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

FORM 10-Q

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

For the quarterly period ended June 30, 2024

OR

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

For the transition period from _____ to _____

Commission file number 001-40215

Instil Bio, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**83-2072195**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3963 Maple Avenue, Suite 350 **Dallas, Texas**	**75219**
(Address of Principal Executive Offices)	(Zip Code)

(972) 499-3350
Registrant's telephone number, including area code
Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.000001 par value per share	TIL	The Nasdaq Stock Market LLC

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

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

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

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. ☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class of Common Stock	Outstanding at
6,503,913 shares of Common Stock, $0.000001 par value per share	August 9, 2024

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Item 1. Financial Statements (Unaudited)

INSTIL BIO, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)
(Unaudited)

	June 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,781	$ 9,195
Restricted cash	—	1,501
Marketable securities	141,825	141,161
Prepaid expenses and other current assets	6,320	8,902
Total current assets	154,926	160,759
Property, plant and equipment, net	133,130	138,684
Operating lease right-of-use assets	1,707	2,387
Long-term investments	3,972	23,161
Other long-term assets	581	639
Total assets	$ 294,316	$ 325,630
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,217	$ 1,212
Accrued expenses and other current liabilities	9,072	9,347
Total current liabilities	10,289	10,559
Contingent consideration, net of current portion	5,054	4,858
Operating lease liabilities, non-current	2,020	2,877
Loan payable	81,926	81,427
Other long-term liabilities	8	80
Total liabilities	99,297	99,801
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Preferred stock, par value $0.000001 per share; 10,000,000 shares authorized; zero shares issued and outstanding as of June 30, 2024, and December 31, 2023	—	—
Common stock, par value $0.000001 per share; 300,000,000 shares authorized; 6,503,913 shares issued and outstanding as of June 30, 2024, and December 31, 2023	—	—
Additional paid-in capital	815,846	807,158
Accumulated other comprehensive loss	(627)	(348)
Accumulated deficit	(620,200)	(580,981)
Total stockholders' equity	195,019	225,829
Total liabilities and stockholders' equity	$ 294,316	$ 325,630

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

INSTIL BIO, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Operating expenses:				
Research and development	$ 2,921	$ 8,459	$ 10,177	$ 29,129
General and administrative	10,706	11,518	23,130	24,740
Restructuring and impairment charges	508	1,010	4,783	25,564
Total operating expenses	14,135	20,987	38,090	79,433
Loss from operations	(14,135)	(20,987)	(38,090)	(79,433)
Interest income	1,919	2,287	3,981	4,358
Interest expense	(1,999)	(590)	(3,980)	(1,226)
Other (expense) income, net	(702)	628	(1,130)	571
Net loss	(14,917)	(18,662)	(39,219)	(75,730)
Other comprehensive loss:				
Foreign currency translation	(5)	(211)	39	(441)
Unrealized (loss) gain on available-for-sale securities, net	(59)	(178)	(318)	139
Net comprehensive loss	$ (14,981)	$ (19,051)	$ (39,498)	$ (76,032)
Net loss per share, basic and diluted	$ (2.29)	$ (2.87)	$ (6.03)	$ (11.64)
Weighted-average shares used in computing net loss per share, basic and diluted	6,503,913	6,503,913	6,503,913	6,503,913

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

INSTIL BIO, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share amounts)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance - December 31, 2023	6,503,913	$ —	$ 807,158	$ (348)	$ (580,981)	$ 225,829
Stock-based compensation	—	—	4,515	—	—	4,515
Net loss	—	—	—	—	(24,302)	(24,302)
Other comprehensive loss	—	—	—	(215)	—	(215)
Balance - March 31, 2024	6,503,913	—	811,673	(563)	(605,283)	205,827
Stock-based compensation	—	—	4,173	—	—	4,173
Net loss	—	—	—	—	(14,917)	(14,917)
Other comprehensive loss	—	—	—	(64)	—	(64)
Balance - June 30, 2024	6,503,913	$ —	$ 815,846	$ (627)	$ (620,200)	$ 195,019

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

INSTIL BIO, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (CONTINUED)
(in thousands, except share amounts)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance - December 31, 2022	6,503,913	$ —	$ 788,992	$ (493)	$ (424,894)	$ 363,605
Stock-based compensation	—	—	4,530	—	—	4,530
Net loss	—	—	—	—	(57,068)	(57,068)
Other comprehensive income	—	—	—	87	—	87
Balance - March 31, 2023	6,503,913	—	793,522	(406)	(481,962)	311,154
Stock-based compensation	—	—	4,413	—	—	4,413
Net loss	—	—	—	—	(18,662)	(18,662)
Other comprehensive loss	—	—	—	(389)	—	(389)
Balance - June 30, 2023	6,503,913	$ —	$ 797,935	$ (795)	$ (500,624)	$ 296,516

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

INSTIL BIO, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Six Months Ended June 30,	
	2024	**2023**
Cash flows from operating activities:		
Net loss	$ (39,219)	$ (75,730)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	8,688	8,943
Non-cash lease expense	165	115
Foreign exchange remeasurement loss (gain)	162	(723)
Impairment of fixed assets	2,780	14,020
Impairment of right-of-use assets	187	7,596
Change in fair value of contingent consideration	196	(81)
Depreciation	1,968	2,767
Accretion on invested securities	(2,411)	(2,898)
Non-cash interest expense	503	509
Change in fair value of derivative financial instrument	888	120
Loss on disposals of property and equipment	292	335
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	2,504	(1,501)
Other long-term assets	(901)	(1,017)
Accounts payable	11	(227)
Operating lease liabilities	(634)	(539)
Accrued restructuring costs	(75)	(1,879)
Accrued expenses and other current liabilities	(108)	(4,032)
Net cash used in operating activities	(25,004)	(54,222)
Cash flows from investing activities:		
Purchase of marketable securities	(91,081)	(178,494)
Maturities of marketable securities	111,700	218,800
Purchases of property, plant and equipment	—	(15,447)
Cash received from held for sale assets	541	—
Net cash provided by investing activities	21,160	24,859
Cash flows from financing activities:		
Proceeds from note payable	—	8,669
Net cash provided by financing activities	—	8,669
Net decrease in cash, cash equivalents and restricted cash	(3,844)	(20,694)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(71)	(97)
Cash, cash equivalents and restricted cash—beginning of period	10,696	43,716
Cash, cash equivalents and restricted cash—end of period	$ 6,781	$ 22,925
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of amounts capitalized	$ 3,482	$ 3,154
Supplemental disclosure of noncash information:		
Purchases of property, plant and equipment in accounts payable and accrued expenses and other current liabilities	$ —	$ 4,815

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

INSTIL BIO, INC.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Organization and Description of Business

Instil Bio, Inc. (the "Company") is headquartered in Dallas, Texas and was incorporated in the state of Delaware in August 2018. The Company is a clinical-stage biopharmaceutical company focused on developing a pipeline of novel therapies.

The Company seeks to in-license or acquire and develop novel therapeutic candidates in diseases with significant unmet medical need. Most recently, on August 1, 2024, the Company's wholly owned subsidiary, SynBioTx, Inc. ("SynBioTx"), in-licensed certain bispecific antibodies, including the product candidate known as SYN-2510, a bispecific antibody targeting both programmed death-ligand 1 (PD-L1) and vascular endothelial growth factor (VEGF), as well as SYN-27M, a monoclonal antibody targeting cytotoxic T-lymphocyte associated antigen 4 (CTLA-4), from ImmuneOnco Biopharmaceuticals (Shanghai) Inc. ("ImmuneOnco"). SYN-2510, the lead in-licensed product candidate, is a novel and differentiated PD-L1xVEGF bispecific antibody in development for the treatment of multiple solid tumor cancers. Pursuant to the license and collaboration agreement with ImmuneOnco (the "IO Collaboration Agreement"), SynBioTx has an exclusive license to research, develop, manufacture and commercialize these product candidates outside of China, including mainland China, Hong Kong, Macau and Taiwan ("Greater China"). ImmuneOnco retains development and commercialization rights in Greater China.

The Company also is developing a tumor infiltrating lymphocyte ("TIL") cell therapy for the treatment of cancer, which was acquired in 2020. In December 2023, the Company entered into an agreement with a third-party collaborator to develop an autologous FRα CoStAR TIL (the "CoStAR-TIL Collaboration Product") for a potential investigator-initiated trial ("IIT") in non-small cell lung cancer ("NSCLC") in China. The CoStAR-TIL Collaboration Product will be manufactured by the collaborator utilizing the Company's proprietary FRα CoStAR construct in the collaborator's manufacturing process. The collaborator has an option to exclusively license the CoStAR-TIL Collaboration Product in China and Taiwan.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of June 30, 2024, the condensed consolidated statements of operations and comprehensive loss for the three and six months ended June 30, 2024 and 2023, the condensed consolidated statements of stockholders' equity for the three and six months ended June 30, 2024 and 2023, and the results of its cash flows for the six months ended June 30, 2024 and 2023. The financial data and other information disclosed in these notes related to the three and six months ended June 30, 2024 and 2023 are also unaudited. The results for the three and six months ended June 30, 2024 are not necessarily indicative of results to be expected for the year ending December 31, 2024, any other periods, or any future year period. The Company has evaluated subsequent events through the date the condensed consolidated financial statements were issued.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and the related notes thereto included in the Company's Annual Report on Form 10-

K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission ("SEC") on March 21, 2024.

Reverse Stock Split

Effective December 7, 2023, the Company effected a 1-for-20 reverse stock split of its outstanding shares of common stock. Where applicable, all share and per share amounts in this Quarterly Report have been adjusted to reflect the effect of the reverse stock split.

Segments

Operating segments are identified as components of an entity for which separate discrete financial information is available and that is regularly reviewed by the chief operating decision-maker in deciding how to allocate resources to an individual segment and in assessing performance. The Company has determined it operates in a single operating segment and has one operating segment.

Cash, Cash Equivalents, Restricted Cash, Marketable Securities, and Long-Term Investments

The Company considers all highly liquid investments purchased with original maturities of three months or less from the purchase date to be cash equivalents. Cash equivalents include amounts invested in money market accounts.

Restricted cash consists of a cash reserve which serves as collateral for the Company's construction loan and is classified within current assets on the condensed consolidated balance sheet as of June 30, 2024. There was no restricted cash as of June 30, 2024 and $1.5 million of restricted cash as of December 31, 2023 on the condensed consolidated balance sheet.

The Company's investments in marketable securities and long-term investments have been classified and accounted for as available-for-sale. The Company classifies its maturities as either short-term or long-term based on each instrument's underlying contractual maturity date, which are carried at their fair values based on the quoted market prices of the securities. Unrealized gains and losses are reported as accumulated other comprehensive income (loss). Realized gains and losses on available-for-sale securities are included in net loss in the period earned or incurred. As of June 30, 2024 and December 31, 2023, marketable securities consisted of U.S. Treasury bills.

The Company periodically reviews whether its securities may be other-than-temporarily impaired, including whether or not (i) the Company has the intent to sell the security or (ii) it is more likely than not that the Company will be required to sell the security before its anticipated recovery. If one of these factors is met, the Company will record an impairment loss associated with its impaired investment. The impairment loss will be recorded as a write-down of investments in the condensed consolidated balance sheets and a realized loss within other expense in the condensed consolidated statements of operations and comprehensive loss.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets that sum to the amounts shown in the condensed consolidated statements of cash flows (in thousands):

	June 30, 2024	December 31, 2023
Cash and cash equivalents	$ 6,781	$ 9,195
Restricted cash	—	1,501
Cash, cash equivalents and restricted cash	$ 6,781	$ 10,696

Assets Held for Sale

The Company classifies long-lived assets or disposal groups to be sold as held for sale in the period in which all of the following criteria are met: management, having the authority to approve the action, commits to a plan to sell the asset or disposal group; the asset or disposal group is available for immediate sale in its present condition

subject only to terms that are usual and customary for sales of such assets or disposal group; the sale of the asset or disposal group is probable, and transfer of the asset or disposal group is expected to qualify for recognition as a completed sale within one year, except if events or circumstances beyond the Company's control extend the period of time required to sell the asset or disposal group beyond one year; the asset or disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions required to complete the plan to sell have been initiated.

The Company initially measures a long-lived asset or disposal group that is held for sale at the lower of its carrying value or fair value less any costs to sell. Fair value is estimated by the Company through evaluations of quoted market prices received for other comparable held for sale assets sold by the Company. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a long-lived asset or disposal group until the date of sale. The Company assesses the fair value of a long-lived asset or disposal group less any costs to sell each reporting period it remains classified as held for sale and reports any subsequent changes as an adjustment to the carrying value of the asset or disposal group, as long as the new carrying value does not exceed the carrying value of the asset at the time it was initially classified as held for sale. Upon determining that a long-lived asset or disposal group meets the criteria to be classified as held for sale, the Company ceases depreciation and reports long-lived assets in the line item "assets held for sale" in its condensed consolidated balance sheet. To date, the Company has recorded impairment losses on assets held for sale associated with the Plan as defined below in Note 10. During the three and six months ended June 30, 2024, the Company recognized non-cash impairment charges for assets held for sale of $0.2 million and $2.8 million, respectively, while during the three and six months ended June 30, 2023 charges were $1.2 million and $11.7 million, respectively. The non-cash impairment charge was recorded in the condensed consolidated statements of operations and comprehensive loss in the line item "restructuring and impairment charges."

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable or that the useful life is shorter than originally estimated. Recoverability of assets is measured by comparing the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset over its remaining useful life. If such assets are impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. If the useful life is shorter than originally estimated, the Company depreciates or amortizes the remaining carrying value over the revised shorter useful life. Assets to be disposed of by sale are reflected at the lower of their carrying amount or fair value less costs to sell. To date, the Company has recorded impairment losses on long-lived assets associated with a sustained decrease in the Company's stock price and in connection with the Plan as defined below in Note 10. The Company recognized a non-cash impairment charge of nil and $0.3 million during the three and six months ended June 30, 2024, respectively, and nil and $2.6 million for the three and six months ended June 30, 2023, respectively, related to leasehold improvements. These impairment charges were recorded in the condensed consolidated statements of operations and comprehensive loss in the line item "restructuring and impairment charges." See Notes 6 and 10 for more information.

Recent Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures which requires public entities to disclose information about their reportable segments' significant expenses on an interim and annual basis. ASU 2023-07 is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of this ASU 2023-07 on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topics 740): Improvements to Income Tax Disclosures" to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of this ASU 2023-09 on its consolidated financial statements and related disclosures.

A variety of proposed or otherwise potential accounting standards are currently being studied by standard-setting organizations and certain regulatory agencies. Because of the tentative and preliminary nature of such proposed standards, the Company has not yet determined the effect, if any, that the implementation of such proposed standards would have on its condensed consolidated financial statements.

3. Balance Sheet Components

Property, Plant and Equipment, Net

Property, plant and equipment, net consist of the following (in thousands):

	June 30, 2024	December 31, 2023
Land	$ 31,243	$ 31,243
Laboratory equipment	3,615	8,291
Buildings	102,433	102,433
Office and computer equipment	621	831
Leasehold improvements	154	1,424
Manufacturing equipment	406	2,017
Total property, plant and equipment, gross	138,472	146,239
Less: accumulated depreciation	(5,342)	(7,555)
Total property, plant and equipment, net	$ 133,130	$ 138,684

Depreciation expense was $1.0 million and $1.0 million for the three months ended June 30, 2024 and 2023, respectively, and was $2.0 million and $2.8 million for the six months ended June 30, 2024 and 2023, respectively, in the condensed consolidated statements of operations and comprehensive loss.

The Company capitalized interest of nil and $1.3 million during the three months ended June 30, 2024 and 2023, respectively, while during the six months ended June 30, 2024 and 2023, the Company capitalized nil and $2.4 million, respectively, of interest related to qualifying expenditures for construction work-in-progress for its Tarzana manufacturing facility.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	June 30, 2024	December 31, 2023
Accrued compensation and benefits	$ 1,998	$ 1,026
Accrued operational expenses	1,179	1,412
Accrued restructuring costs	3,211	3,136
Accrued research, development and clinical trial expenses	872	1,833
Operating lease liabilities, current	1,669	1,750
Other current liabilities	143	190
Total accrued expenses and other current liabilities	$ 9,072	$ 9,347

4. Fair Value Measurement

The fair value of cash and cash equivalents approximates carrying value since cash and cash equivalents consist of short-term highly liquid investments with maturities of less than three months at the time of purchase. Cash and cash equivalents are quoted market prices in active markets for identical assets and are therefore classified as Level 1 assets. Money market funds are open-end mutual funds that invest in cash, government securities, and/or

repurchase agreements that are collateralized fully. To the extent that these funds are valued based upon the reported net asset value, they are categorized in Level 1 of the fair value hierarchy.

Short-term and long-term marketable securities comprised U.S. Treasury bills that are classified within Level 2 of the fair value hierarchy are valued based on other observable inputs, including broker or dealer quotations, alternative pricing sources or U.S. Government Treasury yield of appropriate term.

The following tables provide information by level for assets and liabilities that are measured at fair value on a recurring and nonrecurring basis:

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Financial Assets				
Money market funds	$ 1,421	$ —	$ —	$ 1,421
U.S. Treasury bills	—	145,797	—	145,797
Derivative financial instrument	—	167	—	167
Total	$ 1,421	$ 145,964	$ —	$ 147,385
Financial Liabilities				
Contingent consideration	$ —	$ —	$ 5,054	$ 5,054

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Financial Assets				
Money market funds	$ 5,684	$ —	$ —	$ 5,684
U.S. Treasury bills	—	164,322	—	164,322
Derivative financial instrument	—	1,055	—	1,055
Total	$ 5,684	$ 165,377	$ —	$ 171,061
Financial Liabilities				
Contingent consideration	$ —	$ —	$ 4,858	$ 4,858

There were no transfers in or out of Level 1, 2 and 3 measurements for the six months ended June 30, 2024 and the year ended December 31, 2023. As of June 30, 2024 and December 31, 2023, there were no securities within Level 3 of the fair value hierarchy. The derivative financial instrument above relates to the interest rate swap discussed in Note 6, and is included in prepaid expenses and current assets in the condensed consolidated balance sheets.

As of June 30, 2024, the fair value of the Company's Loan (as defined in Note 6) was $75.8 million. The fair value was determined on the basis of its net present value and is considered Level 2 in the fair value hierarchy.

5. Financial Instruments

Marketable securities and long-term investments classified as available-for-sale on June 30, 2024 and December 31, 2023 consisted of the following (in thousands):

		June 30, 2024			
	Maturity	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. Treasury bills	Less than one year	$ 142,024	$ —	$ (199)	$ 141,825
U.S. Treasury bills	Between one and two years	3,977	—	(5)	3,972
Total		$ 146,001	$ —	$ (204)	$ 145,797

		December 31, 2023			
	Maturity	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. Treasury bills	Less than one year	$ 141,075	$ 86	$ —	$ 141,161
U.S. Treasury bills	Between one and two years	23,134	27	—	23,161
Total		$ 164,209	$ 113	$ —	$ 164,322

As of June 30, 2024 and December 31, 2023, marketable securities that had contractual maturities less than one year are classified as current because management considers these marketable securities to be available for current operations. As of June 30, 2024 and December 31, 2023, marketable securities that had contractual maturities between one and two years are classified as long-term because management considers these marketable securities to be available for operations beyond one year. The Company does not intend to sell its marketable securities and it is not likely that the Company will be required to sell these securities before recovery of their amortized cost basis. There were $141.8 million of marketable securities and $4.0 million of long-term investments maturing in less than two years classified as available-for-sale as of June 30, 2024. There were $141.2 million of marketable securities and $23.2 million of long-term investments maturing in less than two years classified as available-for-sale as of December 31, 2023.

6. Commitments and Contingencies

Operating Lease Obligations

The Company currently leases office spaces and laboratory spaces located in Greater Los Angeles, California, Dallas, Texas, and the United Kingdom. The Company's leased facilities have original lease terms ranging from 2 to 5 years that predominately require the Company to provide a security deposit, while certain leases provide the right for the Company to renew the lease upon the expiration of the initial lease term, and various leases have scheduled rent increases on an annual basis. The exercise of lease renewal options for the Company's existing leases is at the Company's sole discretion, and not included in the measurement of right of use asset or lease liability as they are not reasonably certain to be exercised. Certain leases have leasehold improvements and are being amortized over the shorter of the estimated useful life of the improvements or the remaining life of the lease. Such improvements incurred by the Company will revert to the landlord at the expiration of the lease and will be removed from Company's condensed consolidated balance sheets.

The Company's lease costs consist of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating lease cost	$ 537	$ 307	$ 925	$ 1,516
Variable lease cost	76	401	366	673
Total lease cost	$ 613	$ 708	$ 1,291	$ 2,189

The following table summarizes cash flow information related to the Company's lease obligations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cash paid for operating lease liabilities	$ 734	$ 441	$ 1,262	$ 1,316

The following table summarizes the Company's lease assets and liabilities (in thousands):

	June 30, 2024	December 31, 2023
Operating lease right-of-use assets	$ 1,707	$ 2,387
Current operating lease liabilities	$ 1,669	$ 1,750
Non-current operating lease liabilities	$ 2,020	$ 2,877

The following table summarizes other supplemental information related to the Company's lease obligations:

	June 30, 2024	December 31, 2023
Weighted-average remaining lease term (in years)	2.18	2.60
Weighted-average discount rate	6.75 %	6.75 %

Future minimum lease payments under operating lease liabilities were (in thousands):

	June 30, 2024
2024 (remaining six months)	$ 923
2025	1,818
2026	1,219
Total future lease payments	3,960
Less: imputed interest	271
Total lease liability balance	3,689
Less: current portion of operating lease liabilities	1,669
Total operating lease liabilities, non-current	$ 2,020

During the six months ended June 30, 2024 and 2023, the Company evaluated its remaining right-of-use assets for impairment, as the Plan (as defined below in Note 10) has resulted in a cessation of use for several locations. The Company determined these assets were impaired, and has recognized an impairment loss of nil and termination gain of $0.2 million for the three months ended June 30, 2024 and 2023, respectively, and $0.2 million and $7.1 million for the six months ended June 30, 2024 and 2023 respectively, which are recorded in the line item "restructuring and impairment charges" in the condensed consolidated statements of operations and comprehensive loss.

Legal Proceedings

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of its business activities. The Company accrues a liability for such matters when it is probable that future expenditures will be made and that such expenditures can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Company does not expect that the resolution of these matters will have a material adverse effect on its financial position, results of operations or cash flows.

Debt

In June 2022, the Company's wholly owned subsidiary, Complex Therapeutics Mezzanine LLC, and the Company's wholly owned indirect subsidiary, Complex Therapeutics LLC, entered into a mortgage construction loan and mezzanine construction loan (together, the "Loan") secured by its Tarzana, California land and building (the "Property"). The initial principal amount of the Loan was $52.1 million, with additional future principal of up to $32.9 million to fund ongoing Property construction costs. Construction has been completed and on July 10, 2024,

Complex Therapeutics LLC leased the Property to AstraZeneca Pharmaceuticals LP, as further described in Note 11. The Loan principal is payable in July 2025, with the option to extend until July 2027. As of June 30, 2024, the outstanding principal amount under the Loan was $82.8 million and unamortized debt issuance costs were $0.9 million. During the year ended December 31, 2023, $0.6 million in additional principal was paid in accordance with the Loan. The Loan is guaranteed by the Company and secured by the Property, and bears interest at the one-month Secured Overnight Financing Rate, plus 5.25% per annum. The Company discontinued capitalizing interest in June 2023 as the building was substantially complete at such time. The Loan contains customary negative and affirmative covenants that include limitations on the ability of the Company to enter into significant contracts and incur additional debt. The Company is also required to maintain consolidated net worth and liquid assets of at least $85.0 million as of June 30, 2024 and December 31, 2023 as defined in the loan agreement. As of June 30, 2024, the Company was in compliance with the covenants of the Loan. The Company is also required to maintain certain insurance coverage on the Property. In connection with the Loan, the Company entered into an interest rate swap to effectively limit its maximum interest rate, as discussed in Note 4.

The net carrying amount of the liability component of the Loan was as follows (in thousands):

	June 30, 2024	December 31, 2023
Principal amount	$ 82,837	$ 82,837
Unamortized debt issuance cost	(911)	(1,410)
Net carrying amount	$ 81,926	$ 81,427

The following table sets forth the interest expense recognized related to the Loan (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Contractual interest expense	$ 1,750	$ 341	$ 3,482	$ 728
Amortization of debt issuance cost	249	249	498	498
Total interest expense related to the Loan	$ 1,999	$ 590	$ 3,980	$ 1,226

Other Commitments

In the normal course of business, the Company enters into contracts and various purchase agreements commitments with third-party vendors for clinical research services, products and other services from third parties for operating purposes. These agreements generally provide for termination or cancellation, other than for costs already incurred. As of June 30, 2024 and December 31, 2023, the Company had no outstanding liabilities, respectively, in commitments for employee benefits as part of the Plan. As of June 30, 2024 and December 31, 2023, the Company had $3.2 million and $3.1 million, respectively, in commitments for contract terminations as part of the Plan (see Note 10).

The Company has entered into an agreement with a third-party collaborator to develop the CoStAR-TIL Collaboration Product with the aim of enrolling patients in IITs in China. Milestone payments of $2.6 million were made during the six months ended June 30, 2024 and were recorded within research and development expense in the condensed consolidated statements of operations and comprehensive loss, and upon successful completion of future milestones, the Company may be required to pay up to $3.4 million for clinical development.

7. Equity

Common Stock

Each share of common stock has the right to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and if declared by the Company's Board of Directors (the "Board of Directors"), subject to the prior rights of holders of all classes of stock outstanding having priority rights as to dividends. No cash dividends have been declared by the Board of Directors from inception.

As of both June 30, 2024 and December 31, 2023, the Company had 6,503,913 shares of common stock outstanding.

Preferred Stock Activity

The Company's current amended and restated certificate of incorporation authorizes the Company to issue up to 10,000,000 shares of preferred stock at $0.000001 par value per share. The Board of Directors is authorized to provide for the issuance of the preferred stock in one or more series, and to fix the number of shares and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in subsequent resolution or resolutions adopted by the board providing for the issuance of such shares. As of June 30, 2024 and December 31, 2023, there were no shares of preferred stock issued or outstanding.

8. Stock-Based Compensation

2021 Equity Incentive Plan

In March 2021, the Company adopted the 2021 Equity Incentive Plan (the "2021 Plan"), which became effective in connection with the Company's initial public offering ("IPO"). The 2021 Plan was approved by the Board of Directors and stockholders in March 2021. The 2021 Plan is an equity incentive plan pursuant to which the Company may grant the following awards: (i) incentive stock options; (ii) nonstatutory stock options; (iii) stock appreciation rights; (iv) restricted stock awards; (v) restricted stock unit awards; (vi) performance awards; and (vii) other forms of stock awards to employees, directors, and consultants, including employees and consultants of the Company's affiliates. The 2021 Plan is a successor to the Company's 2018 Stock Incentive Plan (the "2018 Plan"). Following the effectiveness of the 2021 Plan, no further grants may be made under the 2018 Plan; however, any outstanding equity awards granted under the 2018 Plan will continue to be governed by the terms of the 2018 Plan.

As of June 30, 2024, 334,014 shares of common stock remained available for issuance under the 2021 Plan. As of June 30, 2024, the total number of shares authorized for issuance under the 2021 Plan was 642,722 shares.

The following table sets forth stock-based compensation included in the Company's statement of operations and comprehensive loss (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Research and development expense	$ 534	$ 273	$ 1,081	$ 432
General and administrative expense	3,639	4,140	7,607	8,511
Total stock-based compensation expense	$ 4,173	$ 4,413	$ 8,688	$ 8,943

As of June 30, 2024, there was $16.5 million of total unrecognized compensation cost related to unvested stock options granted under the 2018 Plan and 2021 Plan, which is expected to be recognized over a weighted average period of 1.3 years.

Employee Stock Purchase Plan

In March 2021, the Company adopted the Employee Stock Purchase Plan (the "ESPP"), which became effective in connection with the IPO. The ESPP was adopted by the Board of Directors and stockholders in March 2021, but the Company has not yet commenced offerings to employees under the ESPP. The ESPP initially provides participating employees with the opportunity to purchase up to an aggregate of 61,850 shares of common stock. The number of shares reserved under the ESPP automatically increases on January 1 of each year through and until January 1, 2031, in an amount equal to the lesser of (i) 1% of the total number of shares of common stock outstanding on December 31 of the preceding calendar year, and (ii) 123,700 shares; provided, however, that before

the date of any such increase, the Board of Directors may determine that such increase will be less than the amount set forth in clauses (i) and (ii).

9. Net Loss Per Share

The following outstanding potentially dilutive shares have been excluded from the calculation of diluted net loss per share for the periods presented due to their anti-dilutive effect:

	June 30,	
	2024	**2023**
Stock options to purchase common stock	1,125,216	912,126

10. Corporate Restructuring Plan

In December 2022, the Board of Directors approved a strategic reprioritization of the Company's preclinical and clinical development programs (referred to as the "2022 Plan"). In January 2023, the Board approved an additional restructuring plan (referred to as the "2023 Plan") and the Company announced the consolidation of the ITIL-306 Phase 1 clinical trial and related manufacturing of CoStAR-TIL to its operations in Manchester, UK and stopped recruiting for the ITIL-306 clinical trial.

In January 2024, the Board of Directors approved an additional restructuring plan (the "2024 Plan"), involving the closure of the Company's UK manufacturing facility, clinical trial operations and cessation of the Company's ITIL-306 clinical trial. The UK workforce reduction and related restructuring activities in connection with the 2024 Plan are expected to be substantially completed by the end of 2024. The 2022 Plan, 2023 Plan and 2024 Plan are collectively referred to as the "Plan".

Restructuring and Impairment Charges

As a result of the Plan, the Company recorded charges of $0.5 million and $4.8 million within the condensed consolidated statements of operations and comprehensive loss in the line item "restructuring and impairment charges" for the three and six months ended June 30, 2024, respectively, and $1.0 million and $25.6 million for the three and six months ended June 30, 2023, respectively.

The Company estimates that it will incur additional charges of up to $0.5 million by the end of 2024, including employee termination costs, severance and other benefits, and contract termination costs. The charges that the Company expects to incur in connection with the 2024 Plan are subject to a number of assumptions, and actual results may differ materially.

These charges relate to asset impairments, contract terminations, severance payments and other employee-related costs incurred. The following table summarizes the restructuring and impairment charges by category (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Asset impairment for leasehold improvements	$ —	$ —	$ 292	$ 2,644
One-time employee termination benefits	247	13	978	1,775
Contract terminations	15	—	546	1,888
Right-of-use asset impairment	—	(210)	187	7,596
Impairment of long-lived assets held for sale	246	1,207	2,780	11,661
Total restructuring and impairment charges	$ 508	$ 1,010	$ 4,783	$ 25,564

Restructuring Liability

As a result of the Plan, the restructuring liability was recorded in the condensed consolidated balance sheets under "Accrued expenses and other current liabilities" and was measured at the amount expected to be paid, or that was paid. During the three and six months ended June 30, 2024, the Company paid $0.7 million and $1.4 million of restructuring costs, respectively, and expects to pay the remainder of the restructuring costs by the end of 2024. The following table shows the liability related to the Plan (in thousands):

	Employee Benefits	Contract Terminations	Total
Restructuring liability as of December 31, 2023	$ —	$ 3,136	$ 3,136
Additions, net	978	546	1,524
Payments	(978)	(471)	(1,449)
Total restructuring liability as of June 30, 2024	$ —	$ 3,211	$ 3,211

11. Subsequent Events

Tarzana Facility Lease with AstraZeneca

On July 10, 2024, Complex Therapeutics LLC entered into a lease (the "Lease") with AstraZeneca Pharmaceuticals LP ("Tenant") pursuant to which Tenant is leasing the Property located in Tarzana, CA. The Lease has an initial term of approximately 15 years, beginning on July 10, 2024 (the "Commencement Date") and ending on July 31, 2039, with Tenant having two consecutive options to extend the term for a five-year period each and a one-time option to terminate the Lease on the tenth anniversary of the Commencement Date, which, if exercised, obligates Tenant to pay Complex Therapeutics LLC a termination fee. The initial base rent is $627,276 per month ($7,527,312 annually) and the base rent will escalate by 3% per annum. Tenant is also required to pay certain operating expenses and tax expenses as additional rent. There is rent abatement during the first year of the Lease such that Tenant will pay no rent or reduced rent during this period. Tenant also has a right of first offer to purchase the premises that are subject to the Lease.

