direct Lease between the succeeding owner of the Property and Tenant, upon and subject to all of the terms, covenants and conditions of the Lease, for the balance of the term of the Lease, and Lender will not disturb the possession of Tenant, and (b) the Premises shall be subject to the Lease and Lender shall recognize Tenant as the tenant of the Premises for the remainder of the term of the Lease in accordance with the provisions thereof; provided, however, nothing contained herein shall prevent Lender from naming Tenant in any foreclosure or other action or proceeding initiated by Lender pursuant to the Security Instrument to the extent necessary under applicable law in order for Lender to avail itself of and complete the foreclosure or other remedy.

3. Tenant does hereby agree with Lender that, in the event Lender becomes the owner of the Premises by foreclosure, conveyance in lieu of foreclosure or otherwise, then Tenant shall attorn to and recognize Lender as the landlord under the Lease for the remainder of the term thereof, and Tenant shall perform and observe its obligations thereunder, subject only to the terms and conditions of the Lease. Tenant further covenants and agrees to execute and deliver upon request of Lender an appropriate commercially reasonable agreement of attornment to Lender and any subsequent titleholder of the Premises.

4. Tenant agrees that, in the event Lender succeeds to the interest of Landlord under the Lease, Lender shall not be:

(a) liable for any act or omission of any prior landlord (including, without limitation, the then defaulting Landlord) except to the extent Tenant shall have given notice to Lender pursuant hereto of such act or omission and such act or omission continues after the date Lender succeeds to the interest of Landlord under the Lease;

(b) subject to any defense or offsets (other than those offsets which may be expressly permitted by the Lease) which Tenant may have against any prior Landlord (including, without limitation, the then defaulting Landlord) except to the extent Tenant shall have given notice to Lender pursuant hereto of the state of facts or circumstances under which such offset or defense arose continue after the date Lender succeeds to the interest of Landlord under the Lease;

(c) bound by any payment of rent or additional rent which Tenant might have paid for more than one month in advance of the due date under the Lease to any prior Landlord (including, without limitation, the then defaulting Landlord) unless such prepayment is actually received by Lender;

(d) bound by any obligation to make any payment to Tenant which was required to be made prior to the time Lender succeeded to any prior Landlord’s interest unless such obligation was agreed upon by Landlord and Tenant in writing and consented to in writing by Lender, with Lender acknowledging such obligations;

(e) accountable for any monies deposited with any prior Landlord (including security deposits), except to the extent such monies are actually received by Lender; or

(f) bound by any surrender, termination, amendment or modification of the Lease made without the consent of Lender if such amendment or modification (i) reduces the amount of rent payable under the Lease, (ii) shortens the term of the Lease or (iii) materially increases the obligations of Landlord or decreases the obligations of Tenant under the Lease, unless such modification, amendment or waiver merely memorializes or gives effect to the exercise by Tenant of any express right which Tenant may have pursuant to the Lease as of the date hereof or which Tenant may hereafter acquire pursuant to any subsequent amendment of the Lease which is consented to in writing by Lender.

5. Tenant acknowledges that Landlord has executed and delivered to Lender an Assignment of Leases and Rents (the "**Assignment of Leases**"), which assigns the Lease and the rent and all other sums due thereunder to Lender as security for the Loan, and Tenant hereby expressly consents to such assignment. Tenant acknowledges that the interest of the Landlord under the Lease has been assigned to Lender solely as security for the purposes specified in said assignments, and Lender shall have no duty, liability or obligation whatsoever under the Lease or any extension or renewal thereof, either by virtue of said assignments or by any subsequent receipt or collection of rents thereunder, unless Lender shall specifically undertake such liability in writing or unless Lender or its designee or nominee becomes the fee owner of the Premises. Tenant further agrees that upon receipt of a written notice from Lender of a default by Landlord under the Loan, Tenant will thereafter, if requested by Lender, pay rent to Lender in accordance with the terms of the Lease. Landlord shall have no claim against Tenant for any amounts paid to Lender pursuant to any such notice.

6. Tenant hereby agrees to give to Lender copies of all notices of Landlord default(s) under the Lease in the same manner as Tenant shall give any such notice of default to Landlord, and no such notice of default shall be deemed given to Landlord unless and until a copy of such notice shall have been so delivered to Lender. Lender shall have the right to remedy any Landlord default under the Lease, or to cause any default of Landlord under the Lease to be remedied, and for such purpose Tenant hereby grants Lender such additional period of time as may be reasonable to enable Lender to remedy, or cause to be remedied, any such default in addition to the period given to Landlord for remedying, or causing to be remedied, any such default. Tenant shall accept performance by Lender of any term, covenant, condition or agreement to be performed by Landlord under the Lease with the same force and effect as though performed by Landlord. No Landlord default under the Lease shall exist or shall be deemed to exist (i) as long as Lender, in good faith, shall have commenced to cure such default within the above referenced time period and shall be prosecuting the same to completion with reasonable diligence, subject to force majeure, or (ii) if possession of the Premises is required in order to cure such default, or if such default is not susceptible of being cured by Lender, as long as Lender, in good faith, shall have notified Tenant that Lender intends to institute proceedings to have a receiver appointed under the Security Instrument, and, thereafter, as long as such proceedings shall have been instituted and shall be prosecuted with reasonable diligence. Lender shall have the right, without Tenant's consent, to foreclose the Security Instrument or to accept a deed in lieu of foreclosure or to exercise any other remedies under the Security Instrument, subject to Section 2 above.

7. Subject to Section 4(d) above, Lender shall have no obligation or incur any liability with respect to the construction or completion of the improvements in which the Premises are located or for completion of the Premises or any improvements for Tenant's use and occupancy

8. Tenant acknowledges, without limitation, that the subordinations provided hereby include a full and complete subordination by Tenant of any options it may have to purchase all or any portion of the Property, rights of first refusal or similar rights to purchase, whether such rights are provided in the Lease or elsewhere. Tenant hereby further agrees that any such option to purchase or right of first refusal to purchase shall be expressly inapplicable to any foreclosure of the Security Instrument or acquisition of the Property or any interest therein by Lender or any designee of Lender by conveyance in lieu thereof or similar transaction. In the event that Lender shall acquire title to the Premises or the Property, Lender shall

have no obligation, nor incur any liability, beyond the amount of Lender's then equity interest, if any, in the Property and all proceeds thereof, and Tenant shall look exclusively to the amount of such equity interest of Lender, if any, in the Property for the payment and discharge of any obligations or liability imposed upon Lender hereunder, under the Lease or under any new lease of the Premises.

9. If any portion or portions of this Agreement shall be held invalid or inoperative, then all of the remaining portions shall remain in full force and effect, and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion or portions held to be invalid or inoperative.

10. This Agreement shall be governed by and construed in accordance with the laws of the State in which the Property is located.

11. Lender shall not, either by virtue of the Security Instrument, the Assignment of Leases or this Agreement, be or become a mortgagee in possession or be or become subject to any liability or obligation under the Lease or otherwise until Lender shall have acquired the interest of Landlord in the Premises, by foreclosure or otherwise, and then, except to the extent expressly set forth in Section 4 above, such liability or obligation of Lender under the Lease shall extend only to those liability or obligations accruing subsequent to the date that Lender has acquired the interest of Landlord in the Premises as modified by the terms of this Agreement.

12. All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given if (a) mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested; (b) by delivering same in person to the intended addressee; or (c) by delivery to an independent third party commercial overnight delivery service for same day or next day delivery and providing for evidence of receipt at the office of the intended addressee. Notice so mailed shall be effective three (3) business days after its deposit with the United States Postal Service or any successor thereto; notice sent by a commercial delivery service shall be effective one (1) business day after delivery to such commercial delivery service; notice given by personal delivery shall be effective only if and when received by the addressee; and notice given by other means shall be effective only if and when received at the office or designated address of the intended addressee. For purposes of notice, the addresses of the parties shall be as set forth on the first page; provided, however, that every party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of ten (10) days' notice to the other parties in the manner set forth herein.

13. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, successors-in-title and assigns. When used herein, the term "**Landlord**" refers to Landlord and to any successor to the interest of Landlord under the Lease, and the term "**Lender**" refers to Lender and to any successor-in-interest of Lender under the Security Instrument.

14. This Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more additional signature pages.

[THE REMAINDER OF THE PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal to be effective as of the date set forth in the first paragraph hereof.

LENDER:

CITIZENS BANK, NATIONAL ASSOCIATION, a national banking association

By: _____
Name: _____
Title: _____

[CHANGE NOTARY FORM AS MAY BE REQUIRED]

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was ACKNOWLEDGED before me on the __ day of _____, 20__ by,_____, the _____ of CITIZENS BANK, NATIONAL ASSOCIATION, a national banking association, on behalf of said national banking association.

[S E A L]

_____
Notary Public, State of _____

My Commission Expires:

_____

_____
Printed Name of Notary Public

TENANT:

BIGHAT BIOSCIENCES, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

[CHANGE NOTARY FORM AS MAY BE REQUIRED]

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was ACKNOWLEDGED before me on _____, by_____, the _____ of _____, a _____, on behalf of said _____.

[S E A L]

_____
Notary Public, State of _____

My Commission Expires:

_____

_____
Printed Name of Notary Public

The undersigned Landlord hereby consents to the foregoing Agreement and confirms the facts stated in the foregoing Agreement.

LANDLORD:

BP3 SF6 1900 ADLP LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____)

County of _____)

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____(Seal)
Signature of Notary Public

[DELETE IF INAPPLICABLE] _____, as guarantor of the obligations of Tenant under the Lease, has executed this Agreement under seal for the purpose of acknowledging and consenting to the same and confirming to Lender the ongoing existence and enforceability of Guarantor's guaranty obligation.

GUARANTOR:

_____
Name: _____

[DELETE IF INAPPLICABLE] The undersigned, or holder of that certain Security Instrument entitled _____ _____, dated _____, hereby enters into this Agreement for the purpose of subordinating its interest in the Property and all improvements and fixtures thereon, to the interests of Lender. The foregoing shall be binding upon the undersigned to the same extent as the Tenant.

LEASEHOLD MORTGAGE LENDER:

By: _____
Name: _____
Title: _____

Exhibit A

PROPERTY LEGAL DESCRIPTION

Real property in the City of South San Francisco. County of San Mateo. State of California, described as follows:

PARCEL A:

PARCEL 1 AS SHOWN ON THAT CERTAIN MAP ENTITLED, “PARCEL MAP 08-0001, BEING A RESUBDIVISION OF PARCEL 1 AS SAID PARCEL IS SHOWN ON THAT CERTAIN MAP ENTITLED ‘PARCEL MAP 01-020’ FILED FOR RECORD ON MAY 19, 2006 IN BOOK 76 OF PARCEL MAPS AT PAGES 94 AND 95”, WHICH MAP WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE CITY OF SOUTH SAN FRANCISCO, COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON SEPTEMBER 18, 2008 IN BOOK 78 OF PARCEL MAPS, AT PAGES 67-68, INCLUSIVE.

PARCEL B:

NON-EXCLUSIVE EASEMENTS AS DESCRIBED AND GRANTED TO MYERS PENINSULA VENTURE, LLC, IN THAT CERTAIN AGREEMENT GRANTING EASEMENT RECORDED MARCH 1, 2007 AS INSTRUMENT NO. 2007-031676 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, CALIFORNIA;

PARCEL C:

NON-EXCLUSIVE EASEMENTS AS DESCRIBED AND AS GRANTED TO MYERS PENINSULA VENTL1RE, LLC IN THAT CERTAIN DECLARATION OF EASEMENTS RECORDED SEPTEMBER 18, 2008, AS INSTRUMENT NO. 105133 OF OFFICIAL RECORDS; AND THAT CERTAIN FIRST AMENDMENT TO DECLARATION OF EASEMENTS RECORDED NOVEMBER 18, 2015 AS INSTRUMENT NO. 2015-121411, ALL IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, CALIFORNIA;

PARCEL D:

NON-EXCLUSIVE EASEMENTS AS SET FORTH IN THAT CERTAIN DECLARATION OF RECIPROCAL EASEMENTS, COVENANTS AND RESTRICTIONS OF CENTENNIAL TOWERS DATED MAY 5, 2008 AND RECORDED ON SEPTEMBER 18, 2008 AS INSTRUMENT NO. 2008-105136; AND THAT CERTAIN FIRST AMENDMENT TO DECLARATION OF RECIPROCAL EASEMENTS, COVENANTS AND RESTRICTIONS OF CENTENNIAL TOWERS RECORDED NOVEMBER 18, 2015 AS INSTRUMENT NO. 2015-121410; AND THAT CERTAIN SECOND AMENDMENT TO DECLARATION OF RECIPROCAL EASEMENTS, COVENANTS AND RESTRICTIONS OF CENTENNIAL TOWERS RECORDED NOVEMBER 18, 2015 AS INSTRUMENT NO. 2015-121417, ALL OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, CALIFORNIA;

PARCEL E:

NON-EXCLUSIVE EASEMENT AS SET FORTH IN THAT CERTAIN AGREEMENT GRANTING EASEMENT DATED JANUARY 22, 2009 AND RECORDED ON FEBRUARY 3, 2009 AS INSTRUMENT NO. 2009-010537 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, CALIFORNIA;

PARCEL F:

NON-EXCLUSIVE EASEMENTS AS SET FORTH IN THAT CERTAIN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF CENTENNIAL TOWERS DATED MARCH 27, 2009 AND RECORDED ON APRIL 3, 2009 AS INSTRUMENT NO. 2009-038658, AS AMENDED BY THAT CERTAIN FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF CENTENNIAL TOWERS DATED APRIL 20, 2010 AND RECORDED MAY 12, 2010 AS INSTRUMENT NO. 2010-051876; AND AS AMENDED BY THAT CERTAIN SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF CENTENNIAL TOWERS DATED NOVEMBER 17, 2015 AND RECORDED NOVEMBER 18, 2015 AS INSTRUMENT NO. 2015-121409, ALL OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, CALIFORNIA.

For Information Only:
APN: 007-650-180-8
JPN: 121-065-000-406 T
121-065-000-407 T
121-065-000-408 T
132-049-000-76 T

EXHIBIT F

FORM OF LETTER OF CREDIT

[TO BE ATTACHED]

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

ISSUE DATE: _____

ISSUING BANK:

SILICON VALLEY BANK
3003 TASMAN DRIVE
2ND FLOOR, MAIL SORT HF210
SANTA CLARA, CA 95054

BENEFICIARY:

BP3-SF6 1900 ADLP LLC
4380 LA JOLLA VILLAGE DRIVE, SUITE 230
SAN DIEGO, CA 92122
ATTENTION: W. NEIL FOX, III, CEO

APPLICANT:

BIGHAT BIOSCIENCES, INC.
1900 ALAMEDA DE LAS PULGAS, SUITE 300
SAN MATEO, CA 94403

AMOUNT: US$540,871.94 (FIVE HUNDRED FORTY THOUSAND EIGHT HUNDRED SEVENTYONE AND 94/100)

EXPIRATION DATE: _____ (SVB WILL PUT A SPECIFIC DATE HERETHAT'S 1 YEAR FROM ISSUANCE DATE)

PLACE OF EXPIRATION: ISSUING BANK'S COUNTERS AT ITS ABOVE ADDRESS

DEAR SIR/MADAM:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. SVBSF _____ IN YOUR FAVOR AVAILABLE BY PAYMENT AGAINST YOUR PRESENTATION TO US OF THE FOLLOWING DOCUMENT:

ALL THE DETAILS SET FORTH HEREIN IN THIS LETTER OF CREDIT DRAFT ARE APPROVED BY APPLICANT. IF THERE IS ANY DISCREPANCY BETWEEN THE DETAILS OF THIS LETTER OF CREDIT DRAFT AND THE LETTER OF CREDIT APPLICATION, BETWEEN APPLICANT AND SILICON VALLEY BANK, THE DETAILS HEREOF SHALL PREVAIL.