IO Collaboration Agreement

On August 1, 2024, SynBioTx and ImmuneOnco entered into the IO Collaboration Agreement pursuant to which SynBioTx in-licensed certain bispecific antibodies, including the product candidate known as SYN-2510/IMM2510, a bispecific antibody targeting both programmed death-ligand 1 (PD-L1) and vascular endothelial growth factor (VEGF), as well as SYN-27M/IMM27M, a monoclonal antibody targeting cytotoxic T-lymphocyte associated antigen 4 (CTLA-4), from ImmuneOnco. Pursuant the IO Collaboration Agreement, ImmuneOnco will receive from SynBioTx upfront and potential near-term payments of up to $50 million (including $10 million upfront), as well as up to $2.1 billion in commercial, development and regulatory milestones (including up to $270 million in longer term development and regulatory milestones and up to $1.8 billion in commercial milestones) plus single-digit to

low double-digit percentage royalties on global net sales of the licensed products outside of Greater China. Under the IO Collaboration Agreement, the royalty term for all contemplated royalties shall terminate on a product-by-product and country-by-country basis until the latest of the ten-year anniversary of the first commercial sale, patent expiration, and expiration of regulatory exclusivity for such licensed product in such country.

Under the terms of the IO Collaboration Agreement, each party has the right to terminate the agreement for material breach by, or insolvency of, the other party. ImmuneOnco may terminate the IO Collaboration Agreement in its entirety in the event SynBioTx or any of its affiliates or sublicensees challenges the validity of a licensed patent unless the challenge is withdrawn or the sublicensing arrangement is terminated, as applicable. SynBioTx may also terminate the IO Collaboration Agreement in its entirety, or on a product-by-product or country-by-country basis, for convenience upon 180 days' notice.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q and the audited financial statements and notes thereto as of and for the year ended December 31, 2023 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 21, 2024. Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to "we," "us" and "our" refer to Instil Bio, Inc. and our consolidated subsidiaries.

Forward-Looking Statements

The information in this discussion contains forward-looking statements and information within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are subject to the "safe harbor" created by those sections. These forward-looking statements include, but are not limited to, statements concerning our strategy, future operations, our expectations regarding our collaborations and clinical trials, future financial position, future revenues, projected costs, prospects, and plans and objectives of management. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part II, Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q and in our other filings with the SEC. The forward-looking statements are applicable only as of the date on which they are made, and we do not assume any obligation to update any forward-looking statements.

Overview

We are a clinical-stage biopharmaceutical company focused on developing a pipeline of novel therapies.

We seek to in-license or acquire and develop novel therapeutic candidates in diseases with significant unmet medical need. Most recently, on August 1, 2024, our wholly owned subsidiary, SynBioTx, Inc. ("SynBioTx"), in-licensed certain bispecific antibodies, including the product candidate known as SYN-2510/IMM2510, a bispecific antibody targeting both programmed death-ligand 1 (PD-L1) and vascular endothelial growth factor (VEGF), as well as SYN-27M/IMM27M, a monoclonal antibody targeting cytotoxic T-lymphocyte associated antigen 4 (CTLA-4), from ImmuneOnco Biopharmaceuticals (Shanghai) Inc. ("ImmuneOnco"). SYN-2510, the lead in-licensed product candidate, is a novel and differentiated PD-L1xVEGF bispecific antibody in development for the treatment of multiple solid tumor cancers. Pursuant to the license and collaboration agreement with ImmuneOnco (the "IO Collaboration Agreement"), SynBioTx has an exclusive license to research, develop, manufacture and commercialize these product candidates outside of China, including mainland China, Hong Kong, Macau and Taiwan ("Greater China"). ImmuneOnco retains development and commercialization rights in Greater China.

We are also developing a tumor infiltrating lymphocyte ("TIL") cell therapy for the treatment of cancer, which was acquired in 2020. In December 2023, we entered into an agreement with a third-party collaborator to develop an autologous FRα CoStAR TIL (the "CoStAR-TIL Collaboration Product") for a potential investigator-initiated trial ("IIT") in non-small cell lung cancer ("NSCLC") in China. The CoStAR-TIL Collaboration Product will be manufactured by the collaborator utilizing our proprietary FRα CoStAR construct in the collaborator's manufacturing process. The collaborator has an option to exclusively license the CoStAR-TIL Collaboration Product in China and Taiwan.

Since inception, we have had significant operating losses. Our net loss was $14.9 million for the three months ended June 30, 2024 and $39.2 million for the six months ended June 30, 2024. As of June 30, 2024, we had an accumulated deficit of $620.2 million. As of June 30, 2024, we had cash, cash equivalents, marketable securities and

long-term investments of $152.6 million, which consists of $6.8 million in cash and cash equivalents, $141.8 million in marketable securities and $4.0 million in long-term investments. We expect to continue to incur net losses for the foreseeable future.

Recent Developments

As discussed above, in August 2024, SynBioTx entered into the IO Collaboration Agreement with ImmuneOnco pursuant to which SynBioTx in-licensed certain antibodies, including SYN-2510 and SYN-27M.

In addition, in July 2024, Complex Therapeutics LLC entered into a lease (the "Lease") with AstraZeneca Pharmaceuticals LP pursuant to which with AstraZeneca Pharmaceuticals LP is leasing Complex Therapeutic LLC's manufacturing facility located in Tarzana, CA. The Lease has an initial term of approximately 15 years and the initial base rent is $627,276 per month ($7,527,312 annually), the base rent will escalate by 3% per annum and AstraZeneca Pharmaceuticals LP is required to pay certain operating expenses and tax expenses as additional rent. There is rent abatement during the first year of the Lease such that AstraZeneca Pharmaceuticals LP will initially pay no rent or reduced rent.

Components of Operating Results

Operating Expenses

Research and Development

Research and development expenses consist primarily of research and development, manufacturing, monitoring and other services payments and, to a lesser extent, salaries, benefits and other personnel-related costs, including stock-based compensation, professional service fees, and facility and other related costs. In addition, research and development expense is presented net of reimbursements from reimbursable tax and expenditure credits and grants from the UK government. For the three and six months ended June 30, 2024 and 2023, we did not allocate our research and development expenses by program.

We expect our future research and development expenses to change in line with our clinical development activities for SYN-2510 and SYN-27M, our CoStAR-TIL Collaboration Product or other next-generation TIL technologies and other potential business development activities. Our expenditures on future nonclinical and clinical development programs are subject to numerous uncertainties in timing and cost to completion. The duration, costs and timing of clinical trials and development of product candidates will depend on a variety of factors, including:

- the scope, rate of progress and expenses of clinical trials and other research and development activities;
- potential safety monitoring and other studies requested by regulatory agencies;
- significant and changing government regulation; and
- the timing and receipt of regulatory approvals, if any.

The process of conducting the necessary clinical research to obtain regulatory approval from the FDA, Medicines and Healthcare Products Regulatory Agency, or MHRA, European Medicines Agency, or EMA, and comparable foreign authorities is costly and time consuming and the successful development of product candidates is highly uncertain. The risks and uncertainties associated with our research and development projects are discussed more fully in the section of this Quarterly Report titled "Risk Factors." As a result of these risks and uncertainties, we are unable to determine with any degree of certainty the duration and completion costs of our research and development projects, or if, when or to what extent we will generate revenues from the commercialization and sale of any of our product candidates that obtain regulatory approval. We may never succeed in achieving regulatory approval for any of our product candidates.

General and Administrative

General and administrative expenses consist primarily of compensation and personnel-related expenses, including stock-based compensation, for our personnel in executive, finance and other administrative functions. General and administrative expenses also include professional fees paid for accounting, auditing, legal, tax and consulting services, insurance costs, recruiting costs, travel expenses, facility and other related costs, depreciation, and other general and administrative costs.

Additionally, we expect to continue to incur expenses as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the SEC, director and officer insurance expenses, and any investor relations related expenses, as well as other administrative and professional services.

Restructuring and Impairment Charges

Restructuring and impairment charges consist primarily of:

- for the six months ended June 30, 2023, asset impairment charges related to our facility in Tarzana;
- for the six months ended June 30, 2024, asset impairment charges related to our former manufacturing facility in Manchester;
- contract terminations, including contract terminations related to the Tarzana, Thousand Oaks and Manchester facilities; and
- severance and other employee termination related costs.

As part of the 2023 Plan, we transitioned clinical manufacturing and trial operations of ITIL-306 to the United Kingdom, and as a result, in 2023 we reduced our U.S. workforce by approximately 96% and our UK workforce by approximately 42%. Subsequently, in January 2024, we decided to close our UK manufacturing and clinical operations and incurred charges of $4.8 million during the six months ended June 30, 2024 with this restructuring, and we estimate we will incur additional charges of up to $0.5 million in 2024 related to the 2024 Plan.

Interest Income

Interest income consists of interest income from funds held in our cash and cash equivalent accounts, marketable securities and long-term investments.

Interest Expense

Interest expense consists of interest expense on our Loan and amortization of loan origination costs.

Other (Expense) Income, Net

Other (expense) income, net consists primarily of interest cap derivative instrument fair value gain or loss, foreign exchange remeasurement gain or loss and other expenses and income.

Income Tax Provision

We are subject to income taxes in the United States and the foreign jurisdiction where we operate, the United Kingdom. The United Kingdom has statutory tax rates that differ from those in the United States. Accordingly, our effective tax rates will vary depending on the relative proportion of United Kingdom to United States income, the availability of research and development tax credits, changes in the valuation of our deferred tax assets and liabilities and changes in tax laws.

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 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. Due to the uncertainty of the business in which we operate, projections of future profitability are difficult and past profitability is not necessarily indicative of future profitability. We maintain full valuation allowance against net deferred tax assets for the United States and the United Kingdom. The valuation allowance has

been provided based on the positive and negative evidence relative to our company, including the existence of cumulative net operating losses, or NOLs, since our inception, and the inability to carryback these NOLs to prior periods. Furthermore, we have determined that it is more likely than not that the benefit of these assets would not be realized in the foreseeable future. The timing and the reversal of our valuation allowance will continue to be monitored.

Results of Operations

Comparison of the Three Months Ended June 30, 2024 and 2023

The following table summarizes our results of operations for the three months ended June 30, 2024 and 2023 (in thousands):

	Three Months Ended June 30,		Change
	2024	2023	$
Operating expenses:			
Research and development	$ 2,921	$ 8,459	$ (5,538)
General and administrative	10,706	11,518	(812)
Restructuring and impairment charges	508	1,010	(502)
Total operating expenses	14,135	20,987	(6,852)
Loss from operations	(14,135)	(20,987)	6,852
Interest income	1,919	2,287	(368)
Interest expense	(1,999)	(590)	(1,409)
Other (expense) income, net	(702)	628	(1,330)
Net loss	$ (14,917)	$ (18,662)	$ 3,745

Research and Development Expenses

Research and development expenses were $2.9 million and $8.5 million for the three months ended June 30, 2024 and 2023, respectively. The net decrease of $5.5 million was primarily due to:

- $0.9 million decrease in costs from reduced headcount, consisting primarily of a decrease of $1.2 million in wages and benefits, offset by a $0.3 million increase in stock-based compensation expense;
- $3.4 million decrease in costs related to research and clinical development activities and our clinical trials resulting from our discontinuation of our ITIL-168 clinical manufacturing activities; and
- $1.2 million decrease in expenses related to facilities and overhead, depreciation, and other expenses due to reductions made in these areas.

General and Administrative Expenses

General and administrative expenses were $10.7 million and $11.5 million for the three months ended June 30, 2024 and 2023, respectively. The net decrease of $0.8 million was primarily due to:

- $1.4 million decrease in costs from reduced headcount mainly due to decreases in wages of $0.9 million and stock-based compensation expense of $0.5 million; offset by
- $0.5 million increase in consulting and professional services costs, mainly consisting of an increase in costs of legal consultants and executive service fees; and
- $0.1 million increase in facility and other office expenses.

Restructuring and Impairment Charges

Restructuring and impairment charges were approximately $0.5 million and $1.0 million for the three months ended June 30, 2024 and 2023, respectively. The net decrease of $0.5 million was primarily due to:

- $1.0 million decrease in costs from impairments of assets held for sale; offset by
- $0.2 million increase in costs from impairments of right-of-use assets; and
- $0.3 million increase in severance payments and benefits continuation costs.

We expect additional restructuring and impairment charges in 2024 as result of reducing our UK workforce and other actions related to our 2024 Plan referenced in Note 10 to the financial statements included elsewhere in this Quarterly Report.

Interest Income, Interest Expense and Other (Expense) Income, Net

Interest income, interest expense and other (expense) income, net was $0.8 million of expense and $2.3 million of income for the three months ended June 30, 2024 and 2023, respectively. The increase in expense of $3.1 million was primarily due to:

- $1.4 million increase of interest expense from our Loan;
- $0.9 million increase in changes in fair value of our derivative financial instrument;
- $0.4 million increase in loss on foreign currency transactions; and
- $0.4 million decrease of interest income related to our investments.

Comparison of the Six Months Ended June 30, 2024 and 2023

The following table summarizes our results of operations for the six months ended June 30, 2024 and 2023 (in thousands):

	Six Months Ended June 30,		Change
	2024	2023	$
Operating expenses:			
Research and development	$ 10,177	$ 29,129	$ (18,952)
General and administrative	23,130	24,740	(1,610)
Restructuring and impairment charges	4,783	25,564	(20,781)
Total operating expenses	38,090	79,433	(41,343)
Loss from operations	(38,090)	(79,433)	41,343
Interest income	3,981	4,358	(377)
Interest expense	(3,980)	(1,226)	(2,754)
Other (expense) income, net	(1,130)	571	(1,701)
Net loss	$ (39,219)	$ (75,730)	$ 36,511

Research and Development Expenses

Research and development expenses were $10.2 million and $29.1 million for the six months ended June 30, 2024 and 2023, respectively. The decrease in research and development expenses of $19.0 million was primarily due to:

- $9.8 million decrease in costs from reduced headcount, consisting primarily of a decrease of $10.1 million in wages and benefits, offset by an increase of $0.7 million in stock-based compensation expense, $0.2 million decrease in other employee-related expenses in relation to our research and development personnel and $0.2 million decrease in professional services;
- $3.0 million decrease in costs related to research and clinical development activities and our clinical trials resulting from our discontinuation of our ITIL-168 clinical manufacturing activities; and
- $6.2 million decrease in expenses related to facilities and overhead, depreciation, and other expenses due to reductions made in these areas.

General and Administrative Expenses

General and administrative expenses were $23.1 million and $24.7 million for the six months ended June 30, 2024 and 2023, respectively. The net decrease of $1.6 million was primarily due to:

- $3.0 million decrease in costs, mainly due to a decrease in wages of $2.1 million and a decrease in stock-based compensation expense of $0.9 million; offset by
- $0.4 million increase in insurance expense and depreciation; and
- $1.0 million increase in facility and other office expenses.

Restructuring and Impairment Charges

Restructuring and impairment charges were $4.8 million and $25.6 million for the six months ended June 30, 2024 and 2023, respectively. The net decrease of $20.8 million was primarily due to:

- $8.9 million decrease in costs from impairments of assets held for sale;
- $7.4 million decrease in costs from impairments of right-of-use assets;
- $2.4 million decrease in costs from leasehold improvement impairments;
- $0.8 million decrease in severance payments and benefits continuation costs; and
- $1.3 million decrease in costs resulting from termination of contracts.

We expect additional restructuring and impairment charges in 2024 as result of reducing our UK workforce and other actions related to our 2024 Plan referenced in Note 10 to the financial statements included elsewhere in this Quarterly Report.

Interest Income, Interest Expense and Other Income (Expense), Net

Interest income, interest expense and other expense, net were $1.1 million of expense and $3.7 million of income for the six months ended June 30, 2024 and 2023, respectively. The increase in expense of $4.8 million was primarily due to:

- $0.4 million decrease of interest income related to our investments;
- $0.9 million increase in loss on foreign currency transactions;
- $2.7 million increase of interest expense from our Loan; and
- $0.8 million of other losses, including loss from our derivative financial instrument.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have not generated any revenue from product sales and we have incurred significant operating losses. We do not have any products that have achieved regulatory marketing approval and we do not expect to generate revenue from sales of any product candidates for at least several years, if ever.

As of June 30, 2024, we had cash, cash equivalents, marketable securities and long-term investments of $152.6 million, which consisted of $6.8 million in cash and cash equivalents, $141.8 million in marketable securities and $4.0 million in long-term investments. Cash in excess of immediate requirements is invested in accordance with our investment policy, primarily with a view to liquidity and capital preservation.

Prior to our initial public offering, or IPO, we funded our operations primarily through the issuance and sale of convertible preferred stock. From our inception through March 2021, we raised net cash proceeds of $380.1 million from the issuance and sale of our convertible preferred stock.

In the first quarter of 2021, we raised net proceeds of $339.0 million in our IPO, pursuant to which we sold an aggregate of 920,000 shares of common stock.

In June 2022, our wholly owned subsidiary, Complex Therapeutics Mezzanine LLC, and our wholly owned indirect subsidiary, Complex Therapeutics LLC, entered into a mortgage construction loan and mezzanine construction loan, or together, the Loan, secured by our Tarzana, California land and building. Construction of the Tarzana facility has been completed and the facility has been leased to AstraZeneca Pharmaceuticals LP. The initial principal amount of the Loan was $52.1 million, with additional future principal of up to $32.9 million to fund then ongoing construction costs. As of June 30, 2024, the outstanding principal amount under the Loan was $82.8 million and unamortized debt issuance costs were $0.9 million. We have agreed with the lender to terminate commitments in respect of any unadvanced amounts and, accordingly, do not have additional borrowing capacity under the Loan.

Future Funding Requirements

Based on our current operating plan, we believe our existing cash, cash equivalents, restricted cash and marketable securities will be sufficient to fund our operating expenses and capital expenditure requirements beyond 2026. We are evaluating opportunities for a potential sale of our Tarzana manufacturing site, as well as subleases of other facilities under lease. If we are successful in selling the Tarzana facility, such a transaction could extend our expected cash runway. We have based this estimate on assumptions that may prove to be wrong, we may not be successful in securing a sale of the Tarzana facility or sublease of the other facilities on favorable terms, or at all and we could utilize our available capital resources sooner than we expect. AstraZeneca Pharmaceuticals LP has leased the Tarzana manufacturing facility and has a right of first offer to purchase the property.

We use our cash to fund operations, primarily to fund our business development, research and development expenditures and related personnel costs. We expect our expenses to continue to be significant as we invest in research and development activities, particularly as we in-license or acquire product candidates, advance product candidates into later stages of development and conduct clinical trials, seek regulatory approvals for and commercialize any product candidates that successfully complete clinical trials, hire personnel and invest in and grow our business, expand and protect our intellectual property portfolio, and operate as a public company. Because of the numerous risks and uncertainties associated with acquiring product candidates, and the research, development and commercialization of product candidates, we are unable to estimate the exact timing and amount of our funding requirements. Our future operating expenditures will depend on many factors, including:

- the results of our collaborations and the number and characteristics of any product candidates we develop or acquire;
- the scope, rate of progress, costs and results of future clinical and preclinical development activities;
- the costs, timing and outcome of regulatory review of any product candidates, and the number of trials required for regulatory approval;
- the cost of manufacturing any product candidates, as well as any products we successfully commercialize;
- the cost of commercialization activities of our product candidates, if approved for sale, including marketing, sales and distribution costs;
- the timing, receipt and amount of sales of any product candidates, if approved;
- costs related to our Tarzana facility and our ability to complete a sale of our Tarzana, California facility, as well as subleases of other facilities under lease;
- the extent to which we acquire or in-license other companies' product candidates and technologies;
- our ability to establish and maintain strategic collaborations, licensing or other arrangements and the financial terms of any such arrangements, including the timing and amount of any future milestone, royalty or other payments due under any such agreement;
- any product liability or other lawsuits or claims;
- the expenses needed to attract, hire and retain skilled personnel;
- our investments in our operational, financial and management information systems;
- the costs associated with operating as a public company;

- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing our intellectual property portfolio; and
- any delays or issues resulting from the impact of adverse geopolitical and economic conditions.

In February 2019, we entered into a license agreement with Immetacyte Ltd., or Immetacyte, pursuant to which we obtained a worldwide license to Immetacyte's proprietary technology, know-how and intellectual property for the research, development, manufacture and commercialization of TIL therapies. In March 2020, we acquired 100% of the share capital of Immetacyte for total cash and non-cash consideration, including contingent consideration, of $15.4 million. In connection with the acquisition, we terminated the Immetacyte license agreement and associated payment obligations. The maximum consideration that remained unpaid as of June 30, 2024, which payment is contingent on future events, was $13.3 million.

As discussed above, in August 2024, we entered into the IO Collaboration Agreement with ImmuneOnco. Among other things, pursuant to that agreement, SynBioTx agreed to pay ImmuneOnco an up-front payment of $10 million and up to $40 million in potential near-term payments, as well as up to $2.1 billion in commercial, development and regulatory milestones (including up to $270 million in longer term development and regulatory milestones and up to $1.8 billion in commercial milestones) plus single-digit to low double-digit percentage royalties on global net sales of the licensed products outside of Greater China.

We lease various operating spaces in the United States and the United Kingdom under non-cancelable operating lease arrangements that expire on various dates through 2026. These arrangements require us to pay certain operating expenses, such as taxes, repairs, and insurance and contain landlord or tenant incentives or allowances, renewal and escalation clauses. As of June 30, 2024, our future minimum lease payments under committed or non-cancelable lease agreements were $4.0 million.

As discussed above, in connection with the 2024 Plan, we currently estimate that we will incur additional charges of up to $0.5 million in 2024, including employee termination costs, severance and other benefits, and contract termination costs. The charges that we expect to incur in connection with the 2024 Plan are subject to a number of assumptions, and actual results may differ materially. We may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the 2024 Plan as well as additional costs in connection with any additional restructuring actions.

Until we can generate substantial revenue from the sales of our product candidates, if that occurs, we plan to fund our operations through equity offerings, debt financings, or other capital sources. This may include leasing income, strategic collaborations or other arrangements with third parties. Additional funds may not be available to us on acceptable terms or at all. If we raise additional funds by issuing equity or convertible debt securities, our stockholders will suffer dilution, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common shareholders. Debt financing, if available, may involve restrictive covenants limiting our flexibility in conducting future business activities, and, in the event of insolvency, debt holders would be repaid before holders of our equity securities receive any distribution of our corporate assets. If we raise funds through collaborations or other similar arrangements with third parties, we may have to relinquish valuable rights to technologies, future revenue streams, product candidates or research programs or grant licenses on terms that may not be favorable to us and/or may reduce the value of our common stock. Our ability to raise additional funds may be adversely impacted by worsening global economic conditions and the recent disruptions to, and volatility in, the credit and financial markets in the United States and worldwide resulting from, among other things, heightened inflation, higher interest rates, conflicts in Ukraine and the Middle East, and recent and potential future bank failures. 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, commercialization efforts or other operations. See "Risk Factors."

Cash Flows

The following table sets forth the significant sources and uses of cash for the periods set forth below (in thousands):

	Six Months Ended June 30,	
	2024	**2023**
Net cash provided by (used in):		
Cash used in operating activities	$ (25,004)	$ (54,222)
Cash provided by investing activities	21,160	24,859
Cash provided by financing activities	—	8,669
Net decrease in cash, cash equivalents, and restricted cash	$ (3,844)	$ (20,694)

Cash Flows from Operating Activities

Cash used in operating activities for the six months ended June 30, 2024 was $25.0 million, which consisted of the net loss of $39.2 million, partially offset by a $0.8 million net change to our net operating assets and liabilities, and $13.4 million in non-cash charges and other adjustments to reconcile net loss to net cash used in operating activities. The net change in our operating assets and liabilities was primarily due to a decrease of $0.2 million in accrued expenses, accrued restructuring expenses and other current liabilities, a decrease of $2.5 million in prepaid expenses and other current assets, an increase of $0.9 million in other long-term assets, and a decrease of $0.6 million in operating lease liabilities. The non-cash charges primarily consisted of stock-based compensation of $8.7 million, impairment of fixed assets and right-of-use assets, and loss on disposal of property and equipment of $3.3 million, change in fair value of interest cap derivative instrument and non-cash interest expense of $1.4 million, and depreciation expense of $2.0 million, offset by accretion on invested securities of $2.4 million.

Cash used in operating activities for the six months ended June 30, 2023 was $54.2 million, which consisted of the net loss of $75.7 million, and a $9.2 million net change to our net operating assets and liabilities, partially offset by $30.7 million in non-cash charges and other adjustments to reconcile net loss to net cash used in operating activities. The net change in our operating assets and liabilities was primarily due to a decrease of $0.2 million in accounts payable, a decrease of $5.9 million in accrued expenses, accrued restructuring expenses and other current liabilities, an increase of $1.5 million in prepaid expenses and other current assets, an increase of $1.0 million in other long-term assets and a decrease of $0.5 million in operating lease liabilities. The non-cash charges primarily consisted of stock-based compensation of $8.9 million, impairment of fixed assets of $14.0 million, impairment of right-of-use assets of $7.6 million and depreciation expense of $2.8 million, offset by accretion on invested securities of $2.9 million.

Cash Flows from Investing Activities

Cash provided by investing activities for the six months ended June 30, 2024 was $21.2 million, consisting primarily of $20.6 million of cash provided by marketable securities investments and $0.5 million of cash received from held for sale assets.

Cash provided by investing activities for the six months ended June 30, 2023 was $24.9 million, which consisted primarily of $40.3 million of cash provided by marketable securities investments, offset by $15.4 million used related to purchases of property, plant and equipment.

Cash Flows from Financing Activities

Cash provided by financing activities for the six months ended June 30, 2024 was nil.

Cash provided by financing activities for the six months ended June 30, 2023 was $8.7 million, which was primarily related to cash proceeds of $8.7 million drawn from the Loan.

Critical Accounting Policies and Estimates

This management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of the condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed 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.

For a description of critical accounting policies that require significant judgments and estimates during the preparation of our financial statements, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" and Note 2 to our Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no significant changes to our critical accounting policies from those disclosed in our 2023 Annual Report.

Recent Accounting Pronouncements

Information regarding recent accounting pronouncements applicable to us is included in Note 2 to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Emerging Growth Company Status and Smaller Reporting Company Status

We are an "emerging growth company" as defined in the JOBS Act. For so long as we remain an emerging growth company, we are permitted and intend to rely on certain exemptions from various public company reporting requirements, including not being required to have our internal control over financial reporting audited by our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and any golden parachute payments not previously approved. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

In addition, 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 avail ourselves of 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 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 the new or revised accounting pronouncements as of public company effective dates.

We will remain an emerging growth company until the earliest of (i) December 31, 2026, (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 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.

We are also a "smaller reporting company," as defined in Rule 12b-2 under the Exchange Act. We may continue to be a smaller reporting company if either (i) the market value of our shares held by non-affiliates is less than $250.0 million or (ii) our annual revenue was less than $100.0 million during the most recently completed fiscal year and the market value of our shares held by non-affiliates is less than $700.0 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller

reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Item 10 of Regulation S-K and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2024, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Part II. Other Information

Item 1. Legal Proceedings

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not currently subject to any material legal proceedings.

Item 1A. Risk Factors

RISK FACTORS

The following information sets forth risk factors that could cause our actual results to differ materially from those contained in forward-looking statements we have made in this Quarterly Report on Form 10-Q and those we may make from time to time. You should carefully consider the risks described below, in addition to the other information contained in this Quarterly Report on Form 10-Q and our other public filings. Our business, financial condition or results of operations could be harmed by any of these risks. The risks and uncertainties described below are not the only ones we face. Additional risks not presently known to us or other factors not perceived by us to present significant risks to our business at this time also may impair our business operations.

Risks Associated with Our Business

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 this "Risk Factors" section, including the following:

- We have incurred significant losses since our inception. We expect to incur losses over the next several years and may never achieve or maintain profitability.
- We have a limited operating history and no history of completing any clinical trial or commercializing products, which may make it difficult for an investor to evaluate the success of our business to date and to assess our future viability.
- We will need substantial additional funding to meet our financial obligations and to pursue our business objectives. If we are unable to raise capital when needed, we could be forced to delay further development of our technologies or product candidates or to curtail our planned operations and the pursuit of our growth strategy.
- All of our product candidates are currently in preclinical development, potential investigator-initiated clinical stage or early-stage clinical development. If we are unable to successfully develop, receive regulatory approval for and commercialize our product candidates for the indications we seek, or experience significant delays in doing so, our business will be harmed.
- Because our CoStAR-TIL Collaboration Product and any future product candidates developed from our CoStAR platform represent novel approaches to the treatment of disease, there are many uncertainties regarding the development, market acceptance, third-party reimbursement coverage and commercial potential of our product candidates.
- We may derive results for our CoStAR-TIL Collaboration Product from an open-label investigator-initiated trial, or IIT, led by our collaborator in China. The IIT will be conducted by principal investigators; our role in the trial and access to the clinical results and data are limited and there is no assurance that the clinical data from our collaborator-led IIT will be accepted or considered by the U.S. Food and Drug Administration, or FDA, or other comparable regulatory authorities.
- The regulatory approval processes of the FDA, Medicines and Healthcare Products Regulatory Agency, or MHRA, European Medicines Agency, or EMA and comparable foreign authorities are lengthy, time consuming and inherently unpredictable. If we are not able to obtain required regulatory approval for our product candidates, our business will be substantially harmed.
- Success in preclinical studies or earlier clinical trials may not be indicative of results in future clinical trials. Our product candidates may not have favorable results in clinical trials or receive regulatory approval.

- As an organization, we are early in the process of potentially conducting our first collaborator-led IIT and have no prior experience in a similar collaboration, in conducting IITs in China, or in completing clinical trials, and may be unable to complete clinical trials for any product candidates we may develop, including our CoStAR-TIL Collaboration Product.
- We may not be successful in our efforts to build a pipeline of additional product candidates either internally or by identifying and licensing-in or otherwise acquiring additional novel product candidates on commercially attractive terms, and we may not be successful in developing and commercializing any product candidates we have or may license-in or may otherwise acquire.
- Biologics are complex and difficult to manufacture. We have experienced, and may in the future experience, manufacturing problems that result in delays in the development or commercialization of our product candidates or otherwise harm our business. We may experience new manufacturing challenges by relying on collaborators or other third parties for manufacturing capabilities and expertise.
- The treatable populations for our product candidates may be smaller than we or third parties currently project, which may affect the addressable markets for our product candidates.
- We face significant competition from other biotechnology and pharmaceutical companies, and from non-profit institutions, and our operating results will suffer if we fail to compete effectively.
- If we are unable to obtain or protect intellectual property rights related to any of our product candidates, we may not be able to compete effectively in our market.
- Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain.
- We are subject to a variety of stringent and evolving U.S. and foreign laws, regulations, rules, contractual obligations, policies and other obligations related to data privacy and data security, and our actual or perceived failure to comply with them could lead to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits and other adverse business consequences.

Risks Related to our Financial Position and Capital Needs

We have incurred significant losses since our inception. We expect to incur losses over the next several years and may never achieve or maintain profitability.

Since our inception, we have incurred significant net losses, and we expect to continue to incur significant expenses and operating losses for the foreseeable future. Our net losses were $39.2 million and $75.7 million for the six months ended June 30, 2024 and 2023, respectively. As of June 30, 2024, we had an accumulated deficit of $620.2 million. We have financed our operations with $719.0 million in net proceeds raised in our initial public offering and private placements of convertible preferred stock to date. We have no products approved for commercialization and have never generated any revenue from product sales.

All of our product candidates are in preclinical development, potential investigator-initiated clinical stage or early-stage clinical development. We expect to continue to incur significant expenses and operating losses over the next several years. We expect that it could be several years, if ever, before we have a commercialized product. Our net losses may fluctuate significantly from quarter to quarter and year to year. We anticipate that our expenses will continue to be significant as we:

- pursue our collaboration with ImmuneOnco, as well as our CoStAR-TIL collaboration, and seek to potentially license-in or otherwise acquire additional new product candidates, as well as potentially initiate and complete clinical trials of product candidates;
- seek regulatory approval for any product candidates that successfully complete clinical trials;
- continue to develop our product candidate pipeline;
- scale up our clinical and regulatory capabilities;
- rely on collaborators or other third parties to manufacture current good manufacturing practices, or cGMP, material for clinical trials or potential commercial sales;

- establish a commercialization infrastructure and scale up internal and external manufacturing and distribution capabilities to commercialize any product candidates for which we may obtain regulatory approval;
- continue to advance the preclinical and clinical development of product candidates and our preclinical and discovery programs, including in our CoStAR platform;
- adapt our regulatory compliance efforts to incorporate requirements applicable to marketed products;
- maintain, expand and protect our intellectual property portfolio;
- hire clinical, manufacturing quality control, regulatory, manufacturing and scientific and administrative personnel;
- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts; and
- incur legal, accounting and other expenses in operating as a public company.

To date, we have not generated any revenue from product sales. To become and remain profitable, we must succeed in developing and eventually commercializing product candidates that generate significant revenue. This will require us to be successful in a range of challenging activities, including completing preclinical testing and clinical trials of our product candidates, obtaining regulatory approval, and manufacturing, marketing and selling any product candidates for which we may obtain regulatory approval, as well as discovering and developing additional product candidates. We are only in the preliminary stages of most of these activities and all of our product candidates are in early-stage development. We may never succeed in these activities and, even if we do, may never generate any revenue or revenue that is significant enough to achieve profitability.

Even if we achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would depress the value of our company and could impair our ability to raise capital, expand our business, maintain our development efforts, obtain product approvals, diversify our offerings or continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

We have a limited operating history and no history of completing any clinical trial or commercializing products, which may make it difficult for an investor to evaluate the success of our business to date and to assess our future viability.

We are a biopharmaceutical company with a limited operating history. We commenced operations in 2019, and our operations to date have been largely focused on organizing and staffing our company, business planning, raising capital, acquiring our technology and product candidates, acquiring our facilities in Tarzana, California, developing manufacturing capabilities and developing product candidates, including undertaking preclinical studies and initiating clinical trials, which were subsequently discontinued. To date, we have not yet demonstrated our ability to successfully complete any clinical trials, obtain regulatory approvals, manufacture a product on a commercial scale, or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful commercialization. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer operating history or a history of successfully developing and commercializing products.

We may encounter unforeseen expenses, difficulties, complications, delays and other known or unknown factors in achieving our business objectives. For example, since late 2022, we implemented several strategic reprioritizations of our preclinical and clinical development programs and elected to discontinue our ITIL-168 development program and our ITIL-168 and ITIL-306 clinical trials. As part of these various restructurings, we have significantly reduced our workforce. We may experience unforeseen delays or other challenges as a result of these actions, which could adversely impact our timelines and operations and, ultimately, our ability to develop product candidates for potential commercialization. We will need to develop clinical, manufacturing, regulatory and commercial capabilities, and we may not be successful in doing so.

We will need substantial additional funding to meet our financial obligations and to pursue our business objectives. If we are unable to raise capital when needed, we could be forced to delay further development

of our technologies or product candidates or curtail our planned operations and the pursuit of our growth strategy.

Our operations have consumed substantial amounts of cash since inception. Developing our in-licensed product candidates, including SYN-2510 and SYN-27M, identifying and potentially acquiring or in-licensing additional new product candidates, conducting preclinical testing and clinical trials and developing manufacturing operations for our product candidates is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain regulatory approval and achieve product sales. We expect to continue to incur significant expenses and operating losses over the next several years as we conduct clinical trials of our product candidates, initiate future clinical trials of our product candidates, advance our preclinical programs, build our manufacturing capabilities, seek marketing approval for any product candidates that successfully complete clinical trials and advance any of our other product candidates we may develop or otherwise acquire. In addition, our product candidates, if approved, may not achieve commercial success. Our revenue, if any, will be derived from sales of products that we do not expect to be commercially available for a number of years, if at all. If we obtain marketing approval for any product candidates that we develop or otherwise acquire, we expect to incur significant commercialization expenses related to product sales, marketing, distribution and manufacturing. We also expect to continue to incur significant expenses associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in order to continue our operations.

As of June 30, 2024, we had cash, cash equivalents, marketable securities and long-term investments of $152.6 million, which consists of $6.8 million in cash and cash equivalents, $141.8 million in marketable securities and $4.0 million in long-term investments. We believe that our existing cash, cash equivalents, marketable securities and long-term investments will be sufficient to fund our operating expenses and capital requirements beyond 2026. This estimate is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we expect. For instance, we may not achieve all the expected cost savings of our current strategic restructuring plan, and we may expend more capital than expected in connection with the 2024 closure of our UK manufacturing and clinical trial operations. Changes may occur beyond our control that would cause us to consume our available capital before that time, including changes in and progress of our development activities, acquisitions of additional product candidates, and changes in regulation. Our future capital requirements will depend on many factors, including:

- the scope, progress, cost and results of our collaboration with ImmuneOnco and the development of the products licensed from ImmuneOnco, including SYN-2510 and SYN-27M and related activities;
- the scope, progress, costs and results of our collaborator-led IIT for our CoStAR-TIL Collaboration Product and discovery, preclinical development, laboratory testing and related activities;
- the extent to which we develop, in-license or otherwise acquire additional product candidates and technologies for our product candidate pipeline;
- our ability to achieve efficiencies and expected cost reductions in connection with our recent strategic restructuring plans;
- the costs and timing of process development and manufacturing scale-up activities associated with our product candidates and other programs as we advance them through preclinical and clinical development;
- the number and development requirements of product candidates that we may pursue;
- our ability to complete a potential sale of our Tarzana, California facility, as well as subleases of other facilities under lease;
- the costs, timing and outcome of regulatory review of our product candidates;
- our cost of human capital as we expand our research and development capabilities and establish a commercial infrastructure;
- the costs and timing of future commercialization activities, including product manufacturing, marketing, sales, and distribution, for any of our product candidates for which we receive marketing approval;
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims;

- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval; and
- the costs of operating as a public company.

We will require additional capital to achieve our business objectives. Additional funds may not be available on a timely basis, on favorable terms, or at all, and such funds, if raised, may not be sufficient to enable us to continue to implement our long-term business strategy. Further, our ability to raise additional capital may be adversely impacted by worsening global economic conditions and the disruptions to and volatility in the credit and financial markets in the United States and worldwide, including those resulting from the ongoing armed conflicts in Ukraine, and in the Middle East, U.S.-China trade and political tensions, heightened inflation and interest rate increases, recent and potential future bank failures and supply chain disruptions, among other geopolitical and macroeconomic factors. If we are unable to raise sufficient additional capital, we could be forced to delay further development of our technologies or product candidates or curtail our planned operations and the pursuit of our growth strategy.

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

Until such time, if ever, as we can generate substantial revenue, we may finance our cash needs through a combination of equity offerings, government or private party grants, debt financings or license and collaboration agreements. Other than our construction loans for the construction and development of our manufacturing facility in Tarzana, California, we do not currently have any other committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. For example, the agreements governing our construction loans contain certain affirmative and negative covenants, including maintaining a specified minimum net worth and amount of liquid assets, which could limit our operations.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may be required to relinquish valuable rights to our technologies, future revenue streams or product candidates, grant licenses on terms that may not be favorable to us or commit to future payment streams. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

We have suffered and in the future could suffer additional losses due to impairment charges, including as a result of being unsuccessful in completing a sale of our Tarzana, California manufacturing facility, or, if we are successful, the assets being sold for less than our carrying value.

To date, we have recorded significant impairment losses on long-lived assets associated with a sustained decrease in our stock price and multiple restructuring plans implemented since December 2022. Most recently, during the six months ended June 30, 2024, we recorded aggregate restructuring and impairment charges of approximately $4.8 million related to contract termination, asset impairments, severance payments and other employee-related costs. This amount includes our Manchester, United Kingdom manufacturing facility that we identified and classified as held for sale, which is reflected at the lower of carrying value or fair value less costs to sell, which resulted in $2.8 million in impairment charges. We also determined that right-of-use assets were impaired, as the 2024 Plan has resulted in a cessation of use for several of our locations under lease, and we recognized an impairment loss of $0.2 million. We currently estimate that we will incur additional charges of up to $0.5 million in connection with the 2024 Plan (as defined and discussed in Note 10 to the financial statements included elsewhere in this Form 10-Q), although this estimated amount does not include any non-cash charges associated with stock-based compensation or any charges or costs associated with any potential sale of our Tarzana, California facility and asset impairments, if any. The charges that we currently estimate incurring in connection with the 2024 Plan are estimates only and are subject to a number of assumptions, and actual results may differ materially, and we may incur additional costs associated with the 2024 Plan.

We are evaluating opportunities for a potential sale of our Tarzana, California manufacturing site, which effective July 10, 2024 has been leased to AstraZeneca Pharmaceuticals LP, as well as subleases of other facilities currently under lease; however, we can provide no assurances that we will successfully sell our Tarzana facility or enter into subleases of our other facilities, that we will do so in accordance with our expected timeline or that we will recover their carrying value. The process of pursuing the plan to sell our Tarzana facility, or sublease our other facilities may be time consuming and disruptive to our business operations, and if we are unable to effectively manage the process, our businesses, financial condition, and results of operations could be adversely affected and may result in additional non-cash impairment charges. Any potential transactions, and the related valuations, would be dependent upon various external factors beyond our control, including, among others, market conditions, industry trends, interest of third parties, and the availability of financing to potential buyer(s) on reasonable terms.

Risks Related to the Development of our Product Candidates

All of our product candidates are currently in preclinical development, potential investigator-initiated clinical stage or early-stage clinical development. If we are unable to successfully develop, receive regulatory approval for and commercialize our product candidates for the indications we seek, or successfully develop any other product candidates, or experience significant delays in doing so, our business will be harmed.

We currently have no products approved for commercial sale, and all of our product candidates are currently in early-stage development. As an organization, we have no prior experience completing any clinical trials, or working in a collaborator-led IIT; we have limited experience in preparing, submitting and prosecuting regulatory filings and have not previously submitted a biologics license application, or BLA, for any product candidate. Each of our programs and product candidates will require additional preclinical and/or clinical development, regulatory approval, obtaining manufacturing supply, capacity and expertise, building a commercial organization or successfully outsourcing commercialization, substantial investment and significant marketing efforts before we generate any revenue from product sales. We do not have any products that are approved for commercial sale, and we may never be able to develop or commercialize marketable products.

Our ability to generate revenue from our product candidates, which we do not expect will occur for several years, if ever, will depend heavily on the successful development, regulatory approval and eventual commercialization of our product candidates. The success of any product candidates that we develop or otherwise may acquire will depend on several factors, including:

- timely and successful completion of preclinical studies and clinical trials;
- effective INDs from the FDA, or comparable foreign applications that allow commencement of our planned clinical trials or future clinical trials for our product candidates;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- successful enrollment and completion of clinical trials, including under the FDA's current Good Clinical Practices, or GCPs, and current Good Laboratory Practices;
- successful development of, or making arrangements with third-party manufacturers for, our commercial manufacturing processes for any of our product candidates that receive regulatory approval;
- receipt of timely marketing approvals from applicable regulatory authorities;
- launching commercial sales of products, if approved, whether alone or in collaboration with others;
- acceptance of the benefits and use of our products, including method of administration, if approved, by patients, the medical community and third-party payors, for their approved indications;
- the prevalence and severity of adverse events experienced with any product candidates;
- the availability, perceived advantages, cost, safety and efficacy of alternative therapies for any product candidate, and any indications for such product candidate, that we develop;
- our ability to produce any product candidates we develop on a commercial scale;
- obtaining and maintaining patent, trademark and trade secret protection and regulatory exclusivity for our product candidates and otherwise protecting our rights in our intellectual property portfolio;

- maintaining compliance with regulatory requirements, including cGMPs, and complying effectively with other procedures;
- obtaining and maintaining third-party coverage and adequate reimbursement and patients' willingness to pay out-of-pocket in the absence of such coverage and adequate reimbursement; and
- maintaining a continued acceptable safety, tolerability and efficacy profile of the products following approval.

If we are not successful with respect to one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize the product candidates we develop, which would materially harm our business. If we do not receive marketing approvals for any product candidate we develop, we may not be able to continue our operations. At any time, we may decide to discontinue the development of, or not to commercialize, a product candidate, such as our decision to discontinue our ITIL-168 development program. If we terminate a program in which we have invested significant resources, we will not receive any return on our investment and we will have missed the opportunity to allocate those resources to potentially more productive uses.

Because our CoStAR-TIL Collaboration Product and any future product candidates developed from our CoStAR platform, represent novel approaches to the treatment of disease, there are many uncertainties regarding the development, market acceptance, third-party reimbursement coverage and commercial potential of our product candidates.

Human immunotherapy products are a new category of therapeutics, and to date, no TIL therapies have been approved by the FDA, MHRA, EMA or other comparable foreign regulatory authorities. Because this is a relatively new and expanding area of novel therapeutic interventions, there are many uncertainties related to development, marketing, reimbursement and the commercial potential for our product candidates. There can be no assurance as to the length of the trial period, the number of patients the FDA, MHRA, EMA or other regulatory authorities will require to be enrolled in the trials in order to establish the safety, efficacy, purity and potency of immunotherapy products or that the data generated in these trials will be acceptable to such authorities to support marketing approval. Regulatory authorities may take longer than usual to come to a decision on any BLA or other comparable application that we submit and may ultimately determine that there is not enough data, information, or experience with our product candidates to support an approval decision. Regulatory agencies may also require that we conduct additional post-marketing studies or implement risk management programs, such as Risk Evaluation and Mitigation Strategies, or REMS, until more experience with our product candidates is obtained. Finally, after increased usage, we may find that our product candidates do not have the intended effect or have unanticipated side effects, potentially jeopardizing initial or continuing regulatory approval and commercial prospects.

The success of our business depends in part upon our ability to develop engineered TIL therapies using our CoStAR platform, in particular following our recent reprioritization of clinical programs. The CoStAR platform is novel and we have not completed a clinical trial of any product candidate developed using the CoStAR platform. The platform may fail to deliver TIL therapies that are effective in the treatment of cancer. Even if we are able to identify and develop TIL therapies using the CoStAR platform, we cannot assure that such product candidates will achieve marketing approval to safely and effectively treat cancer.

If we uncover any previously unknown risks related to our CoStAR platform, or if we experience unanticipated problems or delays in developing our CoStAR product candidates, we may be unable to achieve our strategy of building a pipeline of TIL therapies.

We may also find that the manufacture of our product candidates is more difficult than anticipated, resulting in an inability to produce a sufficient amount of our product candidates for our clinical trials or, if approved, commercial supply. For example, in October 2022 we paused enrollment in our then ongoing clinical trials to conduct manufacturing analysis and implement corrective and preventative actions and we subsequently discontinued our clinical trials.

There is no assurance that the approaches offered by our products will gain broad acceptance among doctors or patients or that governmental agencies or third-party medical insurers will be willing to provide reimbursement

coverage for proposed product candidates. Since our current and future product candidates will represent novel approaches to treating various conditions, it may be difficult, in any event, to accurately estimate the potential revenues from these product candidates. Accordingly, we may spend significant capital trying to obtain approval for product candidates that have an uncertain commercial market. The market for any products that we successfully develop will also depend on the cost of the product. We do not yet have sufficient information to reliably estimate what it will cost to commercially manufacture our current or future product candidates, and the actual cost to manufacture these products could materially and adversely affect the commercial viability of these products. Our goal is to reduce the cost of manufacturing and providing our product candidates. However, unless we can reduce those costs to an acceptable amount, we may never be able to develop a commercially viable product. If we do not successfully develop and commercialize products based upon our approach or find suitable and economical sources for materials used in the production of our products, we will not become profitable, which would materially and adversely affect the value of our common stock.

Our therapies may be provided to patients in combination with other agents provided by third parties. The cost of such combination therapy may increase the overall cost of therapy and may result in issues regarding the allocation of reimbursements between our therapy and the other agents, all of which may affect our ability to obtain reimbursement coverage for the combination therapy from governmental or private third party medical insurers.

We may derive results for our CoStAR-TIL Collaboration Product from an open-label IIT led by our collaborator in China, which will be conducted by principal investigators, and early clinical results and data for SYN-2510 and SYN-27M from clinical trials led by ImmuneOnco in China; our role in any such trials, and our access to the clinical results and data, will be limited and there is no assurance that the clinical data from any such trial will be accepted or considered by the FDA, or other comparable regulatory authorities.

We are early in the process of having a collaborator potentially conduct our first collaborator-led IIT in China related to our CoStAR-TIL Collaboration Product. While IITs may provide us with clinical data that can inform our future development strategy, we do not have control over the protocols, administration, or conduct of the trials and the compliance of the extensive regulatory requirements that the trials are subject to, especially with respect to portion that needs to be performed by third parties. As a result, we are subject to risks associated with the way IITs are conducted. Third parties in such IITs may not perform their responsibilities on our anticipated schedule or consistent with clinical trial protocols or applicable regulations. Furthermore, any data integrity issues or patient safety issues arising out of any of these trials would be beyond our control, yet could adversely affect our reputation and damage the clinical and commercial prospects for our product candidates. Additional risks include difficulties or delays in communicating with investigators or administrators, procedural delays and other timing issues, and difficulties or differences in interpreting data. As a result, our minimal control over the conduct and timing of, and communications with the FDA, the National Medical Products Administration, or NMPA, and other comparable regulatory authorities regarding IITs expose us to additional risks and uncertainties, many of which are outside our control, and the occurrence of which could adversely affect the prospects for our product candidates. In addition, pursuant to the IO Collaboration Agreement, we expect to fund clinical trial(s) of SYN-2510 led by ImmuneOnco in China. We may lack control over any clinical trials due to our reliance on third-party collaborators. There is also no assurance that the clinical data from any such clinical trials will be accepted or considered by the FDA, or other comparable regulatory authorities.

Preclinical studies and clinical trials, including IITs, are expensive, time-consuming, difficult to design and implement and involve an uncertain outcome. Further, we may encounter substantial delays in completing the development of our product candidates.

All of our product candidates are in early-stage development and their risk of failure is high. We ultimately ceased our clinical trials of ITIL-306 after a strategic pivot to the UK. In 2022, we determined not to resume the clinical trial of our former product candidate ITIL-168 after a voluntary pause following the observation of decreased rates of successful manufacturing; there can be no assurance that we will not in the future observe decreased rates of successful manufacture of drug product for our product candidates or other manufacturing issues, which may lead to further delays or failure in the development of our product candidates, greater than expected expenses, or the redesign or restart of our clinical trials. We have not successfully completed a clinical trial and

currently have no active clinical trial. The clinical trials and manufacturing of our product candidates are, and the manufacturing and marketing of our products, if approved, will be, subject to extensive and rigorous review and regulation by numerous government authorities in the United States and in other countries where we intend to test and market our product candidates. Before obtaining regulatory approvals for the commercial sale of any of our product candidates, we must demonstrate through lengthy, complex and expensive preclinical testing and clinical trials that our product candidates are both safe and effective for use in each target indication. In particular, because our product candidates are subject to regulation as biological products, we will need to demonstrate that they are safe, pure and potent for use in their target indications. Each product candidate must demonstrate an adequate risk versus benefit profile in its intended patient population and for its intended use.

Clinical trials are expensive and can take many years to complete, and their outcomes are inherently uncertain. We cannot guarantee that our clinical trials, including our potential collaborator-led IIT, will be conducted as planned or completed on schedule, if at all. Failure can occur at any time during the clinical trial process. Even if our clinical trials are completed as planned, we cannot be certain that their results will support the safety and effectiveness of our product candidates for their targeted indications or support continued clinical development of such product candidates. Our clinical trials may not be successful.

For example, in October 2022 we notified the FDA and other regulatory agencies that an unplanned review of the data for the initial patients that had been dosed with ITIL-168 in the DELTA-1 trial was conducted in order to review risk-benefit. This review was inconclusive because the response data were not mature. Subsequently, the Data Safety Monitoring Board's prespecified review found no safety concerns. We voluntarily paused our clinical trials to conduct an end-to-end analysis of our manufacturing processes, and after an analysis of the potential scenarios to restart and complete a registration-enabling cohort in advanced melanoma in DELTA-1, we determined to discontinue our ITIL-168 clinical development program.

In addition, even if we successfully complete clinical trials, we cannot guarantee that the FDA, MHRA, EMA or other comparable foreign regulatory authorities will interpret the results as we do, and more trials could be required before we submit our product candidates for approval. Moreover, results acceptable to support approval in one jurisdiction may be deemed inadequate by another regulatory authority to support regulatory approval in that other jurisdiction. To the extent that the results of the trials are not satisfactory to the FDA, MHRA, EMA or other comparable foreign regulatory authorities for support of a marketing application, we may be required to expend significant resources, which may not be available to us, to conduct additional trials in support of potential approval of our product candidates.

To date, we have not completed any clinical trials required for the approval of any product candidate. We may experience delays in conducting any clinical trials and we do not know whether our clinical trials will begin on time, need to be redesigned, recruit and enroll patients on time or be completed on schedule, or at all. Clinical trials can be delayed, suspended or terminated for a variety of reasons, including in connection with:

- inability to generate sufficient preclinical, toxicology, or other in vivo or in vitro data to support the initiation of clinical trials;
- delays in sufficiently developing, characterizing or controlling a manufacturing process suitable for advanced clinical trials, such as our October 2022 voluntary pause in our clinical trials and the related investigation into our manufacturing processes;
- delays in developing suitable assays for screening patients for eligibility for trials with respect to certain product candidates;
- delays in reaching agreement with the FDA, MHRA, EMA or other regulatory authorities as to the design or implementation of our clinical trials;
- obtaining regulatory authorization to commence a clinical trial;
- reaching an agreement on acceptable terms with clinical trial sites or prospective contract research organizations, or CROs, the terms of which can be subject to extensive negotiation and may vary significantly among different clinical trial sites;
- obtaining institutional review board, or IRB, approval at each trial site;
- recruiting suitable patients to participate in a clinical trial;
- having patients complete a clinical trial or return for post-treatment follow-up;

- inspections of clinical trial sites or operations by applicable regulatory authorities, or the imposition of a clinical hold;
- clinical sites, CROs or other third parties deviating from trial protocol or dropping out of a trial;
- failure to perform in accordance with the applicable regulatory requirements, including FDA's GCP requirements, or applicable regulatory requirements in other countries;
- addressing patient safety concerns that arise during the course of a trial, including occurrence of adverse events associated with the product candidate that are viewed to outweigh its potential benefits;
- adding a sufficient number of clinical trial sites;
- manufacturing sufficient quantities of product candidate for use in clinical trials; or
- suspensions or terminations by IRBs of the institutions at which such trials are being conducted, by the Data Safety Monitoring Board, or DSMB, for such trial or by the FDA or other regulatory authorities due to a number of factors, including those described above.

We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our product candidates or significantly increase the cost of such trials, including:

- we may experience changes in regulatory requirements or guidance, or receive feedback from regulatory authorities that requires us to modify the design of our clinical trials;
- clinical trials of our product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon development programs;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate, or participants may drop out of these clinical trials at a higher rate than we anticipate;
- our third-party contractors and collaborators may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we or investigators might have to suspend or terminate clinical trials of our product candidates for various reasons, including non-compliance with regulatory requirements, a finding that our product candidates have undesirable side effects or other unexpected characteristics, or a finding that the participants are being exposed to unacceptable health risks;
- the cost of clinical trials of our product candidates may be greater than we anticipate, and we may not have funds to cover the costs;
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate;
- regulators may revise the requirements for approving our product candidates, or such requirements may not be as we anticipate; and
- any future collaborators that conduct clinical trials may face any of the above issues, and may conduct clinical trials in ways they view as advantageous to them but that are suboptimal for us.

If we are required to conduct additional clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our product candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:

- incur unplanned costs;
- be delayed in obtaining marketing approval for our product candidates or not obtain marketing approval at all;
- obtain marketing approval in some countries and not in others;
- obtain marketing approval for indications or patient populations that are not as broad as intended or desired;
- obtain marketing approval with labeling that includes significant use or distribution restrictions or safety warnings, including boxed warnings or REMS;

- be subject to additional post-marketing testing requirements;
- be subject to changes in the way the product is administered; or
- have regulatory authorities withdraw or suspend their approval of the product or impose restrictions on its distribution after obtaining marketing approval.

We could 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 the DSMB for such trial or by the FDA or other 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 our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial.

All of our product candidates will require extensive clinical testing before we are prepared to submit a BLA or marketing authorization application, or MAA, for regulatory approval. We cannot predict with any certainty if or when we might complete the clinical development for our product candidates and submit a BLA or MAA for regulatory approval of any of our product candidates or whether any such BLA or MAA will be approved. We may also seek feedback from the FDA, MHRA, EMA or other regulatory authorities on our clinical development program, and such regulatory authorities may not provide such feedback on a timely basis, or such feedback may not be favorable, which could further delay our development programs.

We cannot predict with any certainty whether or when we might complete a given clinical trial. If we experience delays in the commencement or completion of our clinical trials, or if we terminate a clinical trial prior to completion, the commercial prospects of our product candidates could be harmed, and our ability to generate revenues from our product candidates may be delayed or lost. In addition, any delays in our clinical trials could increase our costs, slow down the development and approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may harm our business, financial condition and results of operations. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

We may seek Fast Track designation for our product candidates, and we may be unsuccessful. Even if received, Fast Track designation may not actually lead to a faster review or approval process and does not increase the likelihood that our product candidates will receive marketing approval.

We may seek Fast Track designation for our product candidates, and we may be unsuccessful. If a drug or biologic is intended for the treatment of a serious or life-threatening condition and the product demonstrates the potential to address unmet medical needs for this condition, the sponsor may apply for FDA Fast Track designation for a particular indication. There is no assurance that the FDA will grant this status to any of our product candidates. If granted, Fast Track designation makes a product eligible for more frequent interactions with FDA to discuss the development plan and clinical trial design, as well as rolling review of the application, which means that the company can submit completed sections of its marketing application for review prior to completion of the entire submission. Marketing applications of product candidates with Fast Track designation may qualify for priority review under the policies and procedures offered by the FDA, but the Fast Track designation does not assure any such qualification or ultimate marketing approval by the FDA. The FDA has broad discretion whether or not to grant Fast Track designation, so even if we believe a particular product candidate is eligible for this designation, there can be no assurance that the FDA would decide to grant it. Even if we do receive Fast Track designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures, and receiving a Fast Track designation does not provide any assurance of ultimate FDA approval. In addition, the FDA may withdraw Fast Track designation at any time if it believes that the designation is no longer supported by data from our clinical development program.

The regulatory approval processes of the FDA, MHRA, EMA and comparable foreign authorities are lengthy, time consuming and inherently unpredictable. If we are not able to obtain required regulatory approval for our product candidates, our business will be substantially harmed.

The time required to obtain approval or other marketing authorizations by the FDA, MHRA, EMA and comparable foreign authorities is unpredictable, and it typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations, and the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate, and it is possible that we may never obtain regulatory approval for any product candidates we may seek to develop in the future. Neither we nor any current or future collaborator is permitted to market any drug product candidates in the United States until we receive regulatory approval of a BLA from the FDA, and we cannot market them in the European Union until we receive approval for a MAA from the EMA, or in other foreign countries until we receive the required regulatory approval in such other countries. To date, we have had only limited discussions with the FDA, MHRA and EMA regarding clinical development programs or regulatory approval for any product candidate within the United States, European Union and United Kingdom, respectively. In addition, we have had no discussions with other comparable foreign authorities regarding clinical development programs or regulatory approval for any product candidate outside of those jurisdictions.

Prior to obtaining approval to commercialize any drug product candidate in the United States or abroad, we must demonstrate with substantial evidence from well-controlled clinical trials, and to the satisfaction of the FDA, MHRA, EMA or other comparable foreign regulatory agencies, that such product candidates are safe, pure and effective for their intended uses. Results from preclinical studies and clinical trials can be interpreted in different ways. Even if we believe the preclinical or clinical data for our product candidates are promising, such data may not be sufficient to support approval by the FDA and other regulatory authorities. The FDA, MHRA, EMA or other regulatory agency may also require us to conduct additional preclinical studies or clinical trials for our product candidates either prior to or after approval, or it may object to elements of our clinical development programs.

Our product candidates could fail to receive regulatory approval for many reasons, including the following:

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a product candidate is safe and effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- the FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA or comparable foreign authorities may significantly change in a manner rendering our clinical data insufficient for approval.

Of the large number of products in development, only a small percentage successfully complete the FDA or foreign regulatory approval processes and are commercialized. The lengthy approval and marketing authorization process as well as the unpredictability of future clinical trial results may result in our failing to obtain regulatory approval and marketing authorization to market our product candidates, which would significantly harm our business, financial condition, results of operations and prospects.

We have invested a significant portion of our time and financial resources in the development of our clinical and preclinical product candidates. Our business is dependent on our ability to successfully complete preclinical and clinical development of, obtain regulatory approval for, and, if approved, successfully commercialize product candidates in a timely manner.

Even if we eventually complete clinical testing and receive approval of a BLA or foreign marketing application for any product candidates, the FDA, MHRA, EMA or the applicable foreign regulatory agency may grant approval or other marketing authorization contingent on the performance of costly additional clinical trials, including post-marketing clinical trials. The FDA, MHRA, EMA or the applicable foreign regulatory agency also may approve or authorize for marketing a product candidate for a more limited indication or patient population than we originally request, and the FDA, MHRA, EMA or applicable foreign regulatory agency may not approve or authorize the labeling that we believe is necessary or desirable for the successful commercialization of a product candidate. Any delay in obtaining, or inability to obtain, applicable regulatory approval or other marketing authorization would delay or prevent commercialization of that product candidate and would materially adversely impact our business and prospects.

In addition, the FDA, MHRA, EMA and other regulatory authorities may change their policies, issue additional regulations or revise existing regulations, or take other actions, which may prevent or delay approval of our future products under development on a timely basis. Such policy or regulatory changes could impose additional requirements upon us that could delay our ability to obtain approvals, increase the costs of compliance or restrict our ability to maintain any marketing authorizations we may have obtained.

Success in preclinical studies or earlier clinical trials may not be indicative of results in future clinical trials. Our product candidates may not have favorable results in later clinical trials, if any, or receive regulatory approval.

Success in preclinical testing and any early investigator-initiated clinical trials does not ensure that later clinical trials will generate the same results or otherwise provide adequate data to demonstrate the efficacy and safety of a product candidate. Preclinical tests and Phase 1 and Phase 2 clinical trials are primarily designed to test safety, to study pharmacokinetics and pharmacodynamics and to understand the side effects of product candidates at various doses and schedules. Success in preclinical or animal studies and early clinical trials does not ensure that later large-scale efficacy trials will be successful nor does it predict final results. For example, we may be unable to identify suitable animal disease models for our product candidates, which could delay or frustrate our ability to

proceed into clinical trials or obtain marketing approval. Our product candidates may fail to show the desired safety and efficacy in clinical development despite having progressed through preclinical studies and initial clinical trials.

Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials even after achieving promising results in preclinical testing and earlier-stage clinical trials. Data obtained from preclinical and clinical activities are subject to varying interpretations, which may delay, limit or prevent regulatory approval. In addition, we may experience regulatory delays or rejections as a result of many factors, including changes in regulatory policy during the period of our product candidate development. Any such delays could negatively impact our business, financial condition, results of operations and prospects.

Interim, "top-line" and preliminary results from our clinical trials that we announce or publish from time to time may change as more 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 publish interim, top-line or preliminary results from our clinical trials. Interim results from clinical trials that we may complete are 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. Preliminary or top-line results also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, interim and preliminary data should be viewed with caution until the final data are available. Differences between preliminary, top-line or interim data and final data could significantly harm our business prospects and may cause the trading price of our common stock to fluctuate significantly. 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 top-line results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated.