_____ _____

APPLICANT'S SIGNATURE(S) DATE

1. BENEFICIARY'S SIGNED AND DATED STATEMENT STATING AS FOLLOWS:

"AN EVENT OF DEFAULT (AS DEFINED IN THE LEASE) HAS OCCURRED UNDER THAT CERTAIN LEASE BETWEEN _____, AS TENANT, AND _____ AS LANDLORD, AS AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED TO DATE. THE UNDERSIGNED HEREBY CERTIFIES THAT: (I) THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF LANDLORD; (II) LANDLORD IS THE BENEFICIARY OF LETTER OF CREDIT NO. _____ ISSUED BY _____ BANK; (III) LANDLORD HAS GIVEN WRITTEN NOTICE TO TENANT TO CURE THE DEFAULT PURSUANT TO THE TERMS OF THE LEASE; (IV) SUCH DEFAULT HAS NOT BEEN CURED UP TO THIS DATE OF DRAWING UNDER THE LETTER OF CREDIT; AND (V) LANDLORD IS AUTHORIZED TO DRAW DOWN UNDER THE LETTER OF CREDIT IN THE REQUESTED AMOUNT. THE AMOUNT HEREBY DRAWN UNDER THE LETTER OF CREDIT IS US$_____, WITH PAYMENT TO BE MADE TO THE FOLLOWING ACCOUNT: [INSERT WIRE INSTRUCTIONS (TO INCLUDE NAME AND ACCOUNT NUMBER OF THE BENEFICIARY);"

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT WE HAVE RECEIVED A WRITTEN NOTICE OF [Insert Bank Name]'S ELECTION NOT TO EXTEND ITS STANDBY LETTER OF CREDIT NO. _____ AND HAVE NOT RECEIVED A REPLACEMENT LETTER OF CREDIT WITHIN AT LEAST THIRTY (30) DAYS PRIOR TO THE PRESENT EXPIRATION DATE. THE AMOUNT HEREBY DRAWN UNDER THE LETTER OF CREDIT IS US$_____, WITH PAYMENT TO BE MADE TO THE FOLLOWING ACCOUNT: [INSERT WIRE INSTRUCTIONS (TO INCLUDE NAME AND ACCOUNT NUMBER OF THE BENEFICIARY)];"

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. _____ AS THE RESULT OF THE FILING OF A VOLUNTARY PETITION UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE BY THE TENANT UNDER THAT CERTAIN LEASE DATED [Insert Lease Date], AS THE SAME MAY HAVE BEEN AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING. THE AMOUNT HEREBY DRAWN UNDER THE LETTER OF CREDIT IS US$_____ , WITH PAYMENT TO BE MADE TO THE FOLLOWING ACCOUNT: [INSERT WIRE INSTRUCTIONS (TO INCLUDE NAME AND ACCOUNT NUMBER OF THE BENEFICIARY)];"

OR

"THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. _____ AS THE RESULT OF AN INVOLUNTARY PETITION HAVING BEEN FILED UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE AGAINST THE TENANT UNDER THAT CERTAIN LEASE DATED [Insert Lease Date], AS THE SAME MAY HAVE BEEN AMENDED (COLLECTIVELY, THE "LEASE"), WHICH FILING HAS NOT BEEN DISMISSED THE LATER OF SIXTY (60) DAYS THEREAFTER OR AT THE TIME OF THIS DRAWING. THE AMOUNT HEREBY DRAWN UNDER THE LETTER OF CREDIT IS US$_____, WITH PAYMENT TO BE MADE TO THE FOLLOWING ACCOUNT: [INSERT WIRE INSTRUCTIONS (TO INCLUDE NAME AND ACCOUNT NUMBER OF THE BENEFICIARY)];"

ALL THE DETAILS SET FORTH HEREIN IN THIS LETTER OF CREDIT DRAFT ARE APPROVED BY APPLICANT. IF THERE IS ANY DISCREPANCY BETWEEN THE DETAILS OF THIS LETTER OF CREDIT DRAFT AND THE LETTER OF CREDIT APPLICATION, BETWEEN APPLICANT AND SILICON VALLEY BANK, THE DETAILS HEREOF SHALL PREVAIL.

_____ _____

APPLICANT'S SIGNATURE(S) DATE

OR

“THE UNDERSIGNED HEREBY CERTIFIES THAT BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. _____ AS THE RESULT OF THE REJECTION, OR DEEMED REJECTION, OF THAT CERTAIN LEASE DATED [Insert Lease Date], AS THE SAME MAY HAVE BEEN AMENDED, UNDER SECTION 365 OF THE U.S. BANKRUPTCY CODE. THE AMOUNT HEREBY DRAWN UNDER THE LETTER OF CREDIT IS US$_____, WITH PAYMENT TO BE MADE TO THE FOLLOWING ACCOUNT: [INSERT WIRE INSTRUCTIONS (TO INCLUDE NAME AND ACCOUNT NUMBER OF THE BENEFICIARY)].”

PARTIAL DRAWS AND MULTIPLE PRESENTATIONS ARE ALLOWED.

THIS LETTER OF CREDIT SHALL BE AUTOMATICALLY EXTENDED FOR ADDITIONAL PERIODS OF ONE YEAR, WITHOUT AMENDMENT, FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE UNLESS AT LEAST 60 DAYS PRIOR TO THE THEN CURRENT EXPIRATION DATE WE SEND TO YOU A NOTICE BY REGISTERED OR CERTIFIED MAIL OR OVERNIGHT COURIER SERVICE AT THE ABOVE ADDRESS THAT THIS LETTER OF CREDIT WILL NOT BE EXTENDED BEYOND THE THEN CURRENT EXPIRATION DATE. IN NO EVENT SHALL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND JANUARY 31, 2030. IN THE EVENT WE SEND SUCH NOTICE OF NON-EXTENSION, YOU MAY DRAW HEREUNDER BY YOUR PRESENTATION TO US OF YOUR SIGNED AND DATED STATEMENT STATED ABOVE.

ALL DEMANDS FOR PAYMENT SHALL BE MADE BY PRESENTATION OF THE REQUIRED DOCUMENTS ON A BUSINESS DAY AT OUR OFFICE (THE “BANK’S OFFICE”) AT: SILICON VALLEY BANK, 3003 TASMAN DRIVE, MAIL SORT HF 210, SANTA CLARA, CA 95054, ATTENTION: GLOBAL TRADE FINANCE. AS USED IN THIS LETTER OF CREDIT, “BUSINESS DAY” SHALL MEAN ANY DAY OTHER THAN A SATURDAY, SUNDAY OR A DAY ON WHICH BANKING INSTITUTIONS IN THE STATE OF CALIFORNIA ARE AUTHORIZED OR REQUIRED BY LAW TO CLOSE.

FACSIMILE PRESENTATIONS ARE ALSO PERMITTED. EACH FACSIMILE TRANSMISSION SHALL BE MADE AT: (408) 496-2418 OR (408) 969-6510; AND UNDER CONTEMPORANEOUS TELEPHONE ADVICE TO: (408) 450-5001 OR (408) 654-7176, ATTENTION: GLOBAL TRADE FINANCE. ABSENCE OF THE AFORESAID TELEPHONE ADVICE SHALL NOT AFFECT OUR OBLIGATION TO HONOR ANY DRAW REQUEST.