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 development 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 the material or otherwise appropriate information to include in our disclosure. Any information we determine not to disclose may ultimately be deemed meaningful by you or others with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product candidate or our business. If the interim, top-line 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, product candidates may be harmed, which could significantly harm our business prospects.

Our preclinical studies and clinical trials may fail to demonstrate substantial evidence of the safety and efficacy of our product candidates, or serious adverse or unacceptable side effects may be identified during the development of our product candidates, which could prevent, delay or limit the scope of regulatory approval of our product candidates, limit their commercialization, increase our costs or necessitate the abandonment or limitation of the development of some of our product candidates.

To obtain the requisite regulatory approvals for the commercial sale of our product candidates, we must demonstrate through lengthy, complex and expensive preclinical testing and clinical trials that our product candidates are safe, pure and potent for use in each target indication. These trials are expensive and time consuming, and their outcomes are inherently uncertain. Failures can occur at any time during the development process. Preclinical studies and clinical trials often fail to demonstrate safety or efficacy of the product candidate studied for the target indication, and most product candidates that begin clinical trials are never approved.

We may fail to demonstrate with substantial evidence from adequate and well-controlled trials, and to the satisfaction of the FDA or comparable foreign regulatory authorities, that our product candidates are safe and potent for their intended uses.

Possible adverse side effects that could occur with treatment with cell therapy products include thrombocytopenia, chills, anemia, pyrexia, febrile neutropenia, diarrhea, neutropenia, vomiting, hypotension, dyspnea, cytokine release syndrome and neurotoxicity. If our product candidates are associated with undesirable effects in preclinical studies or clinical trials or have characteristics that are unexpected, we may decide or be required to perform additional preclinical studies or to halt or delay further clinical development of our product candidates or to limit their 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, which may limit the commercial expectations for the product candidate, if approved. These side effects may not be appropriately recognized or managed by the treating medical staff, as toxicities resulting from personalized cell therapy, as with our TIL product candidates, are not normally encountered in the general patient population and by medical personnel.

If any such adverse events occur, our clinical trials could be suspended or terminated. If we cannot demonstrate that any adverse events were not caused by the drug, the FDA, MHRA, EMA or comparable foreign regulatory authorities could order us to cease further development of, or deny approval of, our product candidates for any or all targeted indications. Even if we are able to demonstrate that all future serious adverse events are not product-related, such occurrences could affect patient recruitment or the ability of enrolled patients to complete the trial. Moreover, if we elect, or are required, to not initiate, delay, suspend or terminate any future clinical trial of any of our product candidates, the commercial prospects of such product candidates may be harmed and our ability to generate product revenues from any of these product candidates may be delayed or eliminated. Any of these occurrences may harm our ability to develop other product candidates, and may harm our business, financial condition and prospects significantly.

If our product candidates are associated with side effects in clinical trials or have characteristics that are unexpected, we may need to abandon their development or limit development to more narrow uses in which the side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. The FDA, MHRA, EMA, comparable foreign regulatory authorities or an IRB may also require that we suspend, discontinue, or limit our clinical trials based on safety information, or that we conduct additional animal or human studies regarding the safety and efficacy of our product candidates which we have not planned or anticipated. Such findings could further result in regulatory authorities failing to provide marketing authorization for our product candidates or limiting the scope of the approved indication, if approved. Many product candidates that initially showed promise in early-stage testing have later been found to cause side effects that prevented further development of the product candidate.

Additionally, if one or more of our product candidates receives marketing approval, and we or others identify undesirable side effects caused by such products, a number of potentially significant negative consequences could result, including:

- regulatory authorities may suspend, withdraw or limit approvals of such product, or seek an injunction against its manufacture or distribution;
- regulatory authorities may require additional warnings on the label;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients or other requirements subject to a REMS;
- we may be required to change the way a product is administered or conduct additional trials;
- we could be sued and held liable for harm caused to patients;
- we may decide to remove the product from the market;
- we may not be able to achieve or maintain third-party payor coverage and adequate reimbursement
- we may be subject to fines, injunctions or the imposition of civil or criminal penalties; and
- our reputation and physician or patient acceptance of our products may suffer.

There can be no assurance that we will resolve any issues related to any product-related adverse events to the satisfaction of the FDA or comparable foreign regulatory agency in a timely manner or at all. Moreover, any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and could significantly harm our business, results of operations and prospects.

Negative public opinion of TIL therapies, the dynamically evolving competitive landscape for our target indications or increased regulatory scrutiny of cell therapy using TILs may adversely impact the development of and commercial strategy for our product candidates, our plans for investing in manufacturing readiness for regulatory filings, and the success of our current and future product candidates.

The clinical and commercial success of our TIL therapies will depend in part on public acceptance of the use of cell therapy using TILs. Any adverse public attitudes about the use of TIL therapies may adversely impact our ability to enroll clinical trials. Moreover, our success will depend upon physicians prescribing, and their patients being willing to receive, treatments that involve the use of product candidates we may develop in lieu of, or in addition to, existing treatments with which they are already familiar and for which greater clinical data may be available.

More restrictive government regulations or negative public opinion 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 any products once approved. Adverse events in our or others' clinical trials, even if not ultimately attributable to our product candidates, and the resulting publicity could result in increased governmental regulation, unfavorable public perception, potential regulatory delays in the testing or approval of our product candidates, stricter labeling requirements for those product candidates that are approved and a decrease in demand for any such product candidates, all of which would have a negative impact on our business and operations**.**

Further, increased government regulation or negative public opinion of TIL therapies, as well as increased competition in the development of treatments and therapeutics in the indications we are targeting or may target in the future, may force us to revise our business strategy for our product candidates, including our plans for making investments in our manufacturing capabilities necessary to prepare for required regulatory filings. We may be forced to significantly curtail or abandon our current strategy and may never be able to realize our current business strategy and commercialize our product candidates.

As an organization, we are early in the process of potentially conducting our first collaborator-led IITs and have no prior experience in a similar collaboration, in conducting IITs in China, or in completing clinical trials, and may be unable to complete clinical trials for any product candidates we may develop, including our CoStAR-TIL Collaboration Product.

We are early in our development efforts for our product candidates and will need to successfully complete clinical trials, including pivotal clinical trials, in order to obtain FDA, MHRA, EMA or comparable foreign regulatory authorities' approval to market any of our product candidates. Carrying out clinical trials and the submission of a successful BLA or MAA is a complicated process. As an organization, we are early in the process of potentially conducting our first collaborator-led IIT in China, and have no prior experience in China or a similar collaboration, or in completing any clinical trial, have limited experience in preparing regulatory submissions and have not previously submitted a BLA or MAA for any product candidate. We also do not have a clinical development team. We have only previously treated patients with our TIL product in a compassionate use program in the United Kingdom with a TIL product that was manufactured using a prior version of the ITIL-168 manufacturing process, and dosed one patient in our prior clinical trial for ITIL-306. In addition, we have had limited interactions with the FDA and cannot be certain how many clinical trials of our product candidates will be required or how such trials should be designed. Consequently, we may be unsuccessful in our collaboration and may be unable to successfully and efficiently execute and complete necessary clinical trials in a way that leads to submission of the applicable regulatory applications and approval of any product candidate. We may require more time and incur greater costs than our competitors and may not succeed in obtaining regulatory approvals of product candidates that we develop. Failure to commence or complete, or delays in, our collaboration or planned clinical trials, could prevent us from or delay us in commercializing our product candidates. In addition, CoStAR-TIL Collaboration Product for the potential IITs in China will be manufactured by our collaborator using its manufacturing process; we do not currently have rights to use any proprietary aspects of our collaborator's manufacturing process for any future clinical trial by us of CoStAR-TIL Collaboration Product in the United States or elsewhere.

We may experience delays or difficulties in the enrollment and/or retention of patients in clinical trials, which could delay or prevent our receipt of necessary regulatory approvals.

Successful and timely completion of clinical trials will require that we enroll a sufficient number of patients. Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors, including the size and nature of the patient population and competition for patients eligible for our clinical trials with competitors which may have ongoing clinical trials for product candidates that are under development to treat the same indications as one or more of our product candidates, or approved products for the conditions for which we are developing our product candidates.

Trials may be subject to delays as a result of patient enrollment taking longer than anticipated or patient withdrawal. 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 as required by the FDA or comparable foreign regulatory authorities. We cannot predict how successful we will be at enrolling subjects in future clinical trials. Subject enrollment is affected by other factors including:

- the severity and difficulty of diagnosing the disease under investigation
- the eligibility and exclusion criteria for the trial in question;
- the size of the patient population and process for identifying patients;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- the design of the trial protocol;
- the perceived risks and benefits of the product candidate in the trial, including relating to cell therapy approaches;
- the availability of competing commercially available therapies and other competing therapeutic candidates' clinical trials for the disease or condition under investigation;
- the willingness of patients to be enrolled in our clinical trials;
- the efforts to facilitate timely enrollment in clinical trials;
- potential disruptions caused by disease outbreaks, epidemics and pandemics, including difficulties in initiating clinical sites, enrolling and retaining participants, diversion of healthcare resources away from clinical trials, travel or quarantine policies that may be implemented, and other factors;
- the patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment; and
- the proximity and availability of clinical trial sites for prospective patients.

Our inability to enroll a sufficient number of patients for clinical trials would result in significant delays and could require us to abandon one or more clinical trials altogether. Enrollment delays in these clinical trials may result in increased development costs for our product candidates, which would cause the value of our company to decline and limit our ability to obtain additional financing. Furthermore, we expect to rely on CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials and we will have limited influence over their performance.

Furthermore, even if we are able to enroll a sufficient number of patients for our clinical trials, we may have difficulty maintaining enrollment of such patients in our clinical trials.

We may seek orphan drug designation for some of our product candidates, and we may be unsuccessful, or may be unable to maintain the benefits associated with orphan drug designation, including the potential for market exclusivity, for product candidates for which we obtain orphan drug designation.

We may seek orphan drug designation for some or all of our product candidates in specific orphan indications in which there is a medically plausible basis for the use of these product candidates. Under the Orphan Drug Act, the FDA may grant orphan drug designation to a drug or biologic intended to treat a rare disease or condition, defined as a patient population of fewer than 200,000 individuals in the United States, or a patient population of 200,000 or more in the United States where there is no reasonable expectation that the cost of developing and making available the drug or biologic will be recovered from sales in the United States. Orphan drug designation must be requested

before submitting a BLA. Although we may seek orphan drug designation for some or all of our product candidates, we may never receive such designations.

In the United States, orphan drug designation entitles a party to financial incentives such as tax advantages and user fee waivers. Opportunities for grant funding toward clinical trial costs may also be available for clinical trials of drugs or biologics for rare diseases, regardless of whether the drugs or biologics are designated for the orphan use.

In addition, if a drug or biologic with an orphan drug designation subsequently receives the first marketing approval for a particular active ingredient or principal molecular structural features for the indication for which it has such designation, the product is entitled to a seven year period of marketing exclusivity, which precludes the FDA from approving another marketing application for the same drug and indication for that time period, except in limited circumstances such as a showing of clinical superiority to the product with orphan drug exclusivity or if the FDA finds that the holder of the orphan drug exclusivity has not shown that it can ensure the availability of sufficient quantities of the orphan product to meet the needs of patients with the disease or condition for which the drug was designated. Even if we obtain orphan drug designation for a product candidate, we may not be the first to obtain marketing approval for any particular orphan indication due to the uncertainties associated with developing biological products. If we seek orphan drug designation, we may be unsuccessful in obtaining such orphan drug designation for our product candidates. Even if we obtain orphan drug exclusivity for any of our product candidates, we may be unable to maintain the benefits associated with orphan drug designation, or such orphan drug exclusivity may not effectively protect those product candidates from competition because different drugs can be approved for the same condition, and orphan drug exclusivity does not prevent the FDA from approving the same or a different drug in another indication. Even after an orphan drug is granted orphan drug exclusivity and approved, the FDA can subsequently approve a later application for the same drug for the same condition before the expiration of the seven-year exclusivity period if the FDA concludes that the later drug is clinically superior in that it is shown to be safer in a substantial portion of the target populations, more effective or makes a major contribution to patient care. In addition, a designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication for which it received orphan drug designation. Moreover, orphan drug-exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or that we are unable to manufacture sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Orphan drug designation neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process.

Breakthrough therapy designation by the FDA for any product candidate may not lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that the product candidate will receive marketing approval.

We may, in the future, apply for breakthrough therapy designation, or the equivalent thereof in foreign jurisdictions (where available), for our product candidates. A breakthrough therapy is defined as a product candidate that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the product candidate 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, 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. Product candidates designated as breakthrough therapies by the FDA are also eligible for priority review if supported by clinical data at the time of the submission of the BLA.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe that 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 product candidates considered for approval under conventional FDA procedures and it would 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 or it may decide that the time period for FDA review or approval will not be shortened.

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

Because we have limited financial and management resources, we must focus on development programs and product candidates that we identify for specific indications. As such, we are currently primarily focused on our recently in-licensed product candidates SYN-2510 and SYN-27M, our potential CoStAR-TIL Collaboration Product for the treatment of non-small cell lung cancer and potentially licensing-in or otherwise acquiring a new product candidate. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications for these product candidates 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 development programs and product candidates for specific indications may not yield any commercially viable products. For example, before prioritizing development of our CoStAR-TIL Collaboration Product, our strategy focused primarily on the development of ITIL-306, which we discontinued in January 2024, and prior to that, ITIL-168 for the treatment of PD-1 inhibitor-relapsed or refractory advanced cutaneous melanoma, which we discontinued in 2022. Further, 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 to such product candidate.

We plan to conduct clinical trials for our product candidates outside the United States, and the FDA and similar foreign regulatory authorities may not accept data from such trials conducted in locations outside of their jurisdiction.

Our subsidiary, SynBioTx, is party to a collaboration with ImmuneOnco pursuant to which ImmuneOnco is pursuing clinical trials of SYN-2510 and SYN-27M in China to generate clinical data from patients with certain solid tumor cancers. We are also party to another collaboration in China related to an IIT with the goal of generating early clinical data for our CoStAR-TIL Collaboration Product from patients with NSCLC in China. In addition, we may choose to conduct other clinical trials outside the United States, including in the United Kingdom, Australia, Canada, Europe or other foreign jurisdictions. The acceptance by the FDA of data from clinical trials or IITs conducted in China or any other clinical trial outside the United States may be subject to certain conditions or may not be accepted at all. In cases where data from clinical trials conducted outside the United States are intended to serve as the sole basis for marketing approval in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the U.S. population and U.S. medical practice; (ii) the trials were performed by clinical investigators of recognized competence and (iii) the data may be considered valid without the need for an on-site inspection by the FDA or, if the FDA considers such an inspection to be necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means. For example, in February 2022, the FDA publicly rebuked an oncology product sponsor for submitting a marketing application with Phase 3 clinical data solely from China and since that time, it has declined to approve other applications that contained primarily China-generated clinical data. Additionally, the FDA's clinical trial requirements, including sufficient size of patient populations and statistical powering, must be met. Many foreign regulatory bodies have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any similar foreign regulatory authority will accept data from trials conducted outside of the United States, including China, or the applicable jurisdiction. If the FDA or any similar foreign regulatory authority does not accept such data, it would result in the need for additional trials, which would be costly and time-consuming and delay aspects of our business plan, and which may result in our product candidates not receiving approval or clearance for commercialization in the applicable jurisdiction.

We may not be successful in our efforts to build a pipeline of additional product candidates either internally or by identifying and licensing-in or otherwise acquiring novel product candidates on commercially

attractive terms and may not be successful in developing and commercializing any product candidates we have licensed-in, or may in the future license-in or otherwise acquire.

Our strategy involves in-licensing or acquiring and developing therapeutic assets for diseases with significant unmet medical need. We may not be able to continue to identify, in-license or otherwise acquire, and subsequently develop, new product candidates in addition to our current pipeline. The licensing or acquisition of third-party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third-party intellectual property rights or assets that we may consider attractive for further development. These established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us, and companies that do not perceive us to be competitor may be reluctant to consider licensing to us given our lack of meaningful experience beyond TILs. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. Even if we are successful in continuing to build our pipeline, either through internal research and development or through in-licensing or other asset acquisitions, the potential product candidates that we identify may not be suitable for clinical development. For example, product candidates may be shown to have harmful side effects or other characteristics that indicate that they are unlikely to be successfully developed, much less receive marketing approval and achieve market acceptance. We may not be successful in developing or commercializing the product candidates we have licensed-in, including the product candidates licensed from ImmuneOnco, or any future product candidate we may acquire or in-license. If we do not successfully develop and commercialize product candidates, we will not be able to obtain product revenue in future periods, which likely would result in significant harm to our financial position and adversely affect our stock price.

If we do not achieve our plans and projected development goals in the timeframes we announce and expect, the commercialization of our products may be delayed.

From time to time, we may estimate the timing of the accomplishment of various scientific, clinical, regulatory, manufacturing and other product development goals, which we sometimes refer to as milestones, including in connection with our collaboration. These milestones may include the commencement or completion of, and availability of data from, preclinical studies and clinical trials and the submission of regulatory filings. From time to time, we may publicly announce the expected timing of some of these milestones. All of these milestones are, and will be, based on a variety of assumptions. The actual timing of these milestones can vary significantly compared to our estimates, in some cases for reasons beyond our control. We may experience numerous unforeseen events during, or as a result of our current clinical trials or any future clinical trials that we conduct, such as the observed decrease in 2022 of rates of successful manufacturing of ITIL-168 that resulted in the decision to voluntarily pause our clinical trials and contributed in part to our decision to ultimately discontinue our ITIL-168 development program, that could delay or prevent our ability to receive marketing approval or commercialize our product candidates.

The market opportunities for any current or future product candidate we develop, if approved, may be limited to those patients who are ineligible for established therapies or for whom prior therapies have failed, and may be small.

Any revenue we are able to generate in the future from product sales will be dependent, in part, upon the size of the market in the United States and any other jurisdiction for which we gain regulatory approval and have commercial rights. If the markets or patient subsets that we are targeting are not as significant as we estimate, we may not generate significant revenues from sales of such products, even if approved.

Cancer therapies are sometimes characterized as first-line, second-line or third-line, and the FDA often approves new therapies initially only for third-line use. When cancer is detected early enough, first-line therapy, usually chemotherapy, immunotherapy, hormone therapy, surgery, radiation therapy or a combination of these, is sometimes adequate to cure the cancer or prolong life without a cure. Second- and third-line therapies are administered to patients when prior therapy is not effective. We may initially seek approval for product candidates we develop as a therapy for patients who have received one or more prior treatments. If we do so, for those products that prove to be sufficiently beneficial, if any, we would expect to seek approval potentially as a first-line therapy,

but there is no guarantee that any product candidate we develop, even if approved, would be approved for first-line therapy, and, prior to any such approvals, we may have to conduct additional clinical trials.

The number of patients who have the types of cancer we are targeting may turn out to be lower than expected. Additionally, the potentially addressable patient population for our current or future product candidates may be limited, if and when approved. Further, even if any of our product candidates are approved by the FDA or comparable foreign regulators, their approved indications may be limited to a subset of the indications that we targeted. Even if we obtain significant market share for any product candidate, if and when approved, if the potential target populations are small, we may never achieve profitability without obtaining marketing approval for additional indications, including to be used as first- or second-line therapy.

We may develop SYN-2510, SYN-27M, and CoStAR-TIL and future product candidates for use in combination with other therapies or third-party product candidates, which exposes us to additional regulatory risks.

We may develop the product candidates licensed-in from ImmuneOnco or CoStAR-TIL and future product candidates for use in combination with one or more currently approved cancer therapies. Even if any product candidate we develop were to receive marketing approval or be commercialized for use in combination with other existing therapies, we would continue to be subject to the risk that the FDA, MHRA, EMA or comparable foreign regulatory authorities could revoke approval of the therapy used in combination with our product candidate or that safety, efficacy, manufacturing or supply issues could arise with these existing therapies. This could result in our own products being removed from the market or being less successful commercially. Combination therapies are commonly used for the treatment of cancer, and we would be subject to similar risks if we develop any of our product candidates for use in combination with other drugs or for indications other than cancer.

We may also evaluate product candidates in combination with one or more other third-party product candidates that have not yet been approved for marketing by the FDA, MHRA, EMA or comparable foreign regulatory authorities. If so, we will not be able to market and sell any product candidate we develop in combination with any such unapproved cancer therapies that do not ultimately obtain marketing approval.

If the FDA or comparable foreign regulatory authorities do not approve these other biological products or revoke their approval of, or if safety, efficacy, manufacturing or supply issues arise with, the biologics we choose to evaluate in combination with any product candidate we develop, we may be unable to obtain approval of or market any such product candidate.

The United Kingdom's withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and our business.

Following the result of a referendum in 2016, the United Kingdom left the European Union on January 31, 2020, commonly referred to as Brexit. Pursuant to the formal withdrawal arrangements agreed to by the United Kingdom and the European Union, as of January 1, 2021, the United Kingdom is no longer subject to the transition period, or the Transition Period, during which European Union rules continued to apply. A trade and cooperation agreement, or the Trade and Cooperation Agreement, which outlines the post-Transition Period trading relationship between the United Kingdom and the European Union was agreed to in December 2020 and formally entered into force on May 1, 2021.

We have research labs located in greater Manchester, United Kingdom. Further, since a significant proportion of the regulatory framework in the United Kingdom that is applicable to our business and our product candidates is derived from European Union directives and regulations, Brexit has had, and will continue to have, a material impact on the regulatory regime with respect to the importation, approval and commercialization of our product candidates in the United Kingdom or the European Union. For example, Great Britain is no longer covered by the centralized procedures for obtaining EU-wide marketing authorizations from the EMA, and a separate marketing authorization will be required to market our product candidates in Great Britain. Any delay in obtaining, or an inability to obtain, any marketing approvals, as a result of Brexit or otherwise, would delay or prevent us from commercializing our product candidates in the United Kingdom and limit our ability to generate revenue and

achieve and sustain profitability. While the Trade and Cooperation Agreement provides for the tariff-free trade of medicinal products between the United Kingdom and the European Union, there are additional non-tariff costs to such trade that did not exist prior to the end of the Transition Period and frequent delays in the transit of goods between the United Kingdom and the European Union. Further, should the United Kingdom diverge from the European Union from a regulatory perspective in relation to medicinal products, tariffs could be put into place in the future, and we may incur expenses in establishing a manufacturing facility in the European Union in order to circumvent such hurdles or incur significant additional expenses to operate our business, which could significantly and materially harm or delay our ability to generate revenues or achieve profitability of our business. Any further changes in international trade, tariff and import/export regulations as a result of Brexit or otherwise may impose unexpected duty costs or other non-tariff barriers on us. These developments, or the perception that any of them could occur, may significantly reduce global trade and, in particular, trade between the impacted nations and the United Kingdom. It is also possible that Brexit may negatively affect our ability to attract and retain employees, particularly those from the European Union.

Risks Related to the Manufacturing of our Product Candidates

Biologics are complex and difficult to manufacture. We have experienced, and may in the future experience, manufacturing problems that result in delays in the development or commercialization of our product candidates or otherwise harm our business. We may experience new manufacturing challenges by relying on collaborators or other third parties for manufacturing capabilities and expertise.

The manufacture of biologic products is technically complex and necessitates substantial expertise and capital investment. Production difficulties caused by unforeseen events may delay the availability of material for our clinical studies.

The manufacturers of pharmaceutical products must comply with strictly enforced cGMP requirements, state and federal regulations, as well as foreign requirements when applicable. Any failure of us or our contract manufacturing organizations to adhere to or document compliance to such regulatory requirements could lead to a delay or interruption in the availability of our program materials for clinical trials or enforcement action from the FDA, MHRA, EMA or comparable regulatory authorities. If we or our manufacturers were to fail to comply with the requirements of the FDA, MHRA, EMA or other regulatory authority, it could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our product candidates. Our dependence upon others for the manufacture of our product candidates may also adversely affect our future profit margins and our ability to commercialize any product candidates that receive regulatory approval on a timely and competitive basis.

Biological products, particularly cell therapy products, are inherently difficult to manufacture. Our program materials are manufactured using technically complex processes requiring specialized equipment and facilities, highly specific raw materials, cells, and reagents, and other production constraints. Our production process requires a number of highly specific raw materials, cells and reagents with limited suppliers. Even though we aim to have backup supplies of raw materials, cells and reagents whenever possible, we cannot be certain they will be sufficient if our primary sources are unavailable. A shortage of a critical raw material, cell line, or reagent, or a technical issue during manufacturing may lead to delays in clinical development or commercialization plans. Any changes in the manufacturing of components of the raw materials we use could result in unanticipated or unfavorable effects, resulting in delays.

Delays or failures in the manufacture of cell therapies (whether by us, any collaborator or our third party contract manufacturers) can result in a patient being unable to receive their cell therapy or a requirement to re-manufacture which itself then causes delays in manufacture for other patients. Any delay or failure or inability to manufacture on a timely basis can adversely affect a patient's outcomes and delay the timelines for our clinical trials. Such delays or failure or inability to manufacture can result from:

- a failure in the manufacturing process itself, for example by an error in manufacturing process (whether by us or our third party CMO), equipment or reagent failure, failure in any step of the manufacturing process, failure to maintain a cGMP environment or failure in quality systems applicable to manufacture, sterility failures, contamination during the manufacturing process;
- product loss or failure due to logistical issues associated with the collection of a patient's tumor or other samples, shipping that material to analytical laboratories, and shipping the final product back to the location using cold chain distribution where it will be administered to the patient, manufacturing issues associated with the differences in patient starting materials, inconsistency in cell growth and variability in product characteristics;
- a lack of reliability or reproducibility in the manufacturing process itself leading to variability in end manufacture of cell therapy, which may lead to regulatory authorities placing a hold on a clinical trial or requesting further information on the process which could in turn result in delays to the clinical trials;
- variations in patient starting material or apheresis product resulting in less product than expected or product that is not viable, or that cannot be used to successfully manufacture a cell therapy;
- product loss or failure due to logistical issues including issues associated with the differences between patients' white blood cells or characteristics, interruptions to process, contamination, failure to supply patient apheresis material within required timescales (for example, as a result of an import or export hold-up) or supplier error;
- inability to obtain viral vector manufacturing slots from CMOs or to have enough manufacturing slots to manufacture cell therapies for patients as and when those patients require manufacture;
- inability to procure starting materials or to manufacture starting materials;
- loss of or close-down of any manufacturing facility used in the manufacture of our cell therapies, or the inability to find alternative manufacturing capability in a timely fashion;
- loss or contamination of patient starting material, requiring the starting material to be obtained again from the patient or the manufacturing process to be re-started; and
- a requirement to modify or make changes to any manufacturing process, which may also require comparability testing that delays our ability to make the required modifications or perform any required comparability testing in a timely fashion, require further regulatory approval or require successful tech transfer to CMOs to continue manufacturing.

Manufacturing problems may result in a delay in the timelines for our clinical trials. For example, in October 2022 we voluntarily paused enrollment in our clinical trials for ITIL-168 following a decrease in the rate of successful manufacturing of ITIL-168, resulting in the inability to dose some patients, and also voluntarily paused enrollment in our Phase 1 trial of ITIL-306, although no manufacturing failures were observed in this trial. We thereafter resumed our clinical trial for ITIL-306 prior to our discontinuation of our ITIL-306 development program. We informed all applicable regulatory agencies of our voluntary pause and no regulatory agency, including the FDA, issued a clinical hold on any of our prior clinical trials, although there can be no assurance that we will not be subject to a clinical hold in the future. We completed an end-to-end analysis of our manufacturing processes and took corrective actions to improve the rate of manufacturing success, but there can be no assurance that we will not experience other manufacturing issues in the future.

We currently rely, and expect to continue to rely, on third party manufacturers, including our collaborator for the potential IIT in China and ImmuneOnco, to manufacture and to perform quality testing. Reliance on third parties exposes us to risks associated with having reduced control over manufacturing activities, and any disruptions to the operations of our third-party manufacturers, including those caused by conditions unrelated to our business or operations such as bankruptcy of the manufacturer, could materially and adversely affect our business.

The manufacture of our TIL product candidate is difficult and complex and we may encounter difficulties in production, particularly with respect to process development or scaling-out of manufacturing capabilities. If we encounter such difficulties, our ability to provide supply of our product candidates for clinical trials or any approved products could be delayed or stopped.

All entities involved in the preparation of therapeutics for clinical trials or commercial sale, including our existing contract manufacturers for components of our product candidates, are subject to extensive regulation. Components of a finished therapeutic product approved for commercial sale or used in late-stage clinical trials in the European Union must be manufactured in accordance with cGMP. These regulations govern manufacturing processes and procedures (including record keeping) and the implementation and operation of quality systems to control and assure the quality of investigational products and products approved for sale. Poor control of production processes can lead to the introduction of adventitious agents or other contaminants, or to inadvertent changes in the properties or stability of our product candidates that may not be detectable in final product testing. We or our contract manufacturers must supply all necessary documentation in support of a BLA or MAA on a timely basis. Our facilities and quality systems and the facilities and quality systems of some or all of our third-party contractors must pass a pre-approval inspection for compliance with the applicable regulations as a condition of regulatory approval of our product candidates or any of our other potential products. In addition, the regulatory authorities may, at any time, audit or inspect a manufacturing facility involved with the preparation of our product candidates or our other potential products or the associated quality systems for compliance with the regulations applicable to the activities being conducted, and they could put a hold on one or more of our clinical trials if the facilities of our contract development and manufacturing organizations do not pass such audit or inspections. If these facilities do not pass a pre-approval plant inspection, FDA or comparable foreign regulatory authorities' approval of the products will not be granted.

The regulatory authorities also may, at any time following approval of a product for sale, inspect or audit our manufacturing facilities or those of our third-party contractors. If any such inspection or audit identifies a failure to comply with applicable regulations or if a violation of our product specifications or applicable regulations occurs independent of such an inspection or audit, we or the relevant regulatory authority may require remedial measures that may be costly and/or time-consuming for us or a third party to implement and that may include the temporary or permanent suspension of a clinical trial or commercial sales or the temporary or permanent closure of a facility. Any such remedial measures imposed upon us or third parties with whom we contract could harm our business. If we or any of our third-party manufacturers fail to maintain regulatory compliance, the FDA or comparable foreign regulatory authorities' can impose regulatory sanctions including, among other things, refusal to approve a pending application for a new drug product or biologic product, or revocation of a pre-existing approval. As a result, our business, financial condition and results of operations may be harmed. Additionally, if supply from one approved manufacturer is interrupted, there could be a significant disruption in commercial supply. An alternative manufacturer would need to be qualified through a BLA and/or MAA supplement which could result in further delay. The regulatory agencies may also require additional studies if a new manufacturer is relied upon for commercial production. Switching manufacturers may involve substantial costs and is likely to result in a delay in our desired clinical and commercial timelines.

These factors could cause the delay of clinical trials, regulatory submissions, required approvals or commercialization of our product candidates, cause us to incur higher costs and prevent us from commercializing our products successfully, if approved. Furthermore, if our suppliers fail to meet contractual requirements, and we are unable to secure one or more replacement suppliers capable of production at a substantially equivalent cost, our clinical trials may be delayed or we could lose potential revenue.

We intend to rely on our collaborators to manufacture our CoStAR-TIL Collaboration Product, SYN-2510 and SYN-27M, and intend to utilize third parties to manufacture our future product candidates. Therefore, we are subject to the risk that such third parties may not perform satisfactorily.

We intend to rely on ImmuneOnco to manufacture SYN-2510 and SYN-27M for potential clinical trials in China and our other partner to manufacture our CoStAR-TIL Collaboration Product for IITs in China. We intend to rely on outside vendors to manufacture clinical supply of our future product candidates and intend to evaluate potential third-party manufacturing capabilities if necessary to meet further clinical and commercial demand. In the event that we engage third-party manufacturers and they do not successfully carry out their contractual duties, meet expected deadlines or manufacture our product candidates in accordance with regulatory requirements or if there are disagreements between us and any third-party manufacturer, we may be delayed in producing sufficient clinical and commercial supply of our product candidates. In such instances, we may need to locate an appropriate replacement

third-party relationship, which may not be readily available or on acceptable terms, which would cause additional delay or increased expense and would thereby have a material adverse effect on our business, financial condition, results of operations and prospects.

Reliance on collaborators and third-party providers may expose us to more risk than if we were to manufacture product candidates ourselves. The facilities used by our contract manufacturers to manufacture our product candidates must be approved by the FDA pursuant to inspections that will be conducted after we submit our BLA to the FDA. We do not control the manufacturing process of, and are completely dependent on, our contract manufacturing partners for compliance with the regulatory requirements, known as cGMPs, for the manufacture of our product candidates. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or others, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities. In addition, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our product candidates or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved. In addition, any failure to achieve and maintain compliance with these laws, regulations and standards could subject us to the risk that we may have to suspend the manufacturing of our product candidates or that obtained approvals could be revoked, which would adversely affect our business and reputation. Furthermore, third-party providers may breach existing agreements they have with us because of factors beyond our control. They may also terminate or refuse to renew their agreement because of their own financial difficulties or business priorities, at a time that is costly or otherwise inconvenient for us. If we were unable to find adequate replacement or another acceptable solution in time, our clinical trials could be delayed or our commercial activities could be harmed.

We currently rely, and expect to continue to rely, on third parties to manufacture ingredients of our product candidates and to perform quality testing and we intend to maintain third-party manufacturers for these ingredients, as well as to serve as additional sources of our product candidates, which will expose us to risks including:

- reduced control for certain aspects of manufacturing activities;
- termination or nonrenewal of manufacturing and service agreements with third parties in a manner or at a time that is costly or damaging to us; and
- disruptions to the operations of our third-party manufacturers and service providers caused by conditions unrelated to our business or operations, including the bankruptcy of the manufacturer or service provider.

Any of these events could lead to clinical trial delays or failure to obtain regulatory approval, or impact our ability to successfully commercialize our product candidates. Some of these events could be the basis for FDA action, including injunction, recall, seizure or total or partial suspension of product manufacture.

We depend on third-party suppliers for materials that are necessary for the conduct of preclinical studies and expect to rely on third parties for the manufacture of our product candidates for any future clinical trials, and the loss of these third-party suppliers or their inability to supply us with sufficient quantities of adequate materials, or to do so at acceptable quality levels and on a timely basis, could harm our business.

Manufacturing our product candidates requires many reagents, which are substances used to bring about chemical or biological reactions, and other specialty materials and equipment, some of which are manufactured or supplied by small companies with limited resources and experience to support commercial biologics production. We currently depend on a limited number of vendors for certain materials and equipment used in the manufacture of our product candidates. For example, we currently use facilities and equipment at external contract manufacturing organizations, or CMOs, as well as supply sources internal to the collaboration for vector supply. Our use of CMOs increases the risk of delays in production or insufficient supplies as we transfer our manufacturing technology to these CMOs and as they gain experience with our supply requirements. Some of these suppliers may not have the capacity to support clinical trials and commercial products manufactured under cGMP by biopharmaceutical firms or may otherwise be ill-equipped to support our needs. We also do not have supply contracts with many of these

suppliers and may not be able to obtain supply contracts with them on acceptable terms or at all. Accordingly, we may experience delays in receiving key materials and equipment to support clinical or commercial manufacturing.

For some of these reagents, equipment, and materials, we rely and may in the future rely on sole source vendors or a limited number of vendors. The supply of the reagents and other specialty materials and equipment that are necessary to produce our product candidates could be reduced or interrupted at any time. In such case, identifying and engaging an alternative supplier or manufacturer could result in delay, and we may not be able to find other acceptable suppliers or manufacturers on acceptable terms, or at all. Switching suppliers or manufacturers may involve substantial costs and is likely to result in a delay in our desired clinical and commercial timelines. If we change suppliers or manufacturers for commercial production, applicable regulatory agencies may require us to conduct additional studies or trials. If key suppliers or manufacturers are lost, or if the supply of the materials is diminished or discontinued, we may not be able to develop, manufacture and market our product candidates in a timely and competitive manner, or at all. An inability to continue to source product from any of these suppliers, which could be due to a number of issues, including regulatory actions or requirements affecting the supplier, adverse financial or other strategic developments experienced by a supplier, labor disputes or shortages, unexpected demands or quality issues, could adversely affect our ability to satisfy demand for our product candidates, which could adversely and materially affect our product sales and operating results or our ability to conduct clinical trials, either of which could significantly harm our business.

We expect that we will need to obtain rights to and supplies of certain materials and equipment to be used in the manufacturing process for our current and future product candidates. We may not be able to obtain rights to such materials on commercially reasonable terms, or at all, and if we are unable to alter the manufacturing process for our product candidates in a commercially viable manner to avoid the use of such materials or find a suitable substitute, it would have a material adverse effect on our business. Even if we are able to alter the manufacturing process for our product candidates so as to use other materials or equipment, such a change may lead to a delay in our clinical development and/or commercialization plans. If such a change occurs for a product candidate that is already in clinical testing, the change may require us to perform both ex vivo comparability studies and to collect additional data from patients prior to undertaking more advanced clinical trials. These factors could cause the delay of studies or trials, regulatory submissions, required approvals or commercialization of product candidates that we develop, cause us to incur higher costs and prevent us from commercializing our product candidates successfully.

Any contamination or interruption in the manufacturing process for our product candidates, shortages of raw materials or failure of our suppliers of reagents to deliver necessary components could result in delays in our clinical development or marketing schedules.

Given the nature of cell therapy manufacturing, there is a risk of contamination. Any contamination could adversely affect our ability to produce product candidates on schedule and could, therefore, harm our results of operations and cause reputational damage. Some of the raw materials required in the manufacturing process for our product candidates are derived from biologic sources. Such raw materials are difficult to procure and may be subject to contamination or recall. A material shortage, contamination, recall or restriction on the use of biologically derived substances in the manufacture of our product candidates could adversely impact or disrupt the commercial manufacturing or the production of clinical material, which could adversely affect our development timelines and our business, financial condition, results of operations and prospects. For example, the 2022 investigation of our manufacturing failures identified a central source of contamination in the cell media. Although we completed an end-to-end analysis of our manufacturing process and implemented corrective actions to improve our manufacturing process, there can be no assurance that such actions will be effective or that we will not in the future experience contamination issues in our manufacturing process. We currently rely, and expect to continue to rely, on third party manufacturers, including our collaborator for a potential IIT in China, to manufacture our product candidates. Reliance on third parties exposes us to additional risks associated with having reduced control over manufacturing activities.

Changes in methods of product candidate manufacturing or formulation may result in additional costs or delay.

As product candidates proceed through preclinical studies to late-stage clinical trials towards potential approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods and formulation, are altered along the way in an effort to optimize processes and product characteristics. Such changes carry the risk that they will not achieve our intended objectives. Any such changes could cause our product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the materials manufactured using altered processes. Such changes may also require additional testing, FDA notification or FDA approval. This could delay completion of clinical trials, require the conduct of bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our product candidates and jeopardize our ability to commence sales and generate revenue. In addition, we may be required to make significant changes to our upstream and downstream processes across our pipeline, which could delay the development of our future product candidates.

Risks Related to the Commercialization of our Product Candidates

Even if any of our product candidates receive marketing approval, they may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

If any of our product candidates receive marketing approval, they may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. If our product candidates do not achieve an adequate level of acceptance, we may not generate significant revenue and we may not become profitable. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the efficacy, safety and potential advantages compared to alternative treatments;
- our ability to offer our products for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments;
- product labeling or product insert requirements of the FDA, MHRA, EMA or other comparable foreign regulatory authorities, including any limitations or warnings contained in a product's approved labeling, including any black box warning or REMS;
- the willingness of the target patient population to try new treatments and of physicians to prescribe these treatments;
- our ability to hire and retain a sales force;
- the strength of marketing and distribution support;
- the availability of third-party coverage and adequate reimbursement for our product candidates, once approved;
- the prevalence and severity of any side effects; and
- any restrictions on the use of our products together with other medications.

If we are unable to establish sales, marketing and distribution capabilities for any product candidate that may receive regulatory approval, we may not be successful in commercializing those product candidates if and when they are approved.

We do not have sales or marketing infrastructure. To achieve commercial success for any product candidate for which we may obtain marketing approval, we will need to establish a sales and marketing organization. In the future, we expect to build a focused sales and marketing infrastructure to market our product candidates in the United States, if they are approved. There are risks involved with establishing our own sales, marketing and distribution capabilities. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to market our products on our own include:

- our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians in order to educate physicians about our product candidates, once approved;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we are unable to establish our own sales, marketing and distribution capabilities and are forced to enter into arrangements with, and rely on, third parties to perform these services, our revenue and our profitability, if any, are likely to be lower than if we had developed such capabilities ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell, market and distribute our product candidates or may be unable to do so on terms that are favorable to us. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. If we do not establish sales, marketing and distribution capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

The treatable populations for our product candidates may be smaller than we or third parties currently project, which may affect the addressable markets for our product candidates.

Our projections of the number of people who have the diseases we are seeking to treat, as well as the subset of people with these diseases who have the potential to benefit from treatment with our product candidates, are estimates based on our knowledge and understanding of these diseases. These estimates may prove to be incorrect and new studies may report lower incidence or prevalence estimates of these diseases. The number of patients in the United States, the European Union and elsewhere may turn out to be lower than expected, may not be otherwise amenable to treatment with our product candidates or patients may become increasingly difficult to identify and access, all of which would adversely affect our business, financial condition, results of operations and prospects. Further, even if we obtain approval for our product candidates, the FDA or other regulators may limit their approved indications to more narrow uses or subpopulations within the populations for which we are targeting development of our product candidates.

The total addressable market opportunity for our product candidates will ultimately depend upon a number of factors including the diagnosis and treatment criteria included in the final label, if approved for sale in specified indications, acceptance by the medical community, patient access and product pricing and reimbursement. Incidence and prevalence estimates are frequently based on information and assumptions that are not exact and may not be appropriate, and the methodology is forward-looking and speculative. The process we have used in developing an estimated incidence and prevalence range for the indications we are targeting has involved collating limited data from multiple sources. Accordingly, the incidence and prevalence estimates included in this Quarterly Report on Form 10-Q or our other filings with the Securities and Exchange Commission, or the SEC, should be viewed with caution. Further, the data and statistical information used in this Quarterly Report on Form 10-Q or our other filings with the SEC, including estimates derived from them, may differ from information and estimates made by our competitors or from current or future studies conducted by independent sources.

Off-label use or misuse of our products may harm our reputation in the marketplace, result in injuries that lead to costly product liability suits, and/or subject us to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with any product.

If our product candidates are approved by the FDA, we may only promote or market our product candidates for their specifically approved indications. We will train our marketing and sales force against promoting our product candidates for uses outside of the approved indications for use, known as "off-label uses." We cannot, however, prevent a physician from using our products off-label, when in the physician's independent professional medical judgment he or she deems it appropriate. Furthermore, the use of our products for indications other than those approved by the FDA may not effectively treat such conditions. Any such off-label use of our product candidates could harm our reputation in the marketplace among physicians and patients. There may also be increased risk of injury to patients if physicians attempt to use our products for these uses for which they are not approved, which

could lead to product liability suits that that might require significant financial and management resources and that could harm our reputation.

Advertising and promotion of any product candidate that obtains approval in the United States will be heavily scrutinized by the FDA, the U.S. Federal Trade Commission, the Department of Justice, or the DOJ, the Office of Inspector General of the U.S. Department of Health and Human Services, or HHS, state attorneys general, members of the U.S. Congress, and the public. Additionally, advertising and promotion of any product candidate that obtains approval outside of the United States will be heavily scrutinized by comparable foreign entities and stakeholders. Violations, including actual or alleged promotion of our products for unapproved or off-label uses, are subject to enforcement letters, inquiries, and investigations, and civil and criminal sanctions by the FDA, DOJ, or comparable foreign bodies. Any actual or alleged failure to comply with labeling and promotion requirements may result in fines, warning letters, mandates to corrective information to healthcare practitioners, injunctions, or civil or criminal penalties.

We face significant competition from other biotechnology and pharmaceutical companies and from non-profit institutions, and our operating results will suffer if we fail to compete effectively.

Drug development is highly competitive and subject to rapid and significant technological advancements. There are several large and small pharmaceutical companies focused on delivering therapeutics for the treatment of non-small cell lung cancer, ovarian cancer, and renal cell carcinoma and other oncology indications we might target in the future. Further, it is likely that additional drugs will become available in the future for the treatment of our target indications.

We face competition from segments of the pharmaceutical, biotechnology and other related markets that pursue the development of immuno-oncology therapies for the treatment of solid tumor cancers, including Akeso Therapeutics, ALX Oncology, Arcus Therapeutics, AstraZeneca plc, Beigene, BioAtla, BioNTech, Biotheus, Bristol Myers, Cullinan Therapeutics, Cytomx, Genentech/Roche, Gilead Sciences, GlaxoSmithKline, iTeos Therapeutics, Merck, Novartis, Regeneron, Sanofi, Shattuck Labs, Summit Therapeutics, Werewolf Therapeutics.

We face competition from segments of the pharmaceutical, biotechnology and other related markets that pursue the development of TIL or other cell therapies for the treatment of solid tumors, including Achilles Therapeutics, Ltd., AstraZeneca plc (Neogene Therapeutics, B.V.), Intima Bioscience, Inc., Iovance Biotherapeutics Inc., KSQ Therapeutics, Inc., Lyell Immunopharma, Inc., Obsidian Therapeutics, Inc. and Turnstone Biologics Corp. For example, the FDA recently approved Amtagvi (lifileucel), developed by Iovance Biotherapeutics, Inc., for the treatment of adult patients with unresectable or metastatic melanoma, which is the first approved treatment for cancer utilizing TIL therapy. In addition, we may face competition from companies focused on CAR-T and TCR-T cell therapies, such as Bristol-Myers Squibb, Inc. (Juno Therapeutics, Inc.), Gilead, Inc. (Kite Pharma, Inc.), Immatics N.V., and Poseida Therapeutics, Inc. There are also companies utilizing other cell-based approaches that may be competitive to our product candidates.

Universities and public and private research institutions in the United States and Europe are also potential competitors. For example, a Phase 3 M14TIL trial comparing TIL to standard ipilimumab in patients with metastatic melanoma is currently being conducted in Europe by the Netherlands Cancer Institute, the Copenhagen County Herlev University Hospital, and the University of Manchester. Results from the M14TIL trial were presented at the European Society for Medical Oncology Congress in September 2022. While these universities and public and private research institutions primarily have educational objectives, they may develop proprietary technologies that lead to FDA-approved therapies or secure patent protection that we may need for the development of our technologies and product candidates.

Many of our existing or potential competitors have substantially greater financial, technical and human resources than we do and significantly greater experience in the discovery and development of product candidates, as well as in obtaining regulatory approvals of those product candidates in the United States and in foreign countries. Our current and potential future competitors may also have significantly more experience commercializing drugs, particularly cell therapy and other biological products, that have been approved for marketing. Mergers and

acquisitions in the pharmaceutical and biotechnology industries could result in even more resources being concentrated among a small number of our competitors.

We will face competition from other drugs or from other non-drug products currently approved or that will be approved in the future in the oncology field, including for the treatment of diseases and disorders in the therapeutic categories we intend to target. Therefore, our ability to compete successfully will depend largely on our ability to:

- develop and commercialize drugs that are superior to other products in the market;
- demonstrate through our clinical trials that our product candidates are differentiated from existing and future therapies;
- attract qualified scientific, product development and commercial personnel;
- obtain patent or other proprietary protection for our medicines;
- obtain required regulatory approvals;
- obtain coverage and adequate reimbursement from, and negotiate competitive pricing with, third-party payors; and
- successfully collaborate with pharmaceutical companies and/or non-profit institutions in the discovery, development and commercialization of new medicines.

The availability of our competitors' products could limit the demand, and the price we are able to charge, for any product candidate we develop. The inability to compete with existing or subsequently introduced drugs would have an adverse impact on our business, financial condition and prospects. In addition, the reimbursement structure of approved cell therapies by other companies could impact the anticipated reimbursement structure of our cell therapies, if approved, and our business, financial condition, results of operations and prospects.

Established pharmaceutical companies may invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make our product candidates less competitive. In addition, any new product that competes with an approved product must demonstrate compelling advantages in efficacy, convenience, tolerability and safety in order to overcome price competition and to be commercially successful. Accordingly, our competitors may succeed in obtaining patent protection, discovering, developing, receiving regulatory and marketing approval for, or commercializing, drugs before we do, which would have an adverse impact on our business and results of operations.

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

If we are successful in achieving regulatory approval to commercialize any biologic product candidate that we develop, it may face competition from biosimilar products. In the United States, our product candidates are regulated by the FDA as biologic products subject to approval under the BLA pathway. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively, the ACA, includes a subtitle called the Biologics Price Competition and Innovation Act of 2009, or 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 by the FDA. 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 their product. The law is complex and is still being interpreted and implemented by the FDA. As a result, its ultimate impact, implementation and meaning are subject to uncertainty. While it is uncertain when such processes intended to implement BPCIA may be fully adopted by the FDA, any such processes could have an adverse effect on the future commercial prospects for our biological products.

There is a risk that any of our product candidates approved as a biological product under a BLA would not qualify for the 12-year period of exclusivity or 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. Other aspects of the BPCIA, some of which may impact the BPCIA exclusivity provisions, have also been the subject of recent litigation. Moreover, the extent to which a biosimilar, once approved, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological products is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing. If competitors are able to obtain marketing approval for biosimilars referencing our candidates, if approved, our products may become subject to competition from such biosimilars, with the attendant competitive pressure and potential adverse consequences.

The success of our product candidates will depend significantly on coverage and adequate reimbursement or the willingness of patients to pay for these therapies.

We believe our success depends on obtaining and maintaining coverage and adequate reimbursement for our product candidates and the extent to which patients will be willing to pay out-of-pocket for such products, in the absence of reimbursement for all or part of the cost. In the United States and in other countries, patients who are provided medical treatment for their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. The availability of coverage and adequacy of reimbursement for our products by third-party payors, including government health care programs (e.g., Medicare, Medicaid, TRICARE), managed care providers, private health insurers, health maintenance organizations, and other organizations is essential for most patients to be able to afford medical services and pharmaceutical products such as our product candidates. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies. However, decisions regarding the extent of coverage and amount of reimbursement to be provided are made on a payor-by-payor basis. One payor's determination to provide coverage for a drug product does not assure that other payors will also provide coverage, and adequate reimbursement. The principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare & Medicaid Services, or CMS, an agency within the U.S. Department of Health and Human Services, or HHS. CMS decides whether and to what extent products will be covered and reimbursed under Medicare and private payors tend to follow CMS to a substantial degree.

Third-party payors determine which products and procedures they will cover and establish reimbursement levels. Even if a third-party payor covers a particular product or procedure, the resulting reimbursement payment rates may not be adequate. Patients who are treated in-office for a medical condition generally rely on third-party payors to reimburse all or part of the costs associated with the procedure, including costs associated with products used during the procedure, and may be unwilling to undergo such procedures in the absence of such coverage and adequate reimbursement. Physicians may be unlikely to offer procedures for such treatment if they are not covered by insurance and may be unlikely to purchase and use our product candidates, if approved, for our stated indications unless coverage is provided and reimbursement is adequate. In addition, 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.

Reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that a procedure is safe, effective and medically necessary; appropriate for the specific patient; cost-effective; supported by peer-reviewed medical journals; included in clinical practice guidelines; and neither cosmetic, experimental, nor investigational. Further, increasing efforts by 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 product candidates. In order to secure coverage and reimbursement for any product that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of our products, in addition to the costs required to obtain FDA or comparable regulatory approvals. Additionally, we may also need to provide discounts to purchasers, private health plans or government healthcare programs. Our product candidates may nonetheless not be considered medically necessary or cost-effective. If third-party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover the product after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its products at a profit. We expect to experience pricing pressures from third-party payors in connection with the potential sale of any of our product candidates. Decreases in third-party

reimbursement for any product or a decision by a third-party payor not to cover a product could reduce physician usage and patient demand for the product and also have a material adverse effect on sales.

Foreign governments also have their own healthcare reimbursement systems, which vary significantly by country and region, and we cannot be sure that coverage and adequate reimbursement will be made available with respect to the treatments in which our products are used under any foreign reimbursement system.

There can be no assurance that our product candidates, if approved for sale in the United States or in other countries, will be considered medically reasonable and necessary, that it will be considered cost-effective by third-party payors, that coverage or an adequate level of reimbursement will be available or that reimbursement policies and practices in the United States and in foreign countries where our products are sold will not adversely affect our ability to sell our product candidates profitably, if they are approved for sale.

Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of any products that we may develop.

We face an inherent risk of product liability exposure related to the testing of our product candidates in human clinical trials and will face an even greater risk if we commercially sell any products that we may develop. If we cannot successfully defend ourselves against claims that our product candidates or drugs caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidates or drugs that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards paid to trial participants or patients;
- loss of revenue;
- reduced resources of our management to pursue our business strategy; and
- the inability to commercialize any products that we may develop.

Although we maintain product liability insurance coverage, such insurance may not be adequate to cover all liabilities that we may incur. We may need to increase our insurance coverage as we expand our clinical trials or if we commence commercialization of our product candidates. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

Our business and operations would suffer in the event we, or the third parties upon which we rely, suffer computer system failures, cyberattacks or a deficiency in our or such third parties' cybersecurity.

In the ordinary course of our business, we and the third parties upon which we rely may collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit and share (collectively, process) proprietary, confidential and sensitive data, including personal data (such as health-related data), data we collect about trial participants in connection with clinical trials, intellectual property sensitive third-party data and trade secrets (collectively, sensitive information). Cyber-attacks, malicious internet-based activity, online and offline fraud and other similar activities threaten the confidentiality, integrity and availability of our sensitive information and information technology systems and those of the third parties upon which we rely. Such threats are prevalent and continue to rise, are increasingly difficult to detect and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states and nation-state-supported actors.

Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, and the third parties upon which we rely, may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain and ability to produce, sell and distribute our goods and services. We and the third parties

upon which we rely may be subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through deep fakes, which may be increasingly 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 and other similar threats. In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, loss of sensitive data and income, reputational harm and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. Future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

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, encryption and authentication technology, employee email and other functions. We also rely on third-party service providers to provide other products, services or otherwise to operate our business. 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 or will not be compromised.

Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our services. We may expend significant resources or modify our business activities (including our clinical trial activities) to try to protect against security incidents. Certain data privacy and security obligations may require us to implement and maintain specific security measures or industry-standard or reasonable security measures to protect our information technology systems and sensitive information.

While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps to detect and remediate vulnerabilities, but we may not be able to detect and remediate all vulnerabilities because the threats and techniques used to exploit the vulnerability change frequently and are often sophisticated in nature. Therefore, such vulnerabilities could be exploited but may not be detected until after a security incident has occurred. These vulnerabilities pose material risks to our business. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities.

Applicable data privacy and security obligations may require us to notify relevant stakeholders of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. If we, or a third party upon which we rely, experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences. These consequences may include government enforcement actions (for example, investigations, fines, penalties, audits and inspections), additional reporting requirements and/or oversight, restrictions on processing sensitive information (including personal data), litigation (including class claims), indemnification obligations, negative publicity, reputational harm, monetary fund diversions, interruptions in our operations (including availability of data), financial loss and other similar harms.

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 a variety of stringent and evolving U.S. and foreign laws, regulations, rules, contractual obligations, policies and other obligations related to data privacy and data security, and our actual or perceived failure to comply with them could lead to regulatory investigations or actions; litigation; 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 process personal data and other sensitive information. Our data processing activities may 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 (e.g., wiretapping laws). For example, HIPAA, as amended by HITECH, imposes specific requirements relating to the privacy, security and transmission of individually identifiable health information. In addition, the California Consumer Privacy Act of 2018, or the CCPA, as amended by the California Privacy Rights Act of 2020, or the CPRA, applies to personal data 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 may increase compliance costs and potential liability with respect to other personal data we may 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 data 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. These developments may further complicate compliance efforts and may increase legal risk and compliance costs for us and the third parties upon which we rely.

Outside the United States, an increasing number of laws, regulations, and industry standards may govern data privacy and security. For example, the United Kingdom's General Data Protection Regulation, or UK GDPR, imposes strict requirements for processing personal data. Under the UK GDPR, companies may face temporary or definitive bans on data processing and other corrective actions, fines of up to £17.5 million or 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 the United Kingdom to the United States. The United Kingdom has enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the United Kingdom has significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it 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 United Kingdom to the United States in compliance with law, such as the United Kingdom's international data transfer agreement, 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 United Kingdom 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 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 United Kingdom to other jurisdictions, particularly the United States, are subject to increased scrutiny from regulators, individual litigants and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the European Union's General Data Protection Regulation's, or EU GDPR, cross-border data transfer limitations. For example, in May 2023, the Irish Data Protection Commission determined that a major social media company's use of the standard contractual clauses to transfer personal data from Europe to the United States was insufficient and levied a 1.2 billion Euro fine against the company and prohibited the company from transferring personal data to the United States. Substantially similar legal considerations apply under the UK GDPR as those analyzed and applied in the context of the EU GDPR by the Irish Data Protection Commission in reaching the decision to levy this fine.

In addition to data privacy and security laws, we may be contractually subject to industry standards adopted by industry groups and may become subject to such obligations in the future.

We may also be bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. For example, certain privacy laws, such as the UK GDPR and the CCPA, require our customers to impose specific contractual restrictions on their service providers. We may publish privacy policies, marketing materials and other statements regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.

Obligations related to data privacy and security are quickly changing, becoming increasingly stringent and creating regulatory uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources. These obligations may necessitate changes to our services, information technologies, systems and practices and to those of any third parties that process personal data on our behalf. We may at times fail, or be perceived to have failed, in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties on which we rely may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar), litigation (including class-action claims) and mass arbitration demands, additional reporting requirements and/or oversight, bans on processing personal data, orders to destroy or not use personal data and imprisonment of company officials. Any of these events could have a material adverse effect on our reputation, business or financial condition, including but not limited to loss of customers, interruptions or stoppages in our business operations including clinical trials, inability to process personal data or to operate in certain jurisdictions, limited ability to develop or commercialize our products, expenditure of time and resources to defend any claim or inquiry, adverse publicity or substantial changes to our business model or operations. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations.

If we or any contract manufacturers and suppliers we engage fail to comply with environmental, health, and safety laws and regulations, we could become subject to fines or penalties or incur costs that could seriously harm our business.

We and any contract manufacturers and suppliers we engage are subject to numerous federal, state and local environmental, health, and safety laws, regulations, and permitting requirements, including those governing laboratory procedures; the generation, handling, use, storage, treatment and disposal of hazardous and regulated materials and wastes; the emission and discharge of hazardous materials into the ground, air and water; and employee health and safety. Our operations involve the use of hazardous and flammable materials, including

chemicals and biological materials. Our operations also produce hazardous waste. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. Under certain environmental laws, we could be held responsible for costs relating to any contamination at our current or past facilities and at third-party facilities. We also could incur significant costs associated with civil or criminal fines and penalties.

Compliance with applicable environmental laws and regulations may be expensive, and current or future environmental laws and regulations may impair our research, product development and manufacturing efforts. In addition, we cannot entirely eliminate the risk of accidental injury or contamination from these materials or wastes. Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not carry specific biological or hazardous waste insurance coverage, and our property, casualty, and general liability insurance policies specifically exclude coverage for damages and fines arising from biological or hazardous waste exposure or contamination. Accordingly, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and our clinical trials or regulatory approvals could be suspended, which could seriously harm our business.

Risks Related to Our Dependence on Third Parties

We rely on third parties to conduct our clinical trials, and those third parties may not perform satisfactorily, including failing to meet established deadlines for the completion of such clinical trials.

Our reliance on third parties for clinical development activities reduces our control over these activities. However, if we sponsor clinical trials, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trials. Moreover, the FDA requires us to comply with requirements, commonly referred to as good clinical practices, for conducting, recording, and reporting the results of clinical trials to ensure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. Our reliance on third parties does not relieve us of these responsibilities and requirements. Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may be delayed in obtaining regulatory approvals for our product candidates and may be delayed in our efforts to successfully commercialize our product candidates for targeted diseases.

In addition, IITs, which are scientific research that is initiated, sponsored, and conducted by an independent investigator(s) and/or institution(s) not affiliated with us, are being, and additional IITs, may be conducted involving potential product candidates, including the potential IIT in China. The investigator, sponsor, and/or investigator/sponsor remains responsible for conception, design, data analysis, publication, and compliance with applicable law. IITs can contribute towards enhancing the understanding of products (such as mechanism of action) and sparking new ideas for further research; however, IITs are generally not supported by pharmaceutical companies for the purposes of generating data that can lead to product labelling changes. Even if an IIT has positive results, additional studies, along with regulatory agency guidance and approval, would be required to advance a pharmaceutical product to the next stage of development and new potential labelling changes or indications. If we are unable to confirm or replicate the results from an IIT or if negative results are obtained, we would likely be further delayed or prevented from advancing further clinical development. Further, if the data proves to be inadequate compared to the firsthand knowledge we might have gained had the IIT been sponsored and conducted by us, then our ability to design and conduct any future clinical trials ourselves may be adversely affected. Negative results in IITs could have a material adverse effect on our efforts to obtain regulatory approval for such product candidates and the public perception of such product candidates. In addition, third parties that are investigating product candidates which have not been provided by us may seek and obtain regulatory approval of product candidates before we do, which may adversely affect our development strategy and eligibility for certain exclusivities for which we may otherwise be eligible.

We intend to rely on third parties to conduct, supervise and monitor a significant portion of our research and preclinical testing and clinical trials for our product candidates, and if those third parties do not

successfully carry out their contractual duties, comply with regulatory requirements or otherwise perform satisfactorily, we may not be able to obtain regulatory approval or commercialize product candidates, or such approval or commercialization may be delayed, and our business may be substantially harmed.

We do not have a clinical operations team and intend to engage CROs and other third parties to conduct our planned preclinical studies or clinical trials and to monitor and manage data. We expect to continue to rely on third parties, including clinical data management organizations, medical institutions and clinical investigators, to conduct those clinical trials. Any of these third parties may terminate their engagements with us, some in the event of an uncured material breach and some at any time for convenience. If any of our relationships with these third parties terminate, we may not be able to timely enter into arrangements with alternative third parties or to do so on commercially reasonable terms, if at all. Switching or adding CROs involves substantial cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. Though we intend to carefully manage our relationships with our CROs, 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, the performance of our CROs and other third parties conducting our trials may also be interrupted by public health emergencies.

In addition, any third parties conducting our clinical trials will not be our employees, and except for remedies available to us under our agreements with such third parties, we cannot control whether or not they devote sufficient time and resources to our clinical programs. If these third parties do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. Consequently, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase substantially and our ability to generate revenue could be delayed significantly.

We rely on these parties for execution of our preclinical studies and clinical trials, and generally do not control their activities. Our reliance on these third parties for research and development activities will reduce our control over these activities but will not relieve us of our responsibilities. For example, we will remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with standards, commonly referred to as good clinical practices, or GCPs, for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. If we or any of our CROs or other third parties, including trial sites, fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA, MHRA, EMA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials complies with GCP regulations. In addition, our clinical trials must be conducted with product produced under cGMP conditions. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

We also are required to register certain ongoing clinical trials and post the results of certain completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within specified timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

In addition, 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. The FDA may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the trial. The FDA 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 and may ultimately lead to the denial of marketing approval our product candidates.

We also expect to rely on other third parties to store and distribute product supplies for our clinical trials. Any performance failure on the part of our distributors could delay clinical development or marketing approval of our product candidates or commercialization of our products, producing additional losses and depriving us of potential revenue.

We may seek collaborations with third parties for the development or commercialization of our product candidates. If those collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates.

We may seek third-party collaborators for the development and commercialization of our product candidates, including for the commercialization of any of our product candidates that are approved for marketing outside the United States. Our likely collaborators for any such arrangements include regional and national pharmaceutical companies and biotechnology companies. If we enter into any additional such arrangements with any third parties, we will likely have limited control over the amount and timing of resources that our collaborators dedicate to the development or commercialization of our product candidates. Our ability to generate revenue from these arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements.