ALL THE DETAILS SET FORTH HEREIN IN THIS LETTER OF CREDIT DRAFT ARE APPROVED BY APPLICANT. IF THERE IS ANY DISCREPANCY BETWEEN THE DETAILS OF THIS LETTER OF CREDIT DRAFT AND THE LETTER OF CREDIT APPLICATION, BETWEEN APPLICANT AND SILICON VALLEY BANK, THE DETAILS HEREOF SHALL PREVAIL.

_____ _____

APPLICANT’S SIGNATURE(S) DATE

THIS LETTER OF CREDIT IS TRANSFERABLE IN WHOLE BUT NOT IN PART ONE OR MORE TIMES, BUT IN EACH INSTANCE ONLY TO A SINGLE BENEFICIARY AS TRANSFEREE AND FOR THE THEN AVAILABLE AMOUNT, ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE WOULD BE IN COMPLIANCE WITH THEN APPLICABLE LAW AND REGULATION, INCLUDING BUT NOT LIMITED TO THE REGULATIONS OF THE U.S. DEPARTMENT OF TREASURY AND U.S. DEPARTMENT OF COMMERCE. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINALS OR COPIES OF ALL AMENDMENTS, IF ANY, TO THIS LETTER OF CREDIT MUST BE SURRENDERED TO US AT OUR ADDRESS INDICATED IN THIS LETTER OF CREDIT TOGETHER WITH OUR TRANSFER FORM ATTACHED HERETO AS EXHIBIT A DULY EXECUTED. APPLICANT SHALL PAY OUR TRANSFER FEE OF ¼ OF 1% OF THE TRANSFER AMOUNT (MINIMUM US$250.00) UNDER THIS LETTER OF CREDIT. EACH TRANSFER SHALL BE EVIDENCED BY EITHER (1) OUR ENDORSEMENT ON THE REVERSE OF THE LETTER OF CREDIT AND WE SHALL FORWARD THE ORIGINAL OF THE LETTER OF CREDIT SO ENDORSED TO THE TRANSFEREE OR (2) OUR ISSUING A REPLACEMENT LETTER OF CREDIT TO THE TRANSFEREE ON SUBSTANTIALLY THE SAME TERMS AND CONDITIONS AS THE TRANSFERRED LETTER OF CREDIT (IN WHICH EVENT THE TRANSFERRED LETTER OF CREDIT SHALL HAVE NO FURTHER EFFECT).

IF THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT NO. SVBSF _____ IS LOST, STOLEN OR DESTROYED, WE WILL ISSUE YOU A “CERTIFIED TRUE COPY” OF THIS STANDBY LETTER OF CREDIT NO. SVBSF _____ UPON OUR RECEIPT OF YOUR INDEMNITY LETTER TO SILICON VALLEY BANK WHICH WILL BE SENT TO YOU UPON OUR RECEIPT OF YOUR WRITTEN REQUEST THAT THIS STANDBY LETTER OF CREDIT NO. SVBSF _____ IS LOST, STOLEN, OR DESTROYED.

IF ANY INSTRUCTIONS ACCOMPANYING A DRAWING UNDER THIS LETTER OF CREDIT REQUEST THAT PAYMENT IS TO BE MADE BY TRANSFER TO YOUR ACCOUNT WITH ANOTHER BANK, WE WILL ONLY EFFECT SUCH PAYMENT BY FED WIRE TO A U.S. REGULATED BANK, AND WE AND/OR SUCH OTHER BANK MAY RELY ON AN ACCOUNT NUMBER SPECIFIED IN SUCH INSTRUCTIONS EVEN IF THE NUMBER IDENTIFIES A PERSON OR ENTITY DIFFERENT FROM THE INTENDED PAYEE.

THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (ISP98), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 590.

IF YOU HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CONTACT: _____ AT 408-_____, ALWAYS QUOTING OUR LETTER OF CREDIT NO. SVBSF _____.

(*FOR BANK USE*)

_____
AUTHORIZED SIGNATURE

(*FOR BANK USE*)

_____
AUTHORIZED SIGNATURE

ALL THE DETAILS SET FORTH HEREIN IN THIS LETTER OF CREDIT DRAFT ARE APPROVED BY APPLICANT. IF THERE IS ANY DISCREPANCY BETWEEN THE DETAILS OF THIS LETTER OF CREDIT DRAFT AND THE LETTER OF CREDIT APPLICATION, BETWEEN APPLICANT AND SILICON VALLEY BANK, THE DETAILS HEREOF SHALL PREVAIL.

_____
APPLICANT’S SIGNATURE(S)

_____
DATE

EXHIBIT A

TRANSFER FORM

DATE: _____

TO: SILICON VALLEY BANK
3003 TASMAN DRIVE
SANTA CLARA, CA 95054
ATTN: GLOBAL TRADE FINANCE
STANDBY LETTERS OF CREDIT

RE: IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____
ISSUED BY SILICON VALLEY BANK, SANTA CLARA
L/C AMOUNT: _____

GENTLEMEN:

FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY HEREBY IRREVOCABLY TRANSFERS TO:

_____
(NAME OF TRANSFEREE)

_____
(ADDRESS)

ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY TO DRAW UNDER THE ABOVE LETTER OF CREDIT UP TO ITS AVAILABLE AMOUNT AS SHOWN ABOVE AS OF THE DATE OF THIS TRANSFER.

BY THIS TRANSFER, ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY IN SUCH LETTER OF CREDIT ARE TRANSFERRED TO THE TRANSFEREE. TRANSFEREE SHALL HAVE THE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING SOLE RIGHTS RELATING TO ANY AMENDMENTS, WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS, AND WHETHER NOW EXISTING OR HEREAFTER MADE. ALL AMENDMENTS ARE TO BE ADVISED DIRECTLY TO THE TRANSFEREE WITHOUT NECESSITY OF ANY CONSENT OF OR NOTICE TO THE UNDERSIGNED BENEFICIARY.

THE ORIGINAL OF SUCH LETTER OF CREDIT IS RETURNED HEREWITH, AND WE ASK YOU TO EITHER (1) ENDORSE THE TRANSFER ON THE REVERSE THEREOF, AND FORWARD IT DIRECTLY TO THE TRANSFEREE WITH YOUR CUSTOMARY NOTICE OF TRANSFER, OR (2) ISSUE A REPLACEMENT LETTER OF CREDIT TO THE TRANSFEREE ON SUBSTANTIALLY THE SAME TERMS AND CONDITIONS AS THE TRANSFERRED LETTER OF CREDIT (IN WHICH EVENT THE TRANSFERRED LETTER OF CREDIT SHALL HAVE NO FURTHER EFFECT).

SINCERELY,

_____
(BENEFICIARY'S NAME)

_____
(SIGNATURE OF BENEFICIARY)

_____
(NAME AND TITLE)

SIGNATURE AUTHENTICATED

The name(s), title(s), and signature(s) conform to that/those on file with us for the company and the signature(s) is/are authorized to execute this instrument.