Collaborations involving our product candidates would pose the following risks to us:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
- collaborators may not pursue development and commercialization of any product candidates that achieve regulatory approval or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborators' strategic focus or available funding, or external factors, such as an acquisition, that divert resources or create competing priorities;
- 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;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- we could grant exclusive rights to our collaborators that would prevent us from collaborating with others;
- our collaborators could be our competitors and product candidates discovered in collaboration with us may be viewed by our collaborators as competitive with their own product candidates or drugs, which may cause collaborators to cease to devote resources to the commercialization of our product candidates;
- a collaborator with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such products;
- disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays or termination of the research, development or commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;
- collaborators may not properly maintain or defend our or their intellectual property rights or may use our or their proprietary information in such a way as to invite litigation that could jeopardize or invalidate such intellectual property or proprietary information or expose us to potential litigation;
- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability; and

- collaborations may be terminated for the convenience of the collaborator and, if terminated, we could be required to raise additional capital to pursue further development or commercialization of the applicable product candidates.

Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner or at all. If any future collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program could be delayed, diminished or terminated.

We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for any collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA, MHRA, EMA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

We may not be able to negotiate additional collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of such 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 any 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 may not be able to further develop our product candidates or bring them to market and generate revenue.

Risks Related to our Intellectual Property

If we are unable to obtain or protect intellectual property rights related to any of our product candidates, we may not be able to compete effectively in our market.

We rely upon a combination of patents, trade secret protection and confidentiality agreements to protect the intellectual property related to our product candidates and technologies. Our success depends in large part on our ability to obtain and maintain patent and other intellectual property protection in the United States and in other countries with respect to our proprietary technology and product candidates.

As of the date of this Quarterly Report on Form 10-Q, we do not currently in-license any intellectual property, but we may choose to do so in the future. The strength of patents in the biotechnology and pharmaceutical field involves complex legal and scientific questions and can be uncertain. We cannot offer any assurances about which of our patent applications will issue, the breadth of any resulting patent or whether any of the issued patents will be found invalid and unenforceable or will be threatened by third parties. We cannot offer any assurances that the breadth of our resulting or granted patents will be sufficient to stop a competitor from developing and commercializing a product, including a biosimilar product, that would be competitive with one or more of our product candidates. There is no assurance that all the potentially relevant prior art relating to our patent and patent applications has been found, which can invalidate a patent or prevent a patent from issuing from a pending patent application. Since patent applications in the United States and most other countries are confidential for a period of time after filing, we cannot be certain that we or our future licensors were the first to file any patent application related to our product candidates and technologies. Additionally, a derivation proceeding before the United States

Patent and Trademark Office can be initiated by a third party to contest inventorship of the subject matter claimed in our applications.

Furthermore, any successful challenge to these patents or any other patents owned by or licensed to us after patent issuance could deprive us of rights necessary for the successful commercialization of any of our product candidates and technologies that we may develop. Even if they are unchallenged or such third-party challenges are unsuccessful, our patent and patent applications may not adequately protect our intellectual property, provide exclusivity for our product candidates and technologies, or prevent others from designing around our claims. If the breadth or strength of protection provided by the patent and patent applications we hold, obtain or pursue with respect to our product candidates and technologies is challenged, or if they fail to provide meaningful exclusivity for our product candidates and technologies, it could threaten our ability to commercialize our product candidates and technologies. Further, if we encounter delays in regulatory approvals, the period of time during which we could market a product candidate under patent protection, if approved, would be reduced.

The patent prosecution process is expensive and time-consuming. We may not be able to prepare, file and prosecute all necessary or desirable patent applications at a commercially reasonable cost, in a timely manner, or in all jurisdictions. It is also possible that we may fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection. Moreover, depending on the terms of any future in-licenses to which we may become a party, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology in-licensed from third parties. Therefore, these patents and patent applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. In addition to the protection provided by our patent estate, we rely on trade secret protection and confidentiality agreements to protect proprietary scientific, business and technical information and know-how that is not or may not be patentable or that we elect not to patent. We seek to protect our proprietary information, data and processes, in part, by confidentiality agreements and invention assignment agreements with our employees, consultants, scientific advisors, contractors and partners. Although these agreements are designed to protect our proprietary information, we cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Although we generally require all of our employees to assign their inventions to us, and all of our employees, consultants, advisors and any third parties who have access to our proprietary know-how, information, or technology to enter into confidentiality agreements, we cannot provide any assurances that all such agreements have been duly executed with all third parties who may have helped to develop our intellectual property or who had access to our proprietary information, or that our agreements will not be breached. If any of the parties to these confidentiality agreements breaches or violates the terms of such agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets as a result.

Enforcing a claim that a third party illegally obtained and is using our trade secrets, like patent litigation, is expensive and time-consuming, and the outcome is unpredictable. Further, 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. The enforceability of confidentiality agreements may vary from jurisdiction to jurisdiction. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. Additionally, if the steps taken to maintain our trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating the trade secret. We cannot guarantee that our employees, former employees or consultants will not file patent applications claiming our inventions. Because of the "first-to-file" laws in the United States and the uncertainties surrounding outcomes of derivation proceedings before the United States Patent and Trademark Office, such unauthorized patent application filings may defeat our attempts to obtain patents on our own inventions.

Trade secrets and know-how can be difficult to protect as trade secrets and know-how will over time be disseminated within the industry through independent development, the publication of journal articles, and the movement of personnel skilled in the art from company to company or academic to industry scientific positions. Moreover, our competitors may independently develop knowledge, methods and know-how equivalent to our trade secrets. Competitors could purchase our products and attempt to replicate some or all of the competitive advantages

we derive from our development efforts, willfully infringe our intellectual property rights, design around our protected technology or develop their own technologies that fall outside of our intellectual property rights. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets and proprietary know-how were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective.

While we have confidence in these individuals, organizations and systems, our agreements or security measures may be breached, and we may not have adequate remedies for any breach. Also, if the steps taken to maintain our trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating the trade secret. In addition, others may independently discover our trade secrets and proprietary information. If we are unable to prevent material disclosure of the non-patented intellectual property related to our technologies to third parties, and there is no guarantee that we will have any such enforceable trade secret protection, we may not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, results of operations and financial condition.

Patent terms may be inadequate to protect our competitive position on our products for an adequate amount of time, and if we do not obtain protection under the Hatch-Waxman Amendments and similar non-United States legislation for extending the term of patents covering each of our product candidates, our business may be materially harmed.

Patents have a limited lifespan. In the United States, 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. 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 generic medications. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates may expire before or shortly after such candidates are commercialized. Depending upon the timing, duration and conditions of FDA marketing approval of our product candidates, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments, and similar legislation in the European Union. The Hatch-Waxman Amendments permit a patent term extension of up to five years for a patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval. Only one patent may be extended, and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. However, we may not receive an extension if we fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights for that product will be shortened and our competitors may obtain approval to market competing products sooner. As a result, our revenue from applicable products could be reduced and could have a material adverse effect on our business.

If we fail to comply with our obligations imposed by any intellectual property licenses with third parties that we may need in the future, we could lose rights that are important to our business.

We may in the future require licenses to additional third-party technology and materials. Such licenses may not be available in the future or may not be available on commercially reasonable terms, or at all, which could have a material adverse effect on our business and financial condition. Even if we acquire the right to control the prosecution, maintenance and enforcement of the licensed and sublicensed intellectual property relating to our product candidates, we may require the cooperation of our licensors and any upstream licensor, which may not be

forthcoming. Therefore, we cannot be certain that the prosecution, maintenance and enforcement of these patent rights will be in a manner consistent with the best interests of our business. If we or our licensor fail to maintain such patents, or if we or our licensor lose rights to those patents or patent applications, the rights we have licensed may be reduced or eliminated and our right to develop and commercialize any of our product candidates that are the subject of such licensed rights could be adversely affected. In addition to the foregoing, the risks associated with patent rights that we license from third parties will also apply to patent rights we may own in the future. Further, if we fail to comply with our development obligations under our license agreements, we may lose our patent rights with respect to such agreement, which would affect our patent rights worldwide.

Termination of any future license agreements would reduce or eliminate our rights under these agreements and may result in our having to negotiate new or reinstated agreements with less favorable terms or cause us to lose our rights under these agreements, including our rights to important intellectual property or technology. Any of the foregoing could prevent us from commercializing our other product candidates, which could have a material adverse effect on our operating results and overall financial condition.

In addition, intellectual property rights that we in-license in the future may be sublicenses under intellectual property owned by third parties, in some cases through multiple tiers. The actions of our licensors may therefore affect our rights to use our sublicensed intellectual property, even if we are in compliance with all of the obligations under our license agreements. Should our licensors or any of the upstream licensors fail to comply with their obligations under the agreements pursuant to which they obtain the rights that are sublicensed to us, or should such agreements be terminated or amended, our ability to develop and commercialize our product candidates may be materially harmed.

Patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our future patents.

Our ability to obtain patents is highly uncertain because, to date, some legal principles remain unresolved, and there has not been a consistent policy regarding the breadth or interpretation of claims allowed in patents in the United States. Furthermore, the specific content of patents and patent applications that are necessary to support and interpret patent claims is highly uncertain due to the complex nature of the relevant legal, scientific, and factual issues. Changes in either patent laws or interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property or narrow the scope of our patent protection.

For example, on September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act included a number of significant changes to U.S. patent law. These included provisions that affect the way patent applications will be prosecuted and may also affect patent litigation. The USPTO has developed new and untested regulations and procedures to govern the full implementation of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first to file provisions, became effective in March 2013. The Leahy-Smith Act has also introduced procedures making it easier for third parties to challenge issued patents, as well as to intervene in the prosecution of patent applications. Finally, the Leahy-Smith Act contained new statutory provisions that require the USPTO to issue new regulations for their implementation, and it may take the courts years to interpret the provisions of the new statute. It is too early to tell what, if any, impact the Leahy-Smith Act will have on the operation of our business and the protection and enforcement of our intellectual property. 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 future patents. Further, the United States Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening 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 actions by the United States Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce patents that we have owned or licensed or that we might obtain in the future. An inability to obtain, enforce, and defend patents covering our proprietary technologies would materially and adversely affect our business prospects and financial condition.

Similarly, changes in patent laws and regulations in other countries or jurisdictions, 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 may obtain in the future. As an example, some European patent applications will 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, or UPC. The option of a Unitary Patent is a significant change in European patent practice. As the UPC is a new court system, there is no precedent for the court, increasing the uncertainty of any litigation in the UPC. Further, 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. For example, if the issuance in a given country of a patent covering an invention is not followed by the issuance in other countries of patents covering the same invention, or if any judicial interpretation of the validity, enforceability or scope of the claims or the written description or enablement, in a patent issued in one country is not similar to the interpretation given to the corresponding patent issued in another country, our ability to protect our intellectual property in those countries may be limited. Changes in either patent laws or in interpretations of patent laws in the United States and other countries may materially diminish the value of our intellectual property or narrow the scope of our patent protection.

We may be involved in lawsuits to protect or enforce our patents, which could be expensive, time consuming and unsuccessful.

Competitors may infringe our issued patents or any patents issued as a result of our pending or future patent applications. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. In addition, in an infringement proceeding, a court may decide that a patent of ours is not valid or is unenforceable, or may refuse to stop the other party in such infringement proceeding 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 proceedings could put one or more of our patents at risk of being invalidated, held unenforceable or interpreted narrowly, and could put any of our patent applications at risk of not yielding an issued patent.

If we initiate legal proceedings against a third party to enforce a patent covering one of our product candidates, the defendant could counterclaim that the patent covering our product or product candidate is invalid and/or unenforceable. In patent litigation in the United States, counterclaims alleging invalidity and/or unenforceability are common, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the PTO, 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, post grant review, inter partes review and equivalent proceedings in foreign jurisdictions (for example, opposition proceedings, nullity proceedings or litigation or invalidation trials or invalidation proceedings). Such proceedings could result in revocation of or amendment to our patents in such a way that they no longer cover our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. 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. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing and could have a material adverse impact on our business.

Derivation proceedings initiated by third parties or us may be necessary to determine the inventorship (and possibly also ownership) of inventions with respect to our patent applications or resulting patents, or patent applications or resulting patents of third parties. An unfavorable outcome could require us to cease using the related technology or force us to take a license under the patent rights of the prevailing party, if available. Furthermore, our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Our

defense of litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. We may not be able to prevent misappropriation of our intellectual property rights, particularly in countries where the laws may not protect those rights as fully as in the United States.

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. There could also 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 material adverse effect on the price of our common stock.

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 and validity 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 determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our product candidates. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our products.

We may be unsuccessful in licensing or acquiring intellectual property from third parties that may be required to develop and commercialize our product candidates.

A third party may hold intellectual property, including patent rights that are important or necessary to the development and commercialization of our product candidates. It may be necessary for us to use the patented or proprietary technology of third parties to commercialize our product candidates, in which case we would be required to acquire or obtain a license to such intellectual property from these third parties, and we may be unable to do so on commercially reasonable terms or at all. The licensing or acquisition of third-party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. 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 program or product candidate, which could have a material adverse effect on our business.

Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain.

Our commercial success depends in part on our ability to develop, manufacture, market and sell our drug candidates and use our proprietary technologies without infringing or otherwise violating the patents and proprietary rights of third parties. As our current and future product candidates progress toward commercialization, the possibility of a patent infringement claim against us increases. There is a substantial amount of litigation involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including patent

infringement lawsuits, interferences, derivation proceedings, post grant reviews, inter partes reviews, and reexamination proceedings before the USPTO or oppositions and other comparable proceedings in foreign jurisdictions. Numerous United States and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing product candidates, and there may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates and technologies. Third parties, including our competitors may initiate legal proceedings against us alleging that we are infringing or otherwise violating their patent or other intellectual property rights.

We cannot provide any assurance that our current and future product candidates do not infringe other parties' patents or other proprietary rights, and competitors or other parties may assert that we infringe their proprietary rights in any event. We may become party to, or threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our current and future product candidates, including interference or derivation proceedings before the USPTO. Even if we believe such claims are without merit, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, which could have a negative impact on our ability to commercialize our product candidates. In order to successfully challenge the validity of any such U.S. patent in federal court, we would need to overcome a presumption of validity. As this burden is high and requires us to present clear and convincing evidence as to the invalidity of any such U.S. patent claim, there is no assurance that a court of competent jurisdiction would agree with us and invalidate the claims of any such U.S. patent. Moreover, given the vast number of patents in our field of technology, we cannot be certain that we do not infringe existing patents or that we will not infringe patents that may be granted in the future.

While we may decide to initiate proceedings to challenge the validity of these or other patents in the future, we may be unsuccessful, and courts or patent offices in the United States and abroad could uphold the validity of any such patent. Furthermore, because patent applications can take many years to issue and may be confidential for 18 months or more after filing, and because pending patent claims can be revised before issuance, there may be applications now pending which may later result in issued patents that may be infringed by the manufacture, use or sale of our product candidates. Regardless of when filed, we may fail to identify relevant third-party patents or patent applications, or we may incorrectly conclude that a third-party patent is invalid or not infringed by our product candidates or activities. If a patent holder believes that one of our product candidates infringes its patent, the patent holder may sue us even if we have received patent protection for our technology. In addition, third parties may obtain patents in the future and claim that our product candidates or technologies infringe upon these patents. Moreover, we may face patent infringement claims from non-practicing entities that have no relevant drug revenue and against whom our own patent portfolio may thus have no deterrent effect. If a patent infringement suit were threatened or brought against us, we could be forced to stop or delay research, development, manufacturing or sales of the drug or product candidate that is the subject of the actual or threatened suit.

If we are found to infringe a third party's valid intellectual property rights, we could be required to obtain a license from such third party to continue commercializing our product candidates. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if a license can be obtained on acceptable terms, the rights may be non-exclusive, which could give our competitors access to the same technology or intellectual property rights licensed to us. If we fail to obtain a required license, we may be unable to effectively market product candidates based on our technology, which could limit our ability to generate revenue or achieve profitability and possibly prevent us from generating revenue sufficient to sustain our operations. Alternatively, we may need to redesign our infringing products, which may be impossible or require substantial time and monetary expenditure. Under certain circumstances, we could be forced, including by court orders, to cease commercializing our product candidates. In addition, in any such proceeding or litigation, we could be found liable for substantial monetary damages, potentially including treble damages and attorneys' fees, if we are found to have willfully infringed the patent at issue. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could harm our business. Any claims by third parties that we have misappropriated their confidential information or trade secrets could have a similar negative impact on our business.

The cost to us in defending or initiating any litigation or other proceeding relating to patent or other proprietary rights, even if resolved in our favor, could be substantial, and litigation would divert our management's attention. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could delay our research and development efforts and limit our ability to continue our operations.

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

We employ individuals who were previously employed at other biotechnology or biopharmaceutical companies. Although we try to ensure that our employees, consultants and advisors 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 of our employees' former employers or other third parties. We may also be subject to claims that former employers or other third parties have an ownership interest in our future patents. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. There is no guarantee of success in defending these claims, and even if we are successful, litigation could result in substantial cost and be a distraction to our management and other employees.

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

We may also be subject to claims that former employees, collaborators, or other third parties have an ownership interest in our patent applications, our future patents issued as a result of our pending or future applications, or other intellectual property. We may be subject to ownership disputes in the future arising, for example, from conflicting obligations of consultants or others who are involved in developing our product candidates. Although 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, and we cannot be certain that our agreements with such parties will be upheld in the face of a potential challenge, or that they will not be breached, for which we may not have an adequate remedy. The assignment of intellectual property rights may not be self-executing or the assignment agreements may be breached, and litigation may be necessary to defend against these and other claims challenging inventorship or ownership. 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.

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.

If we rely on third parties to manufacture or commercialize our product candidates, or if we collaborate with additional third parties for the development of such product candidates, we must, at times, share trade secrets with them. We may also conduct joint research and development programs that may require us to share trade secrets under the terms of our research and development partnerships or similar agreements. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, consulting agreements or other similar agreements with our advisors, employees, third-party contractors and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information, including our trade secrets. Despite the contractual provisions employed when working with third parties, the need to share trade secrets and other confidential information increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements.

Given that our proprietary position is based, in part, on our know-how and trade secrets, a competitor's discovery of our trade secrets or other unauthorized use or disclosure could have an adverse effect on our business and results of operations.

In addition, these agreements typically restrict the ability of our advisors, employees, third-party contractors and consultants to publish data potentially relating to our trade secrets. Despite our efforts to protect our trade secrets, we may not be able to prevent the unauthorized disclosure or use of our technical know-how or other trade secrets by the parties to these agreements. Moreover, we cannot guarantee that we have entered into such agreements with each party that may have or have had access to our confidential information or proprietary technology and processes. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. If any of the collaborators, scientific advisors, employees, contractors and consultants who are parties to these agreements breaches or violates the terms of any of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets as a result. Moreover, if confidential information that is licensed or disclosed to us by our partners, collaborators, or others is inadvertently disclosed or subject to a breach or violation, we may be exposed to liability to the owner of that confidential information. Enforcing a claim that a third party illegally obtained and is using our trade secrets, like patent litigation, is expensive and time-consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets.

We may enjoy only limited geographical protection with respect to certain patents and we may not be able to protect our intellectual property rights throughout the world.

Filing and prosecuting patent applications and defending patents covering our product candidates in all countries throughout the world would be prohibitively expensive. 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 that in the United States or Europe. These products may compete with our product candidates, and our future patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

In addition, we may decide to abandon national and regional patent applications before they are granted. The examination of each national or regional patent application is an independent proceeding. As a result, patent applications in the same family may issue as patents in some jurisdictions, such as in the United States, but may issue as patents with claims of different scope or may even be refused in other jurisdictions. It is also quite common that depending on the country, the scope of patent protection may vary for the same product candidate or technology.

While we intend to protect our intellectual property rights in our expected significant markets, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our product candidates. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate, which may have an adverse effect on our ability to successfully commercialize our product candidates in all of our expected significant foreign markets. If we encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for our business in such jurisdictions, the value of these rights may be diminished, and we may face additional competition from others in those jurisdictions.

The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws or rules and regulations in the United States and Europe and many companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets, and other intellectual property rights, especially those relating to life sciences, which could make it difficult for us to stop the infringement of our future patents or marketing of competing products in violation of our proprietary rights generally. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws.

Proceedings to enforce our patent rights in other jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our future patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing as patents, and could provoke third parties to assert claims 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. Furthermore, while we intend to protect our intellectual property rights in our expected significant markets, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our product candidates. 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 from third parties.

Some countries also have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, some countries limit the enforceability of patents against government agencies or government contractors. In those countries, the patent owner may have limited remedies, which could materially diminish the value of such patents. If we are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired.

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

Periodic maintenance fees, renewal fees, annuity fees and various other government fees on patents and/or applications will be due to be paid to the USPTO and various government patent agencies outside of the United States over the lifetime of our patents and/or applications and any patent rights we may obtain in the future. Furthermore, the USPTO and various non-U.S. government patent agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals and rely on such third parties to help us comply with these requirements and effect payment of these fees with respect to the patent and patent applications that we own, and if we in-license intellectual property, we may have to rely upon our licensors to comply with these requirements and effect payment of these fees with respect to any patents and patent applications that we license. In many cases, an inadvertent lapse of a patent or patent application can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which non-compliance can result in abandonment or lapse of the patents or patent applications, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, potential competitors might be able to enter the market, which could have a material adverse effect on our business.

Any trademarks we have obtained or may obtain may be infringed or otherwise violated, or successfully challenged, resulting in harm to our business.

We expect to rely on trademarks as one means to distinguish our product candidates, if approved for marketing, from the drugs of our competitors. Once we select new trademarks and apply to register them, our trademark applications may not be approved. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. Third parties may oppose or attempt to cancel our trademark applications or trademarks, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our drugs, which could result in loss of brand recognition and could require us to devote resources to advertising and marketing new brands. Our competitors may infringe or otherwise violate our trademarks and we may not have adequate resources to enforce our trademarks. Any of the foregoing events may have a material adverse effect on our business. Moreover, any name we propose to use with our product candidates 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. The FDA typically conducts a review of proposed product names, including an evaluation of potential for confusion with other product names. If the FDA objects to any of our proposed proprietary product names, we 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.

Our existing collaborations, and any collaboration arrangements that we may enter into in the future, may not be successful, which could adversely affect our ability to develop and commercialize our product candidates.

We currently have two collaborations, both with collaborators based in China. We may seek additional collaboration arrangements with pharmaceutical or biotechnology companies for the development or commercialization of our product candidates depending on the merits of retaining commercialization rights for ourselves as compared to entering into collaboration arrangements. We will face, to the extent that we decide to enter into additional collaboration agreements, significant competition in seeking appropriate collaborators. Moreover, collaboration arrangements are complex and time-consuming to negotiate, document, implement and maintain. We may not be successful in our efforts to establish and implement collaborations or other alternative arrangements should we so chose to enter into such arrangements. The terms of any collaborations or other arrangements that we have or may establish may not be favorable to us.

Our current and any future collaborations that we enter into may not be successful. The success of our collaboration arrangements will depend heavily on the efforts and activities of our collaborators. Collaborations are subject to numerous risks, which may include that:

- collaborators have significant discretion in determining the efforts and resources that they will apply to collaborations;
- collaborators may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in their strategic focus due to the acquisition of competitive products, availability of funding or other external factors, such as a business combination that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial, abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates;
- a collaborator with marketing, manufacturing and distribution rights to one or more products may not commit sufficient resources to or otherwise not perform satisfactorily in carrying out these activities;
- we could grant exclusive rights to our collaborators that would prevent us from collaborating with others;
- collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;
- disputes may arise between us and a collaborator that causes the delay or termination of the research, development or commercialization of our current or future products or that results in costly litigation or arbitration that diverts management attention and resources;
- collaborations may be terminated, and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable current or future products;
- collaborators may own or co-own intellectual property covering our products that results from our collaborating with them, and in such cases, we would not have the exclusive right to develop or commercialize such intellectual property; and
- a collaborator’s sales and marketing activities or other operations may not be in compliance with applicable laws resulting in civil or criminal proceedings.

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. The following examples are illustrative:

- others may be able to make products that are similar to or otherwise competitive with our product candidates but that are not covered by the claims of our current or future patents;
- an in-license necessary for the manufacture, use, sale, offer for sale or importation of one or more of our product candidates may be terminated by the licensor;
- we, our collaborators, or future collaborators might not have been the first to make the inventions covered by our licensed-in, issued or future issued patents or our pending patent applications;
- we, our collaborators, or future collaborators might not have been the first to file patent applications covering certain of our inventions or the inventions we have licensed-in;
- 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 in-license may be held invalid or unenforceable as a result of legal challenges by our competitors;
- issued patents that we own or in-license may not provide coverage for all aspects of our product candidates in all countries;
- 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; and
- the patents of others may have an adverse effect on our business.

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

Risks Related to Legal and Regulatory Compliance Matters

Our relationships with customers, healthcare providers, including physicians, and third-party payors are subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws, and other healthcare laws and regulations. If we are unable to comply, or have not fully complied, with such laws, we could face substantial penalties.

Healthcare providers, including physicians, and third-party payors in the United States and elsewhere will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our current and future arrangements with healthcare professionals, principal investigators, consultants, customers and third-party payors subject us to various federal and state fraud and abuse laws and other healthcare laws, including, without limitation, the federal Anti-Kickback Statute, the federal civil and criminal false claims laws and the law commonly referred to as the Physician Payments Sunshine Act and regulations promulgated under such laws. These laws will impact, among other things, our clinical research, proposed sales, marketing and educational programs, and other interactions with healthcare professionals. In addition, we may be subject to patient privacy laws by both the federal government and the states in which we conduct or may conduct our business. The laws that will affect our operations include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, individuals or entities from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind in return for, or to induce, either the referral of an individual, or the purchase, lease, order or arrangement for or recommendation of the purchase, lease, order or arrangement for any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. The term “remuneration” has been broadly interpreted to include anything of value. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn

narrowly. Practices that involve remuneration that may be alleged to be intended to induce prescribing, purchases or recommendations may be subject to scrutiny if they do not qualify for an exception or safe harbor. A person does not need to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation;

- the federal civil and criminal false claims laws, including, without limitation, the federal False Claims Act, which can be enforced by private citizens through civil whistleblower or qui tam actions, and civil monetary penalty laws which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment or approval from the federal government, including Medicare, Medicaid and other government payors, that are false or fraudulent or knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim or to avoid, decrease or conceal an obligation to pay money to the federal government. A claim includes "any request or demand" for money or property presented to the U.S. federal government. Several pharmaceutical and other healthcare companies have been prosecuted under these laws for allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product. Other companies have been prosecuted for causing false claims to be submitted because of the companies' marketing of products for unapproved, and thus non-reimbursable, uses. 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 federal False Claims Act;
- HIPAA, which created additional federal criminal statutes which prohibit, among other things, a person from knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent 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;
- HIPAA, as amended by HITECH, and its implementing regulations, which imposes certain obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information without the appropriate authorization by entities subject to the law, such as health plans, healthcare clearinghouses and healthcare providers and their respective business associates and their covered subcontractors;
- the federal transparency laws, including the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, medical devices, biologicals and medical supplies for which payment is available under Medicare, Medicaid or the State Children's Health Insurance Program, with specific exceptions, to report annually to the Centers for Medicare & Medicaid Services, or CMS, information related to: (i) payments or other "transfers of value" made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other health care professionals (such as physician assistants and nurse practitioners), and teaching hospitals, and (ii) ownership and investment interests held by physicians and their immediate family members;
- analogous state and foreign laws and regulations; state laws that require manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers, marketing expenditures or drug pricing; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, or that otherwise restrict payments that may be made to healthcare providers; and state and local laws that require the registration of pharmaceutical sales representatives; and
- laws, regulations, and industry standards governing data privacy and security, including laws requiring data to be localized or limiting the transfer of personal data to other countries, data breach notification laws, and personal data privacy laws, such as the UK GDPR, which imposes strict requirements on the processing of personal data, the CCPA, which requires businesses to provide specific disclosures in privacy notices and honor requests of California residents to exercise certain privacy rights, and comprehensive privacy laws of other states such as Virginia and Colorado.

Because of the breadth of these laws and the narrowness of the statutory exceptions and regulatory safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. 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, without limitation, civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from participating in federal and state funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, contractual damages, diminished profits and future earnings, reputational harm and the curtailment or restructuring of our operations, any of which could harm our business.

The risk of our being found in violation of these laws is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations. Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. The shifting compliance environment and the need to build and maintain robust and expandable systems to comply with multiple jurisdictions with different compliance and/or reporting requirements increases the possibility that a healthcare company may run afoul of one or more of the requirements.

Our collaborations in China subject us to risks and uncertainties relating to challenged and changing relations between the United States and China.

Political relations between the United States and China are strained. Each country has been enacting sanctions and threatening additional sanctions against the other. The United States Congress has been pursuing potential legislation targeting certain China-based biopharmaceutical companies and other China-based companies. Additionally, the biopharmaceutical industry in China is strictly regulated by the Chinese government. Changes to Chinese regulations affecting biopharmaceutical companies, and U.S. laws and regulations affecting biopharmaceutical companies based in or operating in China are also unpredictable. Any regulatory changes and changes in United States and China relations may have a material adverse effect on our collaborations, which could harm our business and financial condition.

Even if we obtain regulatory approval for any product candidates, they will remain subject to ongoing regulatory oversight, which may result in significant additional expense.

Even if we obtain any regulatory approval for any product candidates, such product candidates, they will be subject to ongoing regulatory requirements applicable to manufacturing, labeling, packaging, storage, advertising, promoting, sampling, record-keeping and submission of safety and other post-market information, among other things. Any regulatory approvals that we receive for any product candidates may also be subject to a risk evaluation and mitigation strategy, limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval, or requirements that we conduct potentially costly post-marketing testing and surveillance studies, including Phase 4 trials and surveillance to monitor the quality, safety and efficacy of the drug. An unsuccessful post-marketing study or failure to complete such a study could result in the withdrawal of marketing approval. We will further be required to immediately report any serious and unexpected adverse events and certain quality or production problems with our products to regulatory authorities along with other periodic reports.

Any new legislation addressing drug safety issues could result in delays in product development or commercialization, or increased costs to assure compliance. We will also have to comply with requirements concerning advertising and promotion for our products. Promotional communications with respect to prescription drug products are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the product's approved label. As such, we will not be allowed to promote our products for indications or uses for which they do not have approval, commonly known as off-label promotion. The holder of an approved BLA must

submit new or supplemental applications and obtain prior approval for certain changes to the approved product, product labeling, or manufacturing process. A company that is found to have improperly promoted off-label uses of their products may be subject to significant civil, criminal and administrative penalties.

In addition, drug manufacturers are subject to payment of user fees and continual review and periodic inspections by the FDA and other regulatory authorities for compliance with cGMP requirements and adherence to commitments made in the BLA or foreign marketing application. If we, or a regulatory authority, discover previously unknown problems with a drug, such as adverse events of unanticipated severity or frequency, or problems with the facility where the drug is manufactured or if a regulatory authority disagrees with the promotion, marketing or labeling of that drug, a regulatory authority may impose restrictions relative to that drug, the manufacturing facility or us, including requesting a recall or requiring withdrawal of the drug from the market or suspension of manufacturing.

If we fail to comply with applicable regulatory requirements following approval of any product candidates, a regulatory authority may:

- issue a deficiency letter, untitled letter or warning letter asserting that we are in violation of the law;
- seek an injunction or impose administrative, civil or criminal penalties or monetary fines;
- suspend or withdraw regulatory approval;
- suspend any ongoing clinical trials;
- refuse to approve a pending marketing application or supplement to an approved application or comparable foreign marketing application (or any supplements thereto) submitted by us or our strategic partners;
- restrict the marketing or manufacturing of the drug;
- seize or detain the drug or otherwise require the withdrawal of the drug from the market;
- refuse to permit the import or export of products or product candidates; or
- refuse to allow us to enter into supply contracts, including government contracts.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. The occurrence of any event or penalty described above may inhibit our ability to commercialize any product candidates and harm our business, financial condition, results of operations and prospects.

Even if we obtain FDA, MHRA or EMA approval any of our product candidates in the United States or European Union, we may never obtain approval for or commercialize any of them 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 or the EMA in the European Union 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 and 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 foreign markets, and we do not have experience in obtaining regulatory approval in any jurisdiction, including in foreign markets. If we fail to comply with regulatory requirements in foreign markets or to obtain and maintain required approvals, or if regulatory approvals in foreign 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.

Healthcare legislative or regulatory reform measures may have a negative impact on our business and results of operations.

In the United States and some foreign jurisdictions, there have been, and continue to be, several legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of product candidates, restrict or regulate post-approval activities, and affect our ability to profitably sell any product candidates for which we obtain marketing approval.

Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and/or expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives. For example, in March 2010, the ACA was passed, which substantially changed the way healthcare is financed by both the government and private insurers, and significantly impacts the U.S. pharmaceutical industry. The ACA, among other things: (i) established an annual, nondeductible fee on any entity that manufactures or imports certain specified branded prescription drugs and biologic agents apportioned among these entities according to their market share in some government healthcare programs; (ii) expanded the entities eligible for discounts under the 340B drug pricing program; (iii) increased the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13% of the average manufacturer price for most branded and generic drugs, respectively, and capped the total rebate amount for innovator drugs at 100% of the Average Manufacturer Price, or AMP; (iv) expanded the eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to additional individuals and by adding new eligibility categories for individuals with income at or below 133% (as calculated, it constitutes 138%) of the federal poverty level, thereby potentially increasing manufacturers' Medicaid rebate liability; (v) addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for certain drugs and biologics that are inhaled, infused, instilled, implanted or injected; (vi) introduced a new Medicare Part D coverage gap discount program in which manufacturers must now agree to offer 70% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D (increased from 50%, effective January 1, 2019, pursuant to the Bipartisan Budget Act of 2018); (vii) created 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 (viii) established the Center for Medicare and Medicaid Innovation at CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug.

There have been executive, judicial and congressional challenges to certain aspects of the ACA. For example, on June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Further, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022, or the IRA, into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in ACA marketplaces through plan year 2025. The IRA also eliminates the "donut hole" under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cost and through a newly established manufacturer discount program. It is possible that the ACA will be subject to judicial or congressional challenges in the future. It is unclear how such challenges and any additional healthcare reform measures of the Biden administration will impact the ACA or our business.

Other legislative changes have been proposed and adopted since the ACA was enacted. These changes include aggregate reductions to Medicare payments to providers of 2% per fiscal year pursuant to the Budget Control Act of 2011, which began in 2013, and due to subsequent legislative amendments to the statute, will remain in effect until 2032 unless additional congressional action is taken. Additionally, on March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into law, which eliminates the statutory Medicaid drug rebate cap, previously set at 100% of a drug's average manufacturer price, for single source and innovator multiple source drugs, effective January 1, 2024. These laws may result in additional reductions in Medicare, Medicaid and other healthcare funding, which could have an adverse effect on customers for our product candidates, if approved, and, accordingly, our financial operations.

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 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. For example, in July 2021, the Biden administration released an executive order, "Promoting Competition in the American Economy," with multiple provisions aimed at prescription drugs. In response to Biden's executive order, on September 9, 2021, HHS released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue to advance these principles. Additionally, the IRA, among other things, directs HHS to negotiate the price of certain high-expenditure, single-source drugs and biologics covered under Medicare, and subject drug manufacturers to civil monetary penalties and a potential excise tax by offering a price that is not equal to or less than the negotiated "maximum fair price" under the law, and (ii) imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation. The IRA permits 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. These provisions took effect progressively starting in fiscal year 2023, although the Medicare drug price negotiation program is currently subject to legal challenges. It is currently unclear how the IRA will be effectuated but is likely to have a significant impact on the pharmaceutical industry. 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 Center for Medicare and Medicaid Innovation 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. Similar reform measures have been considered and adopted at the state level as well. Further, on December 7, 2023, the Biden administration announced an initiative to control the price of prescription drugs through the use of march in rights under the Bayh-Dole Act. On December 8, 2023, the National Institute of Standards and Technology published for comment a Draft Interagency Guidance Framework for Considering the Exercise of March-In-Rights which for the first time includes the price of a product as one factor an agency can use when deciding to exercise march-in-rights. While march-in-rights have not previously been exercised, it is uncertain if that will continue under the new framework.

We expect that these and other healthcare reform measures that may be adopted in the future may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved drug. 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 drugs.

In addition, FDA regulations and guidance may be revised or reinterpreted by the FDA in ways that may significantly affect our business and our products. Any new regulations or guidance, or revisions or reinterpretations of existing regulations or guidance, may impose additional costs or lengthen FDA review times for our product candidates. We cannot determine how changes in regulations, statutes, policies, or interpretations when and if issued, enacted or adopted, may affect our business in the future. Such changes could, among other things, require:

- additional clinical trials to be conducted prior to obtaining approval;
- changes to manufacturing methods;
- recalls, replacements, or discontinuance of one or more of our products; and
- additional recordkeeping.

Such changes would likely require substantial time and impose significant costs, or could reduce the potential commercial value of our product candidates, and could materially harm our business and our financial results. In addition, delays in receipt of or failure to receive regulatory clearances or approvals for any products would harm our business, financial condition, and results of operations.

Risks Related to Employee Matters and Managing our Growth

Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on the management, development, clinical, financial and business development expertise of our executive officers. Each of our executive officers may currently terminate their employment with us at any time. We do not maintain "key person" insurance for any of our executives or employees.

Recruiting and retaining qualified scientific and clinical personnel and, if we progress the development of our product pipeline toward scaling up for commercialization, manufacturing and sales and marketing personnel, will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

Our resources may not be sufficient to manage our future growth; failure to properly manage our potential growth could disrupt our operations and adversely affect our business, financial condition, results of operations and prospects.

Even if we obtain funding for operations, we may fail to adequately manage our future growth. As and to the extent our development progresses, we expect to experience significant growth and change in the scope of our operations, particularly in the areas of clinical product development, regulatory affairs, manufacturing and, if any of our product candidates receives marketing approval, sales, marketing and distribution. Any change in our operations may place a significant strain in our administrative, financial and operational resources, and increase demands on our management, as well as our operational and administrative systems, controls and other resources. There can be no assurances that our existing personnel, systems, procedures or controls will be adequate to support our operations in the future; or that we will be able to successfully implement appropriate measures consistent with our growth strategy. To strategically manage our future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit, train and retain additional personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such potential future growth, we may not be able to effectively manage the strategic expansion of our operations, manage our employee base or recruit, train and retain additional personnel. Our failure to properly manage our potential growth 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.

Our employees, independent contractors, consultants, collaborators, principal investigators, CROs, suppliers and vendors may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

We are exposed to the risk that our employees, independent contractors, consultants, collaborators, principal investigators, CROs, suppliers and vendors may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct that violates FDA regulations, including those laws requiring the reporting of true, complete and accurate information to the FDA, manufacturing standards, federal and state healthcare laws and regulations, and laws that require the true, complete and accurate reporting of financial information or data. 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, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Misconduct by these

parties could also involve the improper use of individually identifiable information, including, without limitation, 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 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 significant impact on our business, including the imposition of significant civil, criminal and administrative penalties, including, without limitation, damages, fines, disgorgement, imprisonment, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, and the curtailment or restructuring of our operations.

Risks Related to Ownership of our Common Stock and our Status as a Public Company

An active trading market for our common stock may not continue to be developed or sustained.

Prior to our initial public offering, there was no public market for our common stock. Although our common stock is listed on The Nasdaq Stock Market LLC, if an active trading market for our shares does not continue to be developed or sustained, it may be difficult for you to sell shares of our common stock at an attractive price or at all.

The trading price of the shares of our common stock may be volatile, and purchasers of our common stock could incur substantial losses.

Our stock price has been, and may continue to be volatile. The stock market in general and the market for biopharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell their common stock at or above the price paid for the shares. The market price for our common stock may be influenced by many factors, including:

- the results of our collaborations, the commencement, enrollment or results of our clinical trials of any future clinical trials we may conduct, or changes in the development status of our product candidates;
- our ability to license-in or otherwise acquire any new product candidates;
- any delay in our regulatory filings for any product candidate we may develop, and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- delays in or termination of clinical trials, such as the recent cessation of our ITIL-306 clinical trials and discontinuation of our ITIL-168 clinical program;
- adverse regulatory decisions, including failure to receive regulatory approval of our product candidates;
- unanticipated serious safety concerns related to the use of any product candidate;
- changes in financial estimates by us or by any equity research analysts who might cover our stock;
- conditions or trends in our industry;
- changes in the market valuations of similar companies;
- announcements by our competitors of new product candidates or technologies, or the results of clinical trials or regulatory decisions;
- stock market price and volume fluctuations of comparable companies and, in particular, those that operate in the biopharmaceutical industry;
- publication of research reports about us or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- announcements by us or our competitors of significant acquisitions, strategic partnerships or divestitures, such as the recent reduction in our U.S. workforce to a team of approximately 15;

- to lead global business operations and potential reductions in our UK workforce to re-align our operating model;
- our relationships with our collaborators;
- announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us;
- investors' general perception of our company and our business;
- recruitment or departure of key personnel;
- overall performance of the equity markets;
- trading volume of our common stock;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- significant lawsuits, including patent or stockholder litigation;
- changes in the structure of healthcare payment systems;
- general political and economic conditions; and
- other events or factors, many of which are beyond our control.

The stock market in general, and the Nasdaq Stock Market 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, which has resulted in decreased stock prices for many companies notwithstanding the lack of a fundamental change in their underlying business models or prospects. Broad market and industry factors, including the ongoing armed conflicts in Ukraine and the Middle East, supply chain disruptions, heightened inflation and interest rate increases, recent and potential future disruptions in access to bank deposits or lending commitments due to bank failures and potentially worsening global economic conditions, may negatively affect the market price of our common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in this section, could have a significant and material adverse impact on the market price of our common stock.

In addition, in the past, stockholders have initiated class action lawsuits against pharmaceutical and biotechnology companies following periods of volatility in the market prices of these companies' stock. This risk is especially relevant for us because pharmaceutical and biotechnology companies have experienced significant stock volatility in recent years. Recently, multiple plaintiffs' law firms publicly issued announcements stating that they are investigating potential securities law claims on behalf of our investors. Such litigation, if instituted against us, could cause us to incur substantial costs, subject us to damages or settlement awards and divert management's attention and resources from our business, which could materially harm our reputation, business, financial condition, results of operations and prospects.

If equity research analysts do not publish research or reports, or publish unfavorable research or reports, about us, our business or our market, our stock price and trading volume could decline.

The trading market for our common stock is influenced by the research and reports that equity research analysts publish about us and our business. We have only limited research coverage by equity research analysts. Equity research analysts may elect not to provide research coverage of our common stock, and such lack of research coverage may adversely affect the market price of our common stock. In the event we do have equity research analyst coverage, we will not have any control over the analysts or the content and opinions included in their reports. The price of our stock could decline if one or more equity research analysts downgrade our stock or issue other unfavorable commentary or research. If one or more equity research analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our stock could decrease, which in turn could cause our stock price or trading volume to decline.

A significant portion of our total outstanding shares are available for immediate resale. This could cause the market price of our common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market could occur at any time. If our stockholders sell, or the market perceives that our stockholders intend to sell, substantial amounts of our common stock in the public market, the market price of our common stock could decline significantly.

As of August 9, 2024, we had 6,503,913 shares of common stock outstanding.

In addition, we have filed a registration statement on Form S-8 under the Securities Act of 1933, as amended, or the Securities Act, registering the issuance of approximately 1.9 million shares of common stock subject to options or other equity awards issued or reserved for future issuance under our equity incentive plans. Shares registered under these registration statements on Form S-8 will be available for sale in the public market subject to vesting arrangements and exercise of options, the lock-up agreements described above and the restrictions of Rule 144 in the case of our affiliates.

Additionally, as of June 30, 2024 the holders of approximately 2.9 million shares of our common stock, or their transferees, have rights, subject to some conditions, to require us to file one or more registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. If we were to register the resale of these shares, they could be freely sold in the public market. If these additional shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could decline.

Provisions in our corporate charter documents and under Delaware law may prevent or frustrate attempts by our stockholders to change our management and hinder efforts to acquire a controlling interest in us, and the market price of our common stock may be lower as a result.

There are provisions in our certificate of incorporation and bylaws that may make it difficult for a third party to acquire, or attempt to acquire, control of our company, even if a change of control was considered favorable by you and other stockholders. For example, our Board of Directors has the authority to issue up to 10,000,000 shares of preferred stock. The Board of Directors can fix the price, rights, preferences, privileges, and restrictions of the preferred stock without any further vote or action by our stockholders. The issuance of shares of preferred stock may delay or prevent a change of control transaction. As a result, the market price of our common stock and the voting and other rights of our stockholders may be adversely affected. An issuance of shares of preferred stock may result in the loss of voting control to other stockholders.

Our charter documents also contain other provisions that could have an anti-takeover effect, including:

- only one of our three classes of directors will be elected each year;
- stockholders will not be entitled to remove directors other than by a 66 2/3% vote and only for cause;
- stockholders will not be permitted to take actions by written consent;
- stockholders cannot call a special meeting of stockholders; and
- stockholders must give advance notice to nominate directors or submit proposals for consideration at stockholder meetings.

In addition, we are subject to the anti-takeover provisions of Section 203 of the Delaware General Corporation Law, which regulates corporate acquisitions by prohibiting Delaware corporations from engaging in specified business combinations with particular stockholders of those companies. These provisions could discourage potential acquisition proposals and could delay or prevent a change of control transaction. They could also have the effect of discouraging others from making tender offers for our common stock, including transactions that may be in your best interests. These provisions may also prevent changes in our management or limit the price that investors are willing to pay for our stock.

Concentration of ownership of our common stock among our existing executive officers, directors and principal stockholders may prevent new investors from influencing significant corporate decisions.

Our executive officers, directors and current beneficial owners of 5% or more of our common stock and their respective affiliates beneficially own a majority of our outstanding common stock. As a result, these persons, acting together, would be able to significantly influence all matters requiring stockholder approval, including the election and removal of directors, any merger, consolidation, sale of all or substantially all of our assets, or other significant corporate transactions.

Some of these persons or entities may have interests different than yours. For example, because many of these stockholders purchased their shares at prices substantially below the current market price of our common stock and have held their shares for a longer period, they may be more interested in selling our company to an acquirer than other investors, or they may want us to pursue strategies that deviate from the interests of other stockholders.

We are an "emerging growth company" and a "smaller reporting company" and as a result of the reduced disclosure and governance requirements applicable to emerging growth companies and smaller reporting companies, our common stock may be less attractive to investors.

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and we intend to take advantage of some of the exemptions from reporting requirements that are applicable to other public companies that are not emerging growth companies, including:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- not being required to hold a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. We may take advantage of these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earliest of (i) December 31, 2026, (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 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.

Even after we no longer qualify as an emerging growth company, we may, under certain circumstances, still 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 our periodic reports and proxy statements.

We will have broad discretion in the use of our cash and cash equivalents, including the net proceeds from our initial public offering.

We have broad discretion over the use of our cash and cash equivalents. You may not agree with our decisions, and our use of the proceeds may not yield any return on your investment. Our failure to apply our cash and cash equivalents effectively could compromise our ability to pursue our growth strategy and we might not be able to yield a significant return, if any, on our investment of these net proceeds. You will not have the opportunity to influence our decisions on how to use our cash and cash equivalents.

Because we do not anticipate paying any cash dividends on our common stock in the foreseeable future, capital appreciation, if any, will be your sole source of gains and you may never receive a return on your investment.

You should not rely on an investment in our common stock to provide dividend income. We have not declared or paid cash dividends on our common stock to date. We currently intend to retain our future earnings, if any, to fund the development and growth of our business. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future. Investors seeking cash dividends should not purchase our common stock.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative action or proceeding brought on our behalf;
- any action asserting a breach of fiduciary duty;
- any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws; and
- any action asserting a claim against us that is governed by the internal-affairs doctrine.

This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find either exclusive-forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

General Risk Factors

We have incurred and will continue to incur increased costs and demands upon management as a result of being a public company.

As a public company listed in the United States, we incur significant additional legal, accounting and other costs. These additional costs could negatively affect our financial results. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure, including regulations implemented by the SEC and the Nasdaq Stock Market, may increase legal and financial compliance costs and make some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies.

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 notwithstanding our efforts to comply with new laws, regulations and standards, we fail to comply, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

Failure to comply with these rules might also make it more difficult for us to obtain some types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our Board of Directors, on committees of our Board of Directors or as members of senior management.

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

We are subject to the reporting requirements of the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the rules and regulations of the stock market on which our common stock is listed. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting.

We must perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting in our Annual Report on Form 10-K each year, as required by Section 404 of the Sarbanes-Oxley Act. This requires that we incur substantial professional fees and internal costs on accounting and finance functions and that we expend significant management efforts. Prior to our fiscal year ended December 31, 2022, we had never been required to test our internal control within a specified period, and, as a result, we may experience difficulty in meeting these reporting requirements in a timely manner.

We may identify weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our financial statements. Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may not be able to produce timely and accurate financial statements. If that were to happen, the market price of our stock could decline and we could be subject to sanctions or investigations by the stock exchange on which our common stock is listed, the Securities and Exchange Commission or other regulatory authorities.

Our effective tax rate may fluctuate, and we may incur obligations in tax jurisdictions in excess of accrued amounts.

We are subject to taxation in more than one tax jurisdiction. As a result, our effective tax rate is derived from a combination of applicable tax rates in the various places that we operate. In preparing our financial statements, we estimate the amount of tax that will become payable in each of such places. Nevertheless, our effective tax rate may be different than experienced in the past due to numerous factors, including passage of newly enacted tax legislation or regulations, changes in the mix of our profitability from jurisdiction to jurisdiction, the results of examinations and audits of our tax filings, our inability to secure or sustain acceptable agreements with tax authorities and changes in accounting for income taxes. Any of these factors could cause us to experience an effective tax rate significantly different from previous periods or our current expectations and may result in tax obligations in excess of amounts accrued in our financial statements.

We might not be able to utilize a significant portion of our net operating loss carryforwards.

We have generated and expect to continue to generate in the future significant federal and state net operating loss, or NOL, carryforwards. These NOL carryforwards could expire unused and be unavailable to offset future income tax liabilities. Under the Tax Act, as modified by the CARES Act, federal NOLs incurred in taxable years beginning after December 31, 2017 may be carried forward indefinitely, but the deductibility of such federal NOLs is limited. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an "ownership change," which is generally defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation's ability to use its pre-change NOL carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. Our initial public offering, together with private placements and other transactions that have occurred since our inception, may have triggered such an ownership change pursuant to Section 382. We have not yet completed a Section 382 analysis. We may experience ownership changes as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. If an ownership change occurs and our ability to use our NOL carryforwards is materially limited, it would harm our future operating results by effectively increasing our future tax obligations. We have a full valuation allowance for deferred tax assets including NOLs.

Our business activities will be subject to the Foreign Corrupt Practices Act, or FCPA, and similar anti-bribery and anti-corruption laws.

As we expand our business activities outside of the United States, including our clinical trial efforts with collaborators in China, we will be subject to the FCPA and similar anti-bribery or anti-corruption laws, regulations or rules of other countries in which we operate. The FCPA generally prohibits offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a non-United States government official in order to influence official action, or otherwise obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. Our business is heavily regulated and therefore involves significant interaction with public officials, including officials of non-United States governments. Additionally, in many other countries, the healthcare providers who prescribe pharmaceuticals are employed by their government, and the purchasers of pharmaceuticals are government entities; therefore, our dealings with these prescribers and purchasers will be subject to regulation under the FCPA. Recently the SEC and Department of Justice have increased their FCPA enforcement activities with respect to biotechnology and pharmaceutical companies. There is no certainty that all of our employees, agents, suppliers, manufacturers, contractors, or collaborators, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers, or our employees, the closing down of facilities, including those of our suppliers and manufacturers, requirements to obtain export licenses, cessation of business activities in sanctioned countries, implementation of compliance programs, and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our products in one or more countries as well as difficulties in manufacturing or continuing to develop our products, and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, and our business, prospects, operating results, and financial condition.

Disruptions at the FDA, the SEC and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of the SEC and other government agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs or biologics to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, in recent years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical FDA, SEC and other government employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Separately, in response to the COVID-19 pandemic, the FDA periodically had to postpone inspections of foreign and domestic manufacturing facilities and products. While such inspections have resumed, the FDA may use remote interactive evaluations where in-person inspections are not feasible or may defer action due to factors including travel restrictions. Regulatory authorities outside the United States adopted similar restrictions or other policy measures creating a risk of delays in their regulatory activities. If a prolonged government shutdown occurs, or if a global health concern prevents the FDA or other regulatory authorities from conducting business as usual or conducting inspections, reviews or other regulatory activities, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Unfavorable global economic and political conditions could adversely affect our business, financial condition or results of operations.

Our results of operations could be adversely affected by general conditions in the global economy, the global financial markets and global political conditions. The financial markets and the global economy may also be adversely affected by the current or anticipated impact of military conflict, including the ongoing conflicts in Ukraine and the Middle East, terrorism or other geopolitical events, and political tensions between the U.S. and China. Sanctions imposed by the United States and other countries in response to such conflicts and political tensions may also adversely impact our business, the financial markets and the global economy, and any economic countermeasures by the affected countries or others could exacerbate market and economic instability. We are currently funding an IIT in China for our CoStAR-TIL Collaboration Product and expect to fund additional clinical trials in China related to SYN-2510 and SYN-27M, and portions of our future clinical trials may be conducted outside of the United States, and unfavorable political tensions between the U.S. and China could pose risks to our collaborations. Furthermore, unfavorable economic conditions resulting in the weakening of the U.S. dollar would make those clinical trials more costly to operate. Furthermore, a severe or prolonged economic downturn, including a recession or depression resulting from a disease outbreak, epidemic or pandemic, or political disruption could result in a variety of risks to our business, including weakened demand for our product candidates or any future product candidates, if approved, and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy or political disruption, including any international trade disputes, could also strain our collaborators, who are also our manufacturers, as well as our other suppliers, possibly resulting in disruptions to clinical trials for our product candidates and obtaining data therefrom. Any of the foregoing could seriously harm our business, and we cannot anticipate all of the ways in which the political or economic climate and financial market conditions could seriously harm our business.

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

(a) Recent Sales of Unregistered Equity Securities

None.

(b) Use of Proceeds

Not applicable.

(c) Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Director and Officer Trading Arrangements

None of our directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarterly period covered by this report.

Item 6. Exhibits

The exhibits listed on the Exhibit Index are either filed or furnished with this report or incorporated herein by reference.

Exhibit Number	Description of Exhibit
3.1	Amended and Restated Certificate of Incorporation, as amended (incorporated herein by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K (File No. 001-40215), filed with the SEC on March 21, 2024).
3.2	Amended and Restated Bylaws (incorporated herein by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-40215), filed with the SEC on March 23, 2021).
4.1	Second Amended and Restated Investors' Rights Agreement, by and among the Company and certain of its stockholders, dated December 30, 2020 (incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1 (File No. 333-253620), filed with the SEC on February 26, 2021).
10.1*^	First Amendment to Loan Agreement and Omnibus Amendment to Loan Documents dated July 10, 2024 by and among OP USA Debt Holdings II Limited Partnership, Complex Therapeutics LLC and Instil Bio, Inc.
10.2*^	First Amendment to Mezzanine Loan Agreement and Omnibus Amendment to Mezzanine Loan Documents dated July 10, 2024 by and among OP USA Debt Holdings II Limited Partnership, Complex Therapeutics Mezzanine LLC and Instil Bio, Inc.
10.3*^	Lease dated July 10, 2024 by and between Complex Therapeutics LLC and AstraZeneca Pharmaceuticals LP.
10.4*^	License and Collaboration Agreement dated August 1, 2024 by and between ImmuneOnco Biopharmaceuticals (Shanghai) Inc. and SynBioTx, Inc.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*#	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*#	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations and Comprehensive Loss, (iii) the Condensed Consolidated Statements of Stockholders' Equity, (v) the Condensed Consolidated Statements of Cash Flows, and (vi) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith.

^ Portions of this exhibit have been omitted because they are not material and are the type that the Company treats as private or confidential, in accordance with Item 601(b)(10) of Regulation S-K.

These certifications are being furnished solely to accompany this quarterly report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Signatures

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

INSTIL BIO, INC.

August 13, 2024

By: /s/ Sandeep Laumas

Sandeep Laumas
Chief Financial Officer and Chief Business Officer
(On behalf of the registrant and in his capacity as Principal Financial Officer and Principal Accounting Officer)

FIRST AMENDMENT TO LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS

THIS FIRST AMENDMENT TO LOAN AGREEMENT AND OMNIBUS AMENDMENT TO LOAN DOCUMENTS (this "**Amendment**"), dated as of July 10, 2024 (the "**Amendment Date**"), is made by and among OP USA DEBT HOLDINGS II LIMITED PARTNERSHIP, an Ontario limited partnership (as successor-by-assignment to OPG Hermes Investments (DE) LLC, a Delaware limited liability company) (together with its successors and/or assigns, "**Lender**"), COMPLEX THERAPEUTICS LLC, a Delaware limited liability company ("**Borrower**"), and INSTIL BIO, INC., a Delaware corporation ("**Guarantor**").

RECITALS

A. Borrower and Lender entered into that certain Loan Agreement dated as of June 10, 2022 (the "**Closing Date**"), among Borrower and Lender (as the same may be amended, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), pursuant to which Lender has made a loan to Borrower in the maximum principal amount of up to FIFTY-FIVE MILLION AND NO/100 DOLLARS ($55,000,000.00) (the "**Loan**").

B. The Loan is evidenced by the Note (as defined in the Loan Agreement) and secured by the Security Instrument (as defined in the Loan Agreement).

C. Borrower has requested that Lender agree to make certain modifications to the Loan Agreement as set forth herein (the "**Specified Modification**").

D. Lender is willing to agree to the Specified Modification and, in connection therewith, modify certain provisions of the Loan Agreement as set forth herein, provided, that, and, in connection therewith, each of Borrower and Guarantor executes and delivers to Lender this Amendment.

E. Guarantor is the owner of a direct or indirect interest in Borrower, and Guarantor has directly benefited from, and will continue to benefit from, Lender making the Loan to Borrower.

F. Guarantor executed in favor of Lender the Guarantees (as defined in the Loan Agreement) and the Environmental Indemnity (as defined in the Loan Agreement).

G. Lender and Borrower and Guarantor desire to amend the Loan Agreement and the other Loan Documents as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

AGREEMENT

1. **Definitions**. All capitalized terms used herein and not specifically defined herein shall have the respective meanings ascribed to such terms in the Loan Agreement. To the extent of any conflict, the definitions set forth in this Amendment shall control. The definition of, and all references to, "Agreement" set forth in the Loan Agreement shall be deemed to include this Amendment. Additionally, the definitions of, and all references to, "Loan Agreement" and "Loan Documents" as set forth in the Loan Documents shall, in each case, be deemed to include this Amendment.

2. **Representations and Warranties**.

(a) Borrower hereby represents, warrants and covenants with Lender as follows:

(i) Borrower has the full power and authority to enter into and perform its obligations under this Amendment, and the execution, delivery and performance of this Amendment by Borrower (A) has been duly and validly authorized by all necessary action on the part of Borrower, (B) does not conflict with or result in a violation of Borrower's partnership, operating or membership agreement or any judgment, order or decree of any court or arbiter in any proceeding to which Borrower is a party, (C) does not conflict with or constitute a breach of, or constitute a default under, any contract, agreement or other instrument by which Borrower is bound or to which it is a party, (D) does not result in the creation or imposition of any lien, charge or encumbrance (other than pursuant to the Loan Documents and Permitted Encumbrances) upon any asset or property of Borrower or Guarantor pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, partnership agreement, management agreement or other agreement or instrument to which Borrower or Guarantor is a party or by which, as applicable, any of Borrower's or Guarantor's assets or properties is subject, and (E) does not result in any violation of the provisions of any Legal Requirements of any Governmental Authority having jurisdiction over, as applicable, Borrower or Guarantor or any of Borrower's or Guarantor's assets or properties.

(ii) This Amendment constitutes a legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms, subject only to applicable bankruptcy, insolvency and similar laws generally affecting rights of creditors and the enforcement of debtors' obligations, and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(iii) No consent (other than the consent of a party hereto, which consent has already been provided), approval, authorization, order, registration or qualification of or with any court or any other Governmental Authority is required for Borrower to enter into and perform its obligations under this Amendment, and Borrower hereby agrees to and does indemnify, defend and hold harmless Lender from and against any and all loss, damage or liability whatsoever, including, without limitation, attorneys' fees and costs, arising from any failure to obtain the consent of any such Person which is not a party hereto.

(iv) There is no pending, nor, to Borrower's knowledge, is there any threatened, litigation proceeding involving the Property or Borrower's ownership, leasing, operation or maintenance thereof.

(v) The Loan Documents, as modified by this Amendment, are in full force and effect and remain enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency and similar laws generally affecting rights of creditors and the enforcement of debtors' obligations, and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). The terms and conditions of the Loan Documents, including, without limitation, the prepayment charges, are commercially reasonable and constitute good faith and fair dealing on the part of Lender.

(vi) No Default or Event of Default will be triggered by the execution, delivery or performance of this Amendment, and no Default or Event of Default has occurred and is continuing under the Loan Agreement or any of the other Loan Documents after giving effect to this Amendment.

(vii) As of the date hereof, all representations and warranties made by Borrower in the Loan Agreement and in any other Loan Documents are true and correct in all material respects (except to the extent that such representation or warranty contains a materiality or similar qualifier, in which event, such representation or warranty shall be true and correct) on and as of the date hereof with the same effect as if made on and as of the date hereof, except for any changes in facts or circumstances occurring since the Closing Date that do not constitute a Default or Event of Default or were not caused by the occurrence of a Default or Event of Default and, in any event, do not result in a Material Adverse Effect.

(viii) As of the date hereof, (A) Borrower does not possess any defenses, claims, rights of set-off, counterclaims or other causes of action against Lender, including, but not limited to, setoff, estoppel, waiver, cancellation of instruments, rescission or excuse of performance, arising out of, or in connection with, the Loan Agreement or any of the other Loan Documents, or against any of the obligations evidenced or secured thereby, and (B) Lender is not in default of any of its obligations, and Lender has fully performed all of its obligations, in each case, under the Loan Documents.

(ix) Mezzanine Borrower has entered into that certain First Amendment to Mezzanine Loan Agreement and Omnibus Amendment to Mezzanine Loan Documents, dated as of the date hereof, among Mezzanine Borrower, Guarantor and Mezzanine Lender, a true, correct and complete copy thereof is attached hereto as Exhibit A.

(x) As of the date hereof, Guarantor satisfies the Financial Covenant Requirements.

(xi) The outstanding principal amount of the Loan as of July 8, 2024 is $53,600,757.18. The outstanding principal amount of the Mezzanine Loan as of July 8, 2024 is $29,236,765.91.

(xii) The Specified Tenant Lease (as defined in Section 3 below) is in full force and effect according to its terms, is the valid and binding obligation of the Specified Tenant (as defined in Section 3 below), and has not been modified, amended or supplemented since the date hereof. There exist no other agreements between Borrower and the applicable Specified

Tenant currently in effect concerning the Specified Tenant Lease. No party under the Specified Tenant Lease is in default under the Specified Tenant Lease.

(xiii) Except for CBRE, neither Borrower nor any Affiliate of Borrower has dealt with any financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the negotiation or execution of the Specified Tenant Lease.

(b) Guarantor hereby represents, warrants and covenants with Lender as follows:

(i) Guarantor has the full power and authority to enter into and perform its obligations under this Amendment, and the execution, delivery and performance of this Amendment by Guarantor (A) has been duly and validly authorized by all necessary action on the part of Guarantor, (B) does not conflict with or result in a violation of Guarantor's partnership, operating or membership agreement or any judgment, order or decree of any court or arbiter in any proceeding to which Borrower is a party, (C) does not conflict with or constitute a breach of, or constitute a default under, any contract, agreement or other instrument by which Guarantor is bound or to which it is a party, (D) does not result in the creation or imposition of any lien, charge or encumbrance (other than pursuant to the Loan Documents and Permitted Encumbrances) upon any asset or property of Borrower or Guarantor pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, partnership agreement, management agreement or other agreement or instrument to which Borrower or Guarantor is a party or by which, as applicable, any of Borrower's or Guarantor's assets or properties is subject, and (E) does not result in any violation of the provisions of any Legal Requirements of any Governmental Authority having jurisdiction over, as applicable, Borrower or Guarantor or any of Borrower's or Guarantor's assets or properties.