_____
(Name of Bank)

_____
(Address of Bank)

_____
(City, State, ZIP Code)

_____
(Authorized Name and Title)

_____
(Authorized Signature)

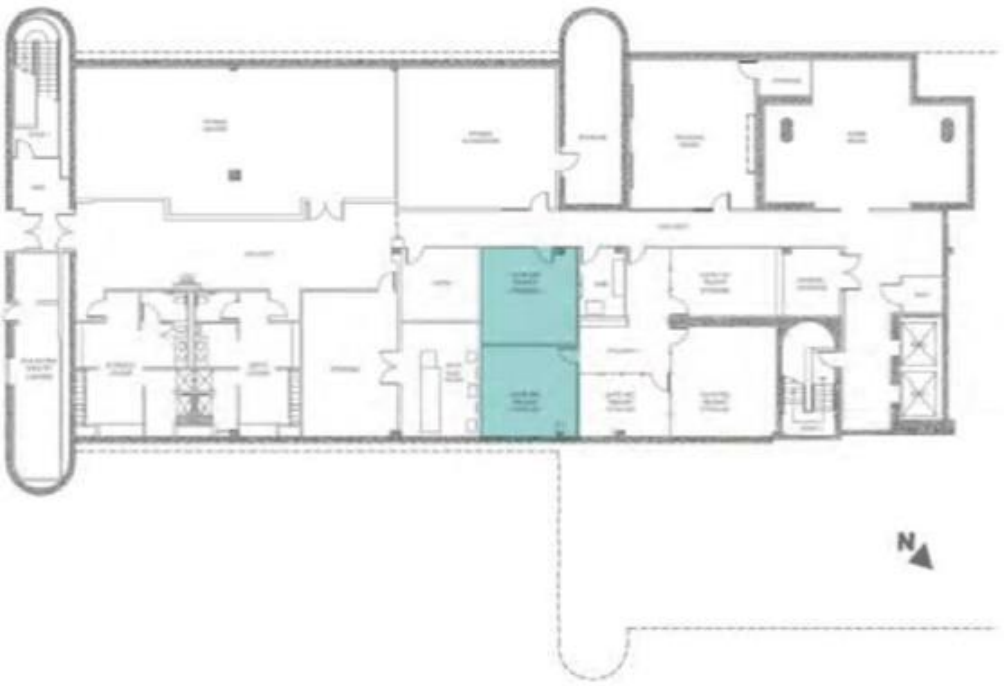
EXHIBIT G

STORAGE AREAS

[See Attached]

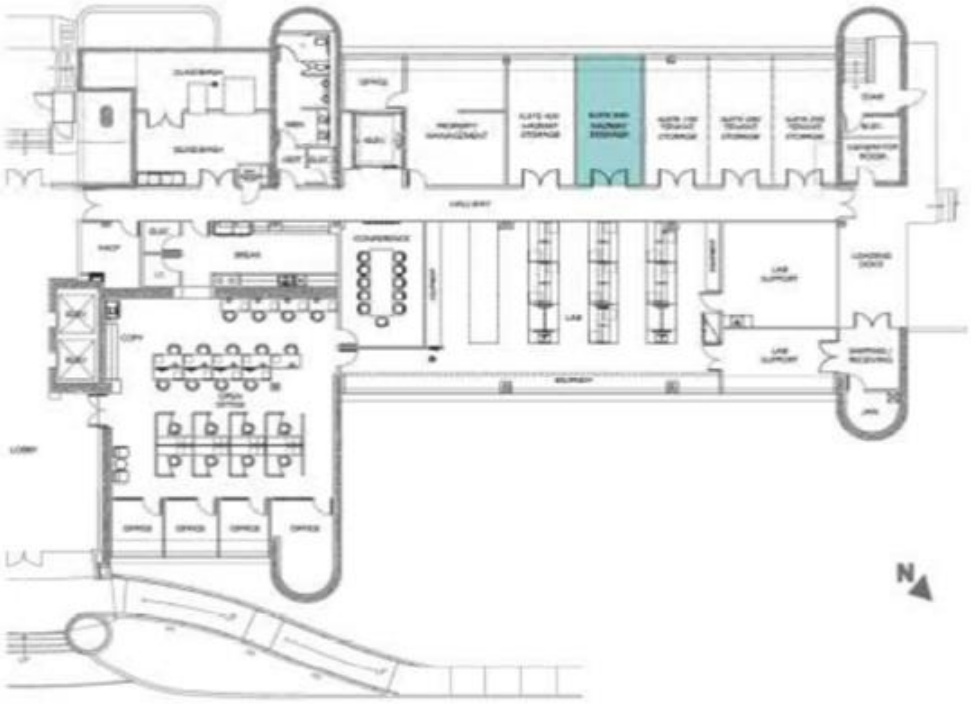
STORAGE AREA

Suite 300



STORAGE AREA

Suite 300



RIDER 1

EXTENSION OPTION RIDER

This EXTENSION OPTION RIDER ("**Extension Rider**") is attached to and made a part of the Lease by and between Landlord and Tenant. The agreements set forth in this Extension Rider shall have the same force and effect as if set forth in the Lease. To the extent the terms of this Extension Rider are inconsistent with the terms of the Lease, the terms of this Extension Rider shall control.

1. Extension Option. Landlord hereby grants Tenant one (1) option (the "**Extension Option**") to extend the Lease Term for a period of five (5) years (the "**Option Term**"), which option shall be exercisable only by written Exercise Notice (as defined below) delivered by Tenant to Landlord as provided below. Upon the proper exercise of the Extension Option, the Lease Term shall be extended for the Option Term. Notwithstanding the foregoing, at Landlord's option, in addition to any other remedies available to Landlord under the Lease, at law or in equity, the Extension Option shall not be deemed properly exercised if as of the date of delivery of the Exercise Notice (as defined below) by Tenant, Tenant has previously been in default under the Lease beyond all applicable notice and cure periods in the preceding twelve (12) month period. The Extension Option is personal to the original Tenant executing the Lease (the "**Original Tenant**") and any Affiliate Assignee and may only be exercised by the Original Tenant or any Affiliate Assignee (and not any other assignee, sublessee or other transferee of Tenant's interest in the Lease).

2. Option Rent. The annual Base Rent payable by Tenant during the Option Term (the "**Option Rent**") shall be equal to the greater of: (i) the annual Base Rent payable by Tenant during the last year of the initial Lease Term; or (ii) the Fair Market Rental Rate for comparable office/laboratory space in the South San Francisco/Brisbane market. As used herein, the "**Fair Market Rental Rate**" shall mean the annual base rent at which tenants, as of the commencement of the Option Term, will be leasing non-sublease space comparable in size, location (including views) and quality to the Premises for a comparable term as the Option Term, which comparable space is located in the Building and in other comparable first-class biotechnology buildings located within a radius of fifteen (15) miles from the Building ("**Comparable Buildings**"), taking into consideration all free rent and other out-of-pocket concessions generally being granted at such time for such comparable space for the Option Term (including, without limitation, any tenant improvement allowance provided for such comparable space and that Tenant will not be receiving such concessions). All other terms and conditions of the Lease shall apply throughout the Option Term; however, Tenant shall, in no event, have the option to extend the Lease Term beyond the Option Term described in Section 1 above.

3. Exercise of Option. The Extension Option shall be exercised by Tenant, if at all, only in the following manner: (i) Tenant shall deliver written notice ("**Interest Notice**") to Landlord not more than fifteen (15) months nor less than fourteen (14) months prior to the expiration of the initial Lease Term stating that Tenant may be interested in exercising the Extension Option; (ii) Landlord, after receipt of Tenant's notice, shall deliver notice (the "**Option Rent Notice**") to Tenant not less than thirteen (13) months prior to the expiration of the initial Lease Term setting forth the Option Rent; and (iii) if Tenant wishes to exercise the Extension Option, Tenant shall, on or before the date (the "**Exercise Date**") which is twelve (12) months prior to the expiration of the initial Lease Term, exercise the Extension Option by delivering written notice ("**Exercise Notice**") thereof to Landlord. Tenant's failure to deliver the Interest Notice or Exercise Notice on or before the applicable delivery dates therefore specified hereinabove shall be deemed to constitute Tenant's waiver of the Extension Option.

4. Determination of Option Rent. If Tenant timely and appropriately objects in its Exercise Notice to Landlord to the Fair Market Rental Rate for the Option Term initially determined by Landlord, then Landlord and Tenant shall attempt in good faith to agree upon the Fair Market Rental Rate. If Landlord and Tenant fail to reach agreement within thirty (30) days following Tenant's delivery of such Exercise Notice (the "**Outside Agreement Date**"), then each party shall submit to the other party a separate written determination of the Fair Market Rental Rate within fifteen (15) business days after the Outside Agreement Date, and such determinations shall be submitted to arbitration in accordance with the provisions of Sections 4.1 through 4.6 below; provided, however, Landlord shall not submit an amount in excess of that set forth in the Option Rent Notice. The failure of Tenant or Landlord to submit a written determination of the Fair Market Rental Rate within such fifteen (15) business day period shall conclusively be deemed to be such party's approval of the Fair Market Rental Rate submitted within such fifteen (15) business day period by the other party.

4.1 Landlord and Tenant shall each appoint one (1) arbitrator who shall by profession be an independent real estate broker who shall have no ongoing relationship with Tenant or Landlord and who shall have been active over the five (5) year period ending on the date of such appointment in the leasing of Comparable Buildings. The determination of the arbitrators shall be limited solely to the issue of whether Landlord's or Tenant's submitted Fair Market Rental Rate is the closer to the actual Fair Market Rental Rate as determined by the arbitrators, taking into account the requirements with respect thereto set forth in Section 2 above. Each such arbitrator shall be appointed within fifteen (15) days after the Outside Agreement Date.

4.2 The two (2) arbitrators so appointed shall, within fifteen (15) days of the date of the appointment of the last appointed arbitrator, agree upon and appoint a third arbitrator who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two (2) arbitrators.

4.3 The three (3) arbitrators shall, within thirty (30) days of the appointment of the third arbitrator, reach a decision as to which of Landlord's or Tenant's submitted Fair Market Rental Rate is closer to the actual Fair Market Rental Rate and shall select such closer determination as the Fair Market Rental Rate and notify Landlord and Tenant thereof.

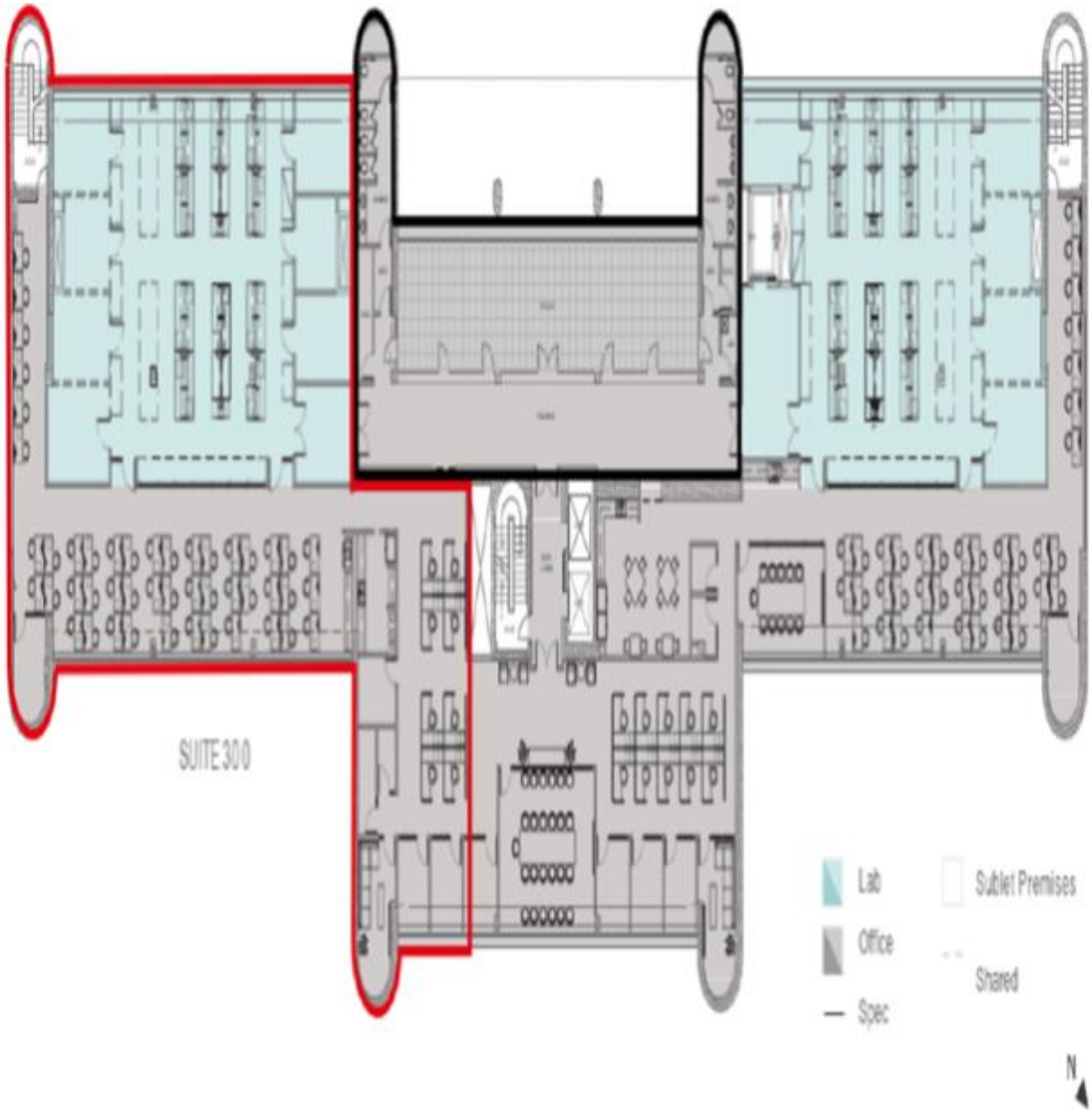
4.4 The decision of the majority of the three (3) arbitrators shall be binding upon Landlord and Tenant.

4.5 If either Landlord or Tenant fails to appoint an arbitrator within the time period specified in Section 4.1 hereinabove, the arbitrator appointed by one of them shall reach a decision, notify Landlord and Tenant thereof, and such arbitrator's decision shall be binding upon Landlord and Tenant.

4.6 If the two (2) arbitrators fail to agree upon and appoint a third arbitrator, within the time period provided in Section 4.2 above, then the parties shall mutually select the third arbitrator. If Landlord and Tenant are unable to agree upon the third arbitrator within ten (10) days after the fifteen (15) day period described in Section 4.2 above, then either party may, upon at least five (5) days' prior written notice to the other party, request the Presiding Judge of the San Mateo County Superior Court, acting in his private and nonjudicial capacity, to appoint the third arbitrator. Following the appointment of the third arbitrator, the panel of arbitrators shall within thirty (30) days thereafter reach a decision as to whether Landlord's or Tenant's submitted Fair Market Rental Rate shall be used and shall notify Landlord and Tenant thereof. Landlord and Tenant shall each pay the costs of its own arbitrator and fifty percent (50%) of the cost of the third arbitrator.

SUBLEASE EXHIBIT B

SUBLEASED PREMISES



SUBLEASE EXHIBIT C

SUBLESSEE'S HAZARDOUS MATERIALS LIST

Dimethyl sulfoxide
Formaldehyde
2-mercaptoethanol
Methanol
Ethanol
Isopropanol
Sodium hydroxide
Sodium hypochlorite/bleach
Sulfuric acid
Trypan blue
Guanidinium hydrochloride
Guanidinium isothiocyanate
Acetic acid
Filtered human serum

SUBLEASE EXHIBIT D

WALL

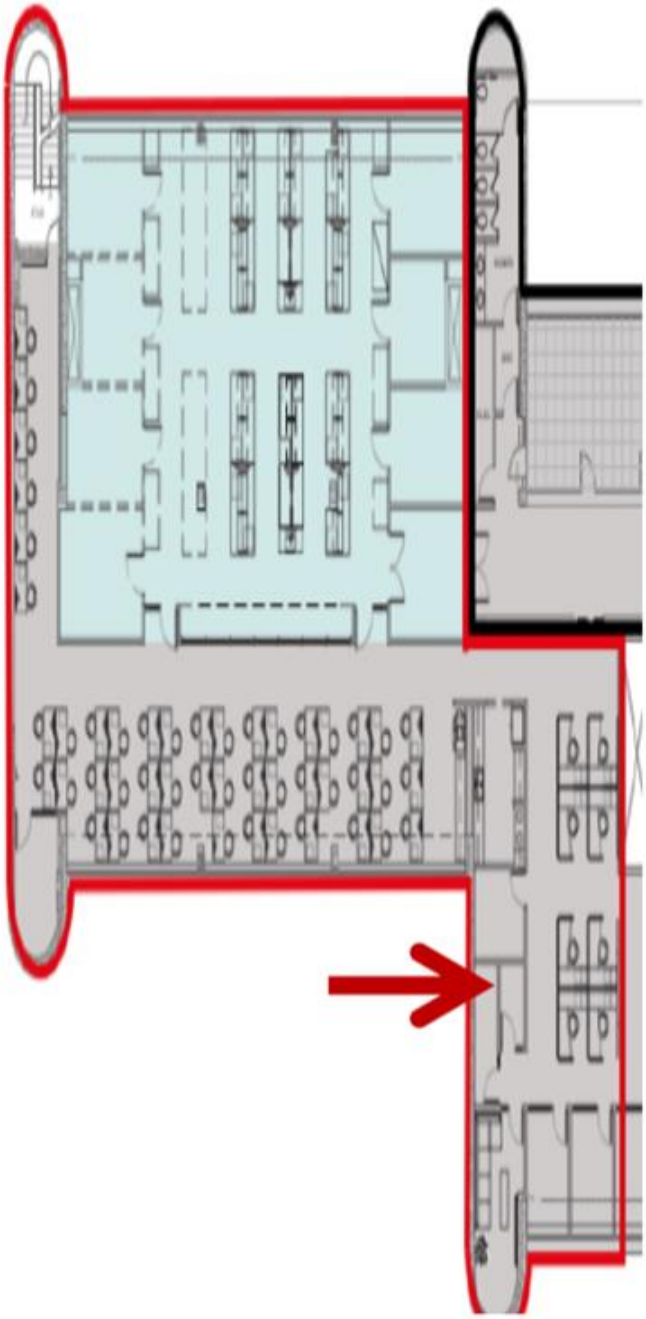


Exhibit 10.13(b)

FIRST AMENDMENT TO SUBLEASE

THIS FIRST AMENDMENT TO SUBLEASE (this "Amendment") is made as of August 17, 2022 by and between BigHat Biosciences, Inc., a Delaware corporation ("Sublessor") and Syncopation Life Sciences, Inc., a Delaware corporation ("Sublessee"), with reference to the following facts and objectives:

RECITALS

A. Sublessor, as tenant, and BP3-SF6 1900 ADLP LLC, as landlord ("Master Lessor"), are parties to that certain Lease dated as September 3, 2021 (the "Master Lease"), with respect to premises currently consisting of approximately 31,117 rentable square feet (the "3rd Floor Premises") located on the third (3rd) floor of the building located at 1900 Alameda de las Pulgas, San Mateo, California (the "Building").

B. Sublessor and Sublessee are parties to a Sublease dated November 4, 2021 (as amended hereby, the "Sublease"), with respect to a portion of the 3rd Floor Premises consisting of approximately 15,400 rentable square feet (the "Existing Subleased Premises").

C. Sublessor and Master Lessor are negotiating an amendment to the Master Lease to expand the premises leased thereunder to also include all of the rentable square feet on the fourth (4th) floor of the Building (the "Master Lease Amendment") consisting of approximately 33,008 rentable square feet.

D. Sublessor and Sublessee desire to expand the Existing Subleased Premises to include the remainder of the 3rd Floor Premises (the "Expansion Subleased Premises") and further modify the Sublease as set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Expansion Subleased Premises. On the last to occur of (a) January 1, 2023, (b) the date by which both Sublessor has obtained the Required Consent (as defined below) and (c) fifteen (15) business days after Sublessor delivers possession of the Expansion Subleased Premises to Sublessee with Sublessor's Work (as defined below) completed and with the lab portions of the Expansion Subleased Premises fully decommissioned with respect to Sublessor's use of Hazardous Materials (the "Expansion Commencement Date"), the Subleased Premises shall be increased to include the Expansion Subleased Premises so that Sublessee subleases the entire 3rd Floor Premises. For the avoidance of doubt, the Expansion Subleased Premises shall be deemed delivered when Sublessor vacates the Expansion Subleased Premises, completes the Sublessor's Work and such decommissioning of the lab portions and provides Sublessee keys or other means of access thereto. Following the Expansion Commencement Date, all references in the Sublease to the "Subleased Premises" shall be deemed to include the entire 3rd Floor Premises and Exhibit B to the Sublease shall include all of the 3rd Floor Premises and the Subleased Premises shall be deemed to consist of approximately 31,117 rentable square feet. The Expansion Subleased Premises shall remain part of the Subleased Premises through the

Expiration Date of the Sublease, which the parties acknowledge is November 10, 2024. The terms of Paragraph 3(B) of the Sublease shall continue to apply to the Subleased Premises, as expanded by this Amendment. Sublessor shall use commercially reasonable efforts to deliver possession of the Expansion Subleased Premises to Sublessee with Sublessor's Work (as defined below) completed and with the lab portions of the Expansion Subleased Premises fully decommissioned as described above on or before December 20, 2022. In the event such delivery is delayed beyond February 1, 2023, as such date shall be extended due to delays due to Force Majeure, then commencing on the Expansion Commencement Date, Sublessee shall be entitled to one (1) day of abatement of Base Rent, Operating Expenses and Tax Expenses for each day such delivery is delayed beyond such date; provided, however, in no event shall Sublessee be entitled to Rent abatement under this sentence if it is temporarily occupying any of the Expansion Subleased Premises or fourth floor of the Building pursuant to the remainder of this paragraph. If for any reason Sublessor is unable to deliver possession of the Expansion Subleased Premises to Sublessee on or before January 1, 2023, Sublessor shall nonetheless permit Sublessee to access the lab and office spaces from and after January 1, 2023 for construction planning purposes and permit Sublessee to temporarily occupy portions of the Expansion Subleased Premises consisting of a minimum of one small conference room, one large conference room and ten (10) workstations until the Expansion Commencement Date. Such access and temporary occupancy shall be pursuant to all of the provisions of the Sublease other than the obligation to pay Base Rent, Operating Expenses, Tax Expenses or Utilities Costs with respect to the Expansion Subleased Premises. In lieu of providing such temporary occupancy in the Expansion Subleased Premises, Sublessor may provide the same on the fourth floor of the Building on the same terms; provided, however, in such case, Sublessee must vacate such temporary space within three (3) days after Sublessor delivers the Expansion Subleased Premises to Sublessee as described in the first sentence of this Paragraph 1 and surrender such temporary space in the condition described in Paragraph 14 of the Sublease (as applied to such space) and Sublessee's failure to do so shall be considered a holdover with respect to such space and be subject to the terms of Paragraph 6 of the Sublease with respect to such space.

2. Early Access. In the fifteen (15) business day period after Sublessor delivers possession of the Expansion Subleased Premises to Sublessee with Sublessor's Work completed, Sublessee shall have the right to enter the Expansion Subleased Premises for the purpose of preparing the Expansion Subleased Premises for occupancy (but not for the purpose of conducting any business therein prior to January 1, 2023); provided, that Sublessee has delivered to Sublessor the increased Security Deposit and first month of Base Rent payable with respect to the Expansion Subleased Premises as required below. Such access shall be pursuant to all of the provisions of the Sublease other than the obligation to pay Base Rent, Operating Expenses, Tax Expenses or Utilities Costs with respect to the Expansion Subleased Premises.

3. Base Rent. Sublessee shall pay Base Rent for the Expansion Subleased Premises commencing on the Expansion Commencement Date in the amounts set forth below and in the manner described in Paragraph 4(A) of the Sublease; provided, however, Sublessee shall deliver the first month's payment of Base Rent with respect to the Expansion Subleased Premises to Sublessor concurrently with its execution of this Amendment. Sublessee shall continue to pay Base Rent for the Existing Subleased Premises in the amounts and in the manner described in Paragraph 4(A) of the Sublease.

Period	Base Rent
Expansion Commencement Date - November 10, 2023	$117,877.50
November 11, 2023 - Expiration Date	$122,003.21

4. Additional Rent. As of the Expansion Commencement Date, Sublessee's Share shall be deemed to be 27.46% of the Building (and 48.53% of the Premises under the Master Lease). Throughout the Term, Sublessee shall continue to pay all Rent payable under the Sublease, including, without limitation, Operating Expenses, Tax Expenses and Utilities Costs, in accordance with the terms of the Sublease.

5. As-Is. Prior to delivery of the Expansion Subleased Premises to Sublessee, Sublessor at Sublessor's sole cost shall install a cased opening in the wall between Suites 300 and 350 ("Sublessor's Work"). Sublessor shall perform the Sublessor's Work in a good and workmanlike manner and in compliance with applicable laws. In addition, Sublessor shall deliver the lab portions of the Expansion Subleased Premises fully decommissioned as described above. The parties acknowledge and agree that, except as set forth in this Amendment, Sublessee is subleasing the Expansion Subleased Premises on an "as is" basis (in the condition existing as of the date of this Amendment, reasonable wear and tear and repairs that are not Sublessor's responsibility excepted), and that Sublessor has made no representations or warranties with respect to the condition of the Expansion Subleased Premises. In no event shall Sublessee be required to remove or restore at the expiration or earlier termination of the Sublease the Sublessor's Work or any other alterations or improvements existing in the Expansion Subleased Premises as of the date the Expansion Subleased Premises are delivered or otherwise not constructed by Sublessee or its agents, employees, contractors, invitees or licensees.

6. Security Deposit. The amount of the Security Deposit required under the Sublease is hereby increased to Four Hundred Sixty-Six Thousand Seven Hundred Fourteen and 10/100 Dollars ($466,714.10). Concurrently with Sublessee's execution of this Amendment, Sublessee shall deliver to Sublessor an additional Two Hundred Forty-Four Thousand Six and 42/100 Dollars ($244,006.42) to be applied to the increased Security Deposit.

7. Required Consents. This Amendment and Sublessor's and Sublessee's obligations hereunder are conditioned upon the written consent hereto of Master Lessor (the "Required Consent") and the full execution and delivery of the Master Lease Amendment substantially concurrently therewith. Each party shall use commercially reasonable efforts to obtain the Required Consent. Nothing herein shall require Sublessor to negotiate or enter into the Master Lease Amendment. If the Required Consent and the fully executed Master Lease Amendment are not received within fifteen (15) days following the full execution and delivery of this Amendment, this Amendment may be terminated by either party upon delivery of written notice to the other party prior to the receipt of the Required Consent and the fully executed Master Lease Amendment.

8. Parking. Commencing on of the Expansion Commencement Date, the number of parking spaces as to which Sublessee has parking rights shall increase from thirty-nine (39) to seventy-eight (78).

9. Furniture, Fixtures and Equipment. Commencing on the Expansion Commencement Date, the "Furniture" that Sublessee may use during the Sublease Term at no additional charge by Sublessor shall include the work stations described in Exhibit A hereto (the "Expansion Furniture"), as such exhibit may be updated by Sublessor to add additional items currently in the Expansion Subleased Premises before October 1, 2022. The third sentence of Paragraph 26 of the Sublease shall not apply with respect to the Expansion Furniture. Except for the Expansion Furniture, Sublessor shall remove all of its furniture and personal property upon delivery of the Expansion Subleased Premises to Sublessee.

10. Deleted Provisions. On the Expansion Commencement Date, the provisions regarding the Shared Areas shall be deleted and of no further force or effect, as Sublessee shall from and after the Expansion Commencement Date have the exclusive right to use such areas. Sublessee shall continue to have the non-exclusive right to use, subject to Master Lessor's rules and regulations, the shared glasswash and autoclave and all other amenities of the Building, including, without limitation, the gym, so long as such amenities are provided by Master Lessor for the use of all Building occupants.

11. Certified Access Specialist. For purposes of Section 1938 of the California Civil Code, Sublessor hereby discloses to Sublessee, and Sublessee hereby acknowledges, that Sublessor has not had an inspection of the Subleased Premises performed by a Certified Access Specialists (CASp). As required by Section 1938(e) of the California Civil Code, Sublessor hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

12. Broker. Sublessee and Sublessor each represent that it has dealt with no real estate brokers, finders, agents or salesmen other than Jones Lang LaSalle Brokerage, Inc. in connection with this Amendment. Each party agrees to hold the other party harmless from and against all claims for brokerage commissions, finder's fees or other compensation made by any other agent, broker, salesman or finder as a consequence of such party's actions or dealings with such agent, broker, salesman, or finder.

13. Miscellaneous. This Amendment shall in all respects be governed by and construed in accordance with the laws of the State of California. If any term of this Amendment is held to be invalid or unenforceable by any court of competent jurisdiction, then the remainder of this Amendment shall remain in full force and effect to the fullest extent possible under the law, and shall not be affected or impaired. If either party brings any action or legal proceeding with respect to this Amendment, the prevailing party shall be entitled to recover reasonable attorneys' fees, experts' fees, and court costs. This Amendment, together with the Sublease, constitutes the entire agreement between Sublessor and Sublessee regarding the Sublease and the subject matter contained herein and supersedes any and all prior and/or contemporaneous oral or written negotiations, agreements or understandings. This Amendment shall be binding upon and inure to the benefit of Sublessor and Sublessee and their respective heirs, successors and assigns. No subsequent change or addition to this Amendment shall be binding unless in writing and duly executed by both Sublessor and Sublessee. Except as specifically amended hereby, all of the terms and conditions of the Sublease are and shall remain in full force and effect and are hereby ratified and confirmed. Any capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Sublease or the Master Lease, as applicable. Sublessee and Sublessor each represent and warrant to the other that each person executing this Amendment on behalf of such party is duly authorized to execute and deliver this Sublease on behalf of that party. This Amendment may be executed in counterparts. Signature pages may be detached from the counterparts and attached to a single copy of this Amendment to physically form one document. In addition, the parties hereto consent and agree that this Amendment may be signed using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party's handwritten signature.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

SUBLESSOR:

BIGHAT BIOSCIENCES, INC.,
a Delaware corporation

By: /s/ Mark DePristo
Name: Mark DePristo
Its: CEO

SUBLESSEE:

SYNCOPATION LIFE SCIENCES, INC.,
a Delaware corporation

By: /s/ Anup Radhakrishnan
Name: Anup Radhakrishnan
Its: Chief Financial Officer

EXHIBIT A

FURNITURE

Item	Make	Quantity
Height adjustable Workstation	AMQ	At least 23