(ii) This Amendment constitutes a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms, subject only to applicable bankruptcy, insolvency and similar laws generally affecting rights of creditors and the enforcement of debtors' obligations, and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(iii) No consent (other than the consent of a party hereto, which consent has already been provided), approval, authorization, order, registration or qualification of or with any court or any other Governmental Authority is required for Guarantor to enter into and perform its obligations under this Amendment, and Guarantor hereby agrees to and does indemnify, defend and hold harmless Lender from and against any and all loss, damage or liability whatsoever, including, without limitation, attorneys' fees and costs, arising from any failure to obtain the consent of any such Person which is not a party hereto.

(iv) The Loan Documents to which Guarantor is a party, as modified by this Amendment, are in full force and effect and remain enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency and similar laws generally affecting rights of creditors and the enforcement of debtors' obligations, and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). The terms and conditions of the Loan Documents to which Guarantor is a party, including, without

limitation, the prepayment charges, are commercially reasonable and constitute good faith and fair dealing on the part of Lender.

(v) As of the date hereof, all representations and warranties made by Guarantor in the Loan Documents to which Guarantor is a party are true and correct in all material respects (except to the extent that such representation or warranty contains a materiality or similar qualifier, in which event, such representation or warranty shall be true and correct) on and as of the date hereof with the same effect as if made on and as of the date hereof, except for any changes in facts or circumstances occurring since the Closing Date that do not constitute a Default or Event of Default or were not caused by the occurrence of a Default or Event of Default and, in any event, do not result in a Material Adverse Effect.

(vi) As of the date hereof, (A) Guarantor does not possess any defenses, claims, rights of set-off, counterclaims or other causes of action against Lender, including, but not limited to, setoff, estoppel, waiver, cancellation of instruments, rescission or excuse of performance, arising out of, or in connection with, the Loan Documents to which Guarantor is a party, or against any of the obligations evidenced or secured thereby, and (B) Lender is not in default of any of its obligations, and Lender has fully performed all of its obligations, in each case, under the Loan Documents.

(vii) As of the date hereof, Guarantor satisfies the Financial Covenant Requirements.

3. **Termination of Master Lease, Execution of Specified Tenant Lease, Guaranty and Consent of Lender**: The parties hereto acknowledge and agree that (i) Borrower and Guarantor desire to terminate the Master Lease pursuant to that certain Lease Termination Agreement dated as of the date hereof ("**Master Lease Termination Agreement**") and release one another from their respective obligations under the Master Lease, except as otherwise provided in the Master Lease Termination Agreement; (ii) Borrower desires to enter into that certain Lease by and between Borrower, as landlord, and ASTRAZENECA PHARMACEUTICALS LP, a Delaware limited partnership, as tenant, ("**Specified Tenant**"), dated as of the Amendment Date (as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time, the "**Specified Tenant Lease**") pursuant to which Borrower desires to lease the Property to Specified Tenant; (iii) in connection with the Specified Tenant Lease, Guarantor shall deliver to Lender that certain Guaranty of Payment, dated as of the Amendment Date, pursuant to which Guarantor unconditionally guarantees payment and performance to Lender of the Guaranteed Obligations (as defined therein) and (iv) pursuant to Sections 5.1.1(d) and 5.1.2(h) of the Loan Agreement, Lender hereby consents to the foregoing clauses (i) and (ii).

4. **Amendment to Loan Agreement**. In reliance on the representations, warranties and covenants set forth herein, effective as of the date of this Amendment, the Loan Agreement is hereby amended as follows:

(a) The definition of "Cash Management Event" set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following definition:

"**Cash Management Event**" means the existence of any of the following: (a) the Closing Date; (b) an Event of Default; (c) any Bankruptcy Action with respect to Borrower, Mezzanine Borrower, Specified Tenant, Guarantor, or any Affiliated Manager; (d) a Specified Tenant Trigger Event, or (e) except, so long as no other Cash Management Event has occurred under any of clauses (b), (c) or (d) of this definition, during the first twelve (12) months immediately following the Commencement Date (as defined in the Specified Tenant Lease) under the Specified Tenant Lease, the determination by Lender at any time that the Debt Yield is not at least eight and one-half percent (8.5%) (provided, that in the event of a failure of Borrower to deliver the information and documentation required under Section 5.1.1(f) by the required delivery date hereunder, at Lender's option the Debt Yield will be presumed to be less than the levels required above unless and until such information and documentation are provided to Lender and demonstrate otherwise).

(b) The definition of "Cash Management Termination Event" set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following definition:

"**Cash Management Termination Event**" means the occurrence of any of the following: (a) in the event the related Cash Management Event occurred as a result of an Event of Default, such Event of Default shall no longer exists (without implying that Borrower has a right to cure an Event of Default), no other Default or Event of Default then exists, and Lender shall not have otherwise accelerated the Loan, moved for a receiver, commenced foreclosure proceedings, or otherwise begun exercising remedies; (b) (i) in the event that the related Cash Management Event occurred as a result of a Bankruptcy Action relating to Borrower, Mezzanine Borrower, Specified Tenant or Guarantor, as applicable, such Bankruptcy Action no longer exists and there has been no Material Adverse Effect as a result thereof, and (ii) in the event that the related Cash Management Event occurred as a result of a Bankruptcy Action relating to any Affiliated Manager, the replacement of such Affiliated Manager in accordance with the terms and conditions of this Agreement, (c) in the event the related Cash Management Event occurred solely by a Specified Tenant Trigger Event, the achievement of a Specified Tenant Cure, and (d) with respect to the Cash Management Event described in clause (a) or (e) of the definition thereof, (i) Substantial Completion shall have occurred and (ii) Lender has determined that the Debt Yield is at least eight and one-half percent (8.5%) for two (2) consecutive calendar quarters.

(c) The definition of "Guarantees" set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following definition:

"**Guarantees**" means, collectively, the Recourse Guaranty, the Carry Cost Guaranty, the Completion Guaranty and the Equity Funding Guaranty, each dated as of the Closing Date, and the Payment Guaranty, dated as of Amendment Date, each from Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

(d) The definition of "Loan Documents" set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following definition:

"**Loan Documents**" means, collectively, this Agreement, the Note, the Security Instrument, the Guarantees, the Environmental Indemnity, the Assignment of Management Agreement, the Assignment of Agreements, the Assignment of General Contractor Agreement, each Architect Consent, each Engineer Consent, each Major Trade Contractor Consent, the Cash Management Agreement, the Clearing Account Agreement, any Assignment of Interest Rate Cap Agreement, the Closing Certificate, the Master Lease SNDA, the Specified Tenant SNDA and all other certificates, documents, agreements or instruments now or hereafter executed and/or delivered in connection with the Loan (as each may be amended, modified, extended, consolidated or supplemented from time to time).

(e) The following definitions are hereby incorporated into Section 1.1 of the Loan Agreement:

"**First Amendment**" shall mean that certain First Amendment to Loan Agreement And Omnibus Amendment to Loan Documents, dated as of the First Amendment Date, among Lender, Borrower and Guarantor.

"**First Amendment Date**" shall mean the Amendment Date (as defined in the First Amendment).

"**Payment Guaranty**" shall mean that certain Guaranty of Payment, dated as of the Amendment Date, from Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Specified Tenant**" shall mean, collectively and/or individually (as the context requires), (i) ASTRAZENECA PHARMACEUTICALS LP, a Delaware limited partnership, (ii) any Permitted Transferee (as defined in the Specified Lease) that becomes the tenant under the Specified Tenant Lease pursuant to an assignment of the Specified Tenant Lease (x) to which Borrower's consent is not required and (y) which is in accordance with the express provisions of Section 31(A) of the Specified Tenant Lease, and (iii) any replacement tenant of the Specified Tenant Space approved by Lender pursuant to a replacement Lease entered into in accordance with this Agreement.

"**Specified Tenant Cure**" shall mean the earlier to occur of (I) with respect to a Specified Tenant Trigger Event occurring solely as a result of subclause (a)(i) of the definition of Specified Tenant Trigger Event, (x) such Specified Tenant has cured such monetary or non-monetary default (other than as a result of any waiver by Borrower) in a manner reasonably acceptable to Lender and no other default then exists under the applicable Specified Tenant Lease or (y) (A) Borrower has executed a Lease (or Leases) in form an substance acceptable to Lender with a replacement tenant acceptable to Lender for the entirety of the applicable Specified Tenant Space in question, (B) Borrower has satisfied all of its landlord work and delivery obligations under such lease and the applicable replacement tenant has confirmed same in writing, and (C) such replacement tenant(s) is in physical occupancy of its demised space, paying current rent and the applicable replacement tenant does not have the right to terminate such lease or offset rent due to the failure of Borrower to adequately and/or timely complete and deliver all landlord work and the applicable demised premises (the events described in this subclause (y), a "**New Tenant Cure**"), (II) for the Specified Tenant Trigger Event in subclause (a)(ii) of the definition of Specified Tenant Trigger Event, either (x) a New Tenant Cure has occurred or (y) (A) all the space demised to the Specified Tenant has been re-leased to such Specified Tenant upon terms and conditions acceptable to Lender, (B) Borrower has satisfied all of its landlord work and delivery obligations under such lease (if any) and the applicable Specified Tenant has confirmed same in writing, and (C) such Specified Tenant is in physical occupancy of its demised space, paying current rent and the applicable Specified Tenant does not have the right to terminate such lease or offset rent due to the failure of Borrower to adequately and/or timely complete and deliver all landlord work and the applicable demised premises, (III) for the Specified Tenant Trigger Event in subclause (a)(iii) of the definition of Specified Tenant Trigger Event, either (x) a New Tenant Cure has occurred or (y) the Specified Tenant resumes actual physical occupancy and operation of business in more than ninety percent (90%) of the applicable Specified Tenant Space, (IV) for the Specified Tenant Trigger Event in subclause (a)(iv) of the definition of Specified Tenant Trigger Event, such sublease has been terminated and the Specified Tenant is in full physical occupancy of the applicable Specified Tenant Space and paying current rent, (V) for the Specified Tenant Trigger Event in subclause (a)(v) of the definition of Specified Tenant Trigger Event, a New Tenant Cure has occurred, and (VI) for the Specified Tenant Trigger Event in subclause (b) of the definition of Specified Tenant Trigger Event, either (x) a New Tenant Cure has occurred or (y) the affirmation (without amendment) of the applicable Specified Tenant Lease or Specified Tenant Parent's obligations thereunder, as applicable; provided, however, that in each case, a Specified Tenant Cure set forth in this definition shall be subject to the following conditions, (i) that no Event of Default shall have occurred and be continuing, (ii) no other Cash Management Event and no

other Specified Tenant Trigger Event has occurred and is continuing, and (iii) Borrower shall have paid all the out-of-pocket costs and expenses of Lender incurred in connection therewith (including reasonable attorneys' fees and expenses).

"**Specified Tenant Lease**" shall mean, collectively and/or individually (as the context requires), each Lease at the Property with a Specified Tenant (including, without limitation, any guaranty or similar instrument furnished thereunder or any other agreement with any Specified Tenant Parent relating to the applicable Specified Tenant Lease), as the same may have been or may hereafter be amended, restated, extended, renewed, replaced and/or otherwise modified in accordance with the terms of this Agreement.

"**Specified Tenant Parent**" shall mean, with respect to any Specified Tenant, any guarantor or indemnitor of such Specified Tenant's liabilities and obligations under the applicable Specified Tenant Lease.

"**Specified Lease Payments**" shall mean all Rent (as defined in the Specified Lease) paid by Specified Tenant pursuant to the Specified Lease.

"**Specified Tenant SNDA**" shall mean that certain Subordination, Non-Disturbance and Attornment Agreement, dated as of the Amendment Date, among Lender, Borrower and Specified Tenant, with respect to the Specified Lease, as the same may be amended, modified and/or supplemented from time to time in accordance with the terms hereof.

"**Specified Tenant Space**" shall mean the entire portion of the Property demised as of the date hereof to the Specified Tenant pursuant to the Specified Tenant Lease.

"**Specified Tenant Trigger Event**" shall mean with respect to any Specified Tenant, that such Specified Tenant (a) (i) is in monetary or non-monetary default under its Specified Tenant Lease beyond applicable notice and cure periods, (ii) terminates, cancels or rejects (or gives notice of its intention to terminate, cancel or reject) its Specified Tenant Lease, (iii) goes dark at the Property, is not in physical occupancy or is otherwise not open or operating its business with respect to ninety percent (90%) or more of its Specified Tenant Space, in each case for more than thirty (30) days, (iv) subleases or licenses any material portion of its Specified Tenant Space to any Person without the prior written consent of Lender, except any sublease that constitutes a Permitted Transfer (as defined in the Specified Lease) (x) to which Borrower's consent is not required and (y) which is in accordance with the express provisions of Section 31(A) of the Specified Tenant Lease, and/or (v) does not renew (or gives notice of intention to not renew, including by failing to timely deliver any notice required in connection with any renewal options set forth in the Specified Tenant Lease) its Specified Tenant Lease; or (b) is or its Specified Tenant Parent is the subject of any bankruptcy

proceeding or takes advantage of (or announces its intent to take advantage of) any rights under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law.

(f) Section 4.1.2(l) of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following provision:

"(l) Leases.

(i) The Property is not subject to any Leases other than the Specified Tenant Lease, and the demised premises under the Specified Tenant Lease constitute the entirety of the Land and the Improvements. The initial term of the Specified Tenant Lease does not expire prior to the date that is fifteen (15) years following the First Amendment Date, subject to the rights of Specified Tenant under Section 13 of the Specified Tenant Lease. Specified Tenant is required to commence payment of base rental payments under the Specified Tenant Lease on the Commencement Date (as defined in the Specified Tenant Lease), which is the date of mutual execution and delivery of the Specified Tenant Lease by Borrower and Specified Tenant (except during the Rent Abatement Period (as defined in the Specified Tenant Lease) as expressly set forth in Section 4(D) thereof).

(ii) With respect to each Lease (including, without limitation, the Specified Tenant Lease), (A) Borrower is the owner of landlord's interest in such Lease, (B) other than with respect to Permitted Encumbrances, no Person has any possessory interest in the Property or right to occupy the same except under and pursuant to the provisions of such Lease, (C) such Lease is in full force and effect, the tenants thereunder have accepted possession of and are in occupancy of all of their respective demised premises, are open for business, and are paying (except, with respect to Specified Tenant only, during the Rent Abatement Period (as defined in the Specified Tenant Lease) as expressly set forth in Section 4(D) thereof) full, unabated rent, and no tenant under such Lease has given Borrower any notice of its intent to terminate such Lease or vacate the leased premises (and, except with respect to the termination of the Master Lease as described in Section 3 of the First Amendment, Borrower has no knowledge that any such tenant intends to so terminate or vacate), (D) Borrower has not received written notice from any tenant under such Lease claiming that Borrower (or any prior landlord) is in default thereunder, and to the knowledge of Borrower there are no defaults under such Lease by any party thereto, (E) no Revenue has been paid more than one (1) month in advance of its due date, (F) all work to be performed by Borrower (or any prior landlord) under such Lease has been performed as required and has been accepted by the applicable tenant, (G) any payments, free rent, partial rent, rebate of rent or other payments, credits, allowances or abatements required to be given by Borrower to any tenant has already been received by such tenant (except, with respect to Specified Tenant only, the abatement

of Monthly Base Rent and Direct Expenses (as each such term is defined in the Specified Tenant Lease) during the Rent Abatement Period (as defined in the Specified Tenant Lease) as expressly set forth in Section 4(D) thereof), (H) all security deposits are held by Borrower in accordance with the terms of such Lease and applicable Legal Requirements, (I) no tenant under such Lease is a debtor in state or federal bankruptcy, insolvency, or similar proceeding, (J) other than Master Tenant under the Master Lease, no tenant under such Lease (or any sublease) is an Affiliate of Borrower, (K) except, in each case, in accordance with the express provisions of this Agreement, no tenant has assigned any interest in such Lease or sublet all or any portion of the premises demised thereby, no such tenant holds its leased premises under assignment or sublease, nor does anyone except such tenant and its employees occupy such leased premises, (L) other than brokerage fees in connection with the Specified Lease, all of which shall be fully paid in accordance with the terms set forth in the First Amendment, there are no brokerage fees or commissions due and payable in connection with such Lease, and no such fees or commissions will become due and payable in the future in connection with such Lease, including by reason of any extension of such Lease or expansion of the space leased thereunder, in each case except as has previously been disclosed to Lender in writing, (M) no tenant under such Lease has a right or option pursuant to such Lease or otherwise to purchase all or any part of the leased premises or the building of which the leased premises are a part (except, with respect to Specified Tenant only, in accordance with the Right of First Offer to Purchase (as defined in the Specified Tenant Lease) in favor of Specified Tenant set forth in Section 27 of the Specified Tenant Lease), (N) no tenant under such Lease has any right or option for additional space in the Improvements, (O) other than as expressly permitted under the Master Lease and/or the Specified Tenant Lease, no hazardous wastes or toxic substances, as defined by applicable federal, state or local statutes, rules and regulations, have been disposed, stored or treated by any tenant under such Lease on or about the leased premises nor does Borrower have any knowledge of any tenant's intention to use its leased premises for any activity which, directly or indirectly, involves the use, generation, treatment, storage, disposal or transportation of any petroleum product or any toxic or hazardous chemical, material, substance or waste, and (P) such Lease (including any renewal or expansion options) provides that it is subordinate to the Security Instrument and that the lessee agrees to attorn to Lender or any purchaser at a sale by foreclosure or power of sale."

(g) Section 5.1.1(b)(i)(G) of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following provision:

"cease to operate the Property, or permit the Property to cease to be operated, exclusively as a life sciences research related manufacturing and office facility together with other appurtenant and related uses (other than temporary cessation in connection with any continuous and diligent

renovation or restoration of the Property following a Casualty or Condemnation), or change the trade name or names under which it operates or leases the Property."

(h) Section 5.1.2(h)(v) of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following provision:

"[Intentionally Omitted]"

(i) In Section 1.1 (except for the definitions of "Borrower Party", "Complete", "Master Lease", "Master Lease Payments", "Master Lease SNDA", "Master Tenant" and "Third Party Sale"), Section 2.1.6(x), Section 2.3.1(f), Section 3.1(a), Section 3.1(b)(ix), Section 3.2.1(c), Section 3.2.2.(c), Section 4.1.2(a), Section 5.1.1(f)(iv)(B)(III), Section 5.1.2(h)(i), Section 6.4(b)(iiii), Section 8.3(xi) and Exhibit E, all references to "Master Lease" are hereby deleted in their entirety and replaced with "Specified Tenant Lease" and all references to "Master Tenant" are hereby deleted in their entirety and replaced with "Specified Tenant".

(j) All references to the "Master Lease Payments" in Section 3.1(a) are hereby deleted in their entirety and replaced with "Specified Lease Payments".

5. **Amendments to Loan Documents.**

(a) Intentionally omitted.

(b) The definition of "Ordinary Course Hazardous Substances" set forth in Section 1 of the Environmental Indemnity is hereby deleted in its entirety from the Environmental Indemnity and replaced with the following definition:

"**Ordinary Course Hazardous Substances**" means, collectively, (a) consumer products and pre-packaged materials containing Hazardous Substances used in the ordinary course of maintaining or operating the Property, (b) construction materials and fuels that are or contain Hazardous Substances used in the ordinary course of constructing the Project, and (c) Hazardous Substances used by Specified Tenant in the ordinary course of biotechnology research and development and expressly permitted under the Specified Lease, in each case, of kinds and in amounts ordinarily and customarily used or stored in similar properties for such purposes and only so long as, in each case, such products and materials are used, stored, held, handled and disposed of in compliance with all applicable Environmental Laws.

(c) The definition of "Guarantor Net Worth" set forth in Schedule 1 of the Recourse Guaranty is hereby deleted in its entirety from the Recourse Guaranty and replaced with the following definition:

"**Guarantor Net Worth**" means, at any time: (i) the consolidated total assets of Guarantor and its wholly owned subsidiaries (including, without limitation, Borrower) located in the United States (excluding goodwill, patents, trademarks, trade names, organization expense, treasury stock, unamortized debt discount and

expense, deferred research and development costs, deferred marketing expenses, and other like intangibles), as reported in Guarantor's quarterly and annual filings with the U.S. Securities and Exchange Commission (the "**SEC Filings**"), determined in accordance with GAAP, minus (ii) the total liabilities of Guarantor as reported in the SEC Filings (including, without limitation, such Guarantor's Contingent Liabilities that have accrued under GAAP, accrued and deferred income taxes, and any reserves against assets) determined in accordance with GAAP; provided, however, in no event shall Guarantor's Net Worth be calculated to include either (a) the value of the Property or (b) any assets or liabilities associated with the Specified Lease, and, provided, further, for the avoidance of doubt, Guarantor's Contingent Liabilities shall not include the outstanding principal balance of the Loan or the Mezzanine Loan unless the same shall constitute Contingent Liabilities of Guarantor pursuant to the definition thereof.

6. **Payments**.

(a) Borrower shall pay to Oxford I Asset Management USA Inc., a Delaware corporation, a modification fee (the "**Amendment Fee**") as of the Amendment Date equal to $68,750.

(b) Borrower shall (i) pay to CBRE, not later than the date (the "**Broker Payment Outside Date**") that is the earlier of (x) the date on which any fees owed to CBRE in any way relating to or arising, directly or indirectly, from the negotiation and execution of the Specified Tenant Lease, become due and payable, and (y) July 12, 2024, all fees owed to CBRE in any way relating to or arising, directly or indirectly, from the negotiation and execution of the Specified Tenant Lease, and (ii) deliver to Lender, on or prior to the Broker Payment Outside Date, evidence reasonably acceptable to Lender of Borrower's payment of all such fees owed to CBRE.

7. **Limited Effect; Reservation of Rights**. Neither this Amendment nor the execution and delivery of this Amendment shall (i) operate as a waiver, release or limitation of any rights, powers or remedies of Lender under the Loan Documents, (ii) except as expressly set forth herein, constitute or evidence any waiver, estoppel, stay, release, modification, limitation, forbearance or any agreement by Lender to delay the exercise of Lender's rights or remedies under the Loan Documents or a waiver, estoppel, stay, release, modification, limitation, forbearance or postponement of the obligations of Borrower or Guarantor under the Loan Documents, (iii) except as expressly set forth herein, be construed as an amendment, waiver, satisfaction, termination, diminishment or other modification of any provision of the Loan Agreement or any of the other Loan Documents or for any purpose, or (iv) be construed as a consent to any further or future action on the part of Borrower or Guarantor that would require the waiver or consent of Lender. Lender reserves all rights and remedies they may have as provided in the Loan Agreement and in the other Loan Documents.

8. **Release**.

(a) In consideration of the execution and delivery by Lender of this Amendment, the receipt and sufficiency of which consideration are hereby acknowledged, each of

Borrower and Guarantor, on behalf of itself and each of its Affiliates and their respective successors and assigns, heirs, legal representatives and constituents (collectively, the "**Releasing Parties**" and each a "**Releasing Party**") hereby fully, forever, unconditionally and irrevocably releases, discharges and acquits the Released Parties (as defined below) of and from any and all rights, claims, demands, obligations, liabilities, indebtedness, breaches of contract, breaches of duty or any relationship, acts, omissions, misfeasance, malfeasance, cause or causes of action, debts, sums of money, accounts, compensations, contracts, controversies, promises, variances, damages, trespasses, costs, losses, expenses and judgments of every type, kind, nature, description or character, and irrespective of how, why, by reason of what facts, whether heretofore or now existing or that could, might, or may be claimed to exist, of whatever kind or nature, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, claimed or unclaimed, whether based on contract, tort, breach of any duty, or other legal or equitable theory of recovery, each as though fully set forth herein at length (collectively, a "**Claim**" or the "**Claims**") including, without limitation, any Claims that in any way arise from or out of, are connected with, or related to the Loan, or the administration thereof, the Loan Documents, the collateral for the Loan, as well as any action or inaction of any of the Released Parties with respect to the Loan or the administration thereof, from the beginning of the world to and including the date of execution of this Amendment. As used in this Section 8, "**Released Parties**" means, collectively, Lender and its past, present and future affiliates, branches, participants, constituent members, partners, officers, directors, agents, attorneys (including external counsel), accountants, lenders, agents, employees, servants, representatives, successors, heirs and assigns, and all persons, firms corporations, and organizations acting on its behalf.

(b) Each of Borrower and Guarantor acknowledges and agrees that factual matters now unknown to it may have given or may hereafter give rise to Claims which are presently unknown, unanticipated and unsuspected, and each of Borrower and Guarantor further agrees, represents and warrants that the waivers and releases in this Section 8 have been negotiated and agreed upon in light of that realization and that each of Borrower and Guarantor nevertheless hereby intends to fully, forever and irrevocably release, discharge and acquit the Released Parties from any such unknown Claims.

(c) Each of Borrower and Guarantor covenants and agrees never to institute or cause to be instituted or continue prosecution of any suit or other form of action or proceeding of any kind or nature whatsoever against the Released Parties by reason of or in connection with any Claim with respect to which Releasing Parties have released Released Parties pursuant to Section 8(a) above. If either of Borrower or Guarantor (and/or any of their respective Affiliates or the respective successors and assigns, heirs, legal representatives and constituents of Borrower and/or Guarantor and/or any of its Affiliates) violates the covenant set forth in the immediately preceding sentence, each of Borrower and Guarantor agree to pay, in addition to such other damages as any of the Released Parties may sustain as a result of such violation, all attorneys' fees and costs incurred by any of the Released Parties as a result of such violation.

(d) The agreement and covenant set forth in this Section 8 on the part of each of Borrower and Guarantor is contractual, and not a mere recital, and the parties hereby acknowledge and agree that no liability whatsoever is admitted on the part of any party, except the obligations of Borrower to Lender arising under the Loan Documents to which Borrower is a party

and the obligations of Guarantor to Lender arising under the Loan Documents to which Guaranty is a party.

9. **Confirmation**. This Amendment constitutes a "Loan Document" as defined in the Loan Agreement. If any party hereto fails to perform any obligation under this Amendment, or if any representation or warranty in this Amendment is not true and correct (following the expiration of any applicable cure period with respect thereto provided in the Loan Agreement, including, without limitation, the cure periods set forth in Section 7.1 of the Loan Agreement), the same shall, at Lender's option, constitute an immediate Event of Default and Lender may exercise any rights and remedies under the Loan Documents. Except as expressly modified and amended hereby, each of Borrower and Guarantor hereby (i) unconditionally ratifies and confirms, renews and reaffirms, in all respects and without condition, all of its obligations, indebtedness and liabilities under the Loan Agreement and the other Loan Documents to which it is a party and all of the terms, covenants and conditions set forth in the Loan Agreement and the other Loan Documents to which it is a party, (ii) acknowledges and agrees that such obligations remain in full force and effect, binding on and enforceable against each of Borrower and Guarantor in accordance with the terms, covenants and conditions of the Loan Agreement and the other Loan Documents to which it is a party, without modification (except as set forth herein) or impairment, and each of Borrower and Guarantor remains unconditionally liable to Lender subject to and in accordance with the terms, covenants and conditions of the Loan Agreement and the other Loan Documents to which it is a party, (iii) unconditionally ratifies and acknowledges the validity and binding nature, both as of the Closing Date and on the date hereof, of all of Lender's rights and remedies under the Loan Documents, as amended by this Amendment, and (iv) acknowledges and agrees that all sums advanced by Lender under the Loan Documents are duly and properly secured by a Lien on the Property to the full extent thereof, without defense, offset, claim, or counterclaim of any kind whatsoever.

10. **Modifications, Waivers, Entire Agreement**. No modification, amendment, extension, discharge, diminishment, satisfaction, termination or waiver of any provision of this Amendment, or of any of the other Loan Documents, nor consent to any departure by Borrower and/or Guarantor therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against which enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. This Amendment, the Loan Agreement (as modified hereby), the Guarantees and the other Loan Documents contain the entire agreement between the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior or contemporaneous agreements, understandings, representations, and statements, among or between such parties, whether oral or written, are superseded by the terms of this Amendment, the Loan Agreement (as modified hereby), the Guarantees and the other Loan Documents.

11. **Voluntary Act; Advice from Independent Counsel; Judicial Interpretation**. Borrower, Guarantor and Lender represent and warrant that (a) each of them is represented by competent legal counsel of their choice, (b) each of them has consulted with counsel regarding this Amendment, (c) each of them has read, fully understood, and is fully aware of each of the terms and conditions contained herein, (d) each of them and their counsel has been afforded an opportunity to review, negotiate and modify the terms of this Amendment, (e) each of them has voluntarily and without coercion, duress or undue influence of any kind entered into this

Amendment, and (f) each of them intends to be bound by this Amendment. In accordance with the foregoing, should any provisions of this Amendment require judicial interpretation, it is expressly acknowledged and agreed that a court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against any party hereto by reason of the rule of construction that a document is to be construed more strictly against the party that itself or through its counsel or agent prepared the same, it being expressly acknowledged and agreed that all parties hereto have participated in the preparation of this Amendment.

12. **No Novation**. The parties do not intend this Amendment nor the transactions contemplated hereby to be, and this Amendment and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owing by the Borrower or Guarantor under or in connection with the Loan Documents. Further, the parties do not intend this Amendment or the transactions contemplated hereby to affect the priority of any of Lender's liens in any of the collateral securing the Debt in any way, including, but not limited to, the liens, security interests and encumbrances created by the Security Instrument and the other Loan Documents.

13. **Costs and Expenses**. Borrower and Guarantor agree that all of Lender's out-of-pocket costs and expenses in connection with the preparation, execution and delivery of this Amendment and any discussions or correspondences prior to the date of this Amendment, including, in each case, without limitation, the reasonable fees and disbursements of counsel for Lender actually incurred (collectively, the "**Costs and Expenses**") are secured by the Loan Documents. As a condition precedent to Lender entering into this Amendment, Borrower and/or Guarantor shall have paid to Lender all of the Costs and Expenses incurred in connection with this Amendment.

14. **Recitals**. The recitals and introductory paragraphs hereof are a part hereof, form a basis for this Amendment and shall be considered prima facie evidence of the facts and documents referred to therein. The parties hereto hereby approve the recitals hereof and agree that said recitals are true and correct in all respects.

15. **Conflicts**. Except as expressly modified pursuant to this Amendment, all of the terms, covenants and provisions of the Loan Agreement and the other Loan Documents shall continue in full force and effect. In the event of any conflict or ambiguity between the terms, covenants, and provisions of this Amendment and those of the Loan Agreement or the other Loan Documents, the terms, covenants, and provisions of this Amendment shall control.

16. **Governing Law; Trial by Jury**. The provisions of Section 10.3 and Section 10.7 of the Loan Agreement are hereby incorporated by reference as if fully set forth herein.

17. **Successors and Assigns**. This Amendment shall be binding upon each party hereto and such party's successors and assigns and shall inure to the benefit of each party hereto and such party's successors and permitted assigns. Notwithstanding the foregoing, neither Borrower nor Guarantor may assign, transfer or set over to another, in whole or in part, all or any part of its benefits, rights, duties and obligations hereunder, including, but not limited to, performance of and compliance with conditions hereof, and any attempted assignment, transfer or set-over shall be null and void.

18. **Counterparts; Electronic Signatures**. This Amendment may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument and any of the parties or signatories hereto may execute this Amendment by signing any such counterpart. Further, this Amendment may be executed by portable document format (.pdf) signature or other electronic means (including electronic signature system providers such as DocuSign, Inc.), or TIF (or other similar format), such that execution of this Amendment by portable document format (.pdf) signature or other electronic means (including electronic signature system providers such as DocuSign, Inc.), or TIF (or other similar format) shall be deemed effective for all purposes as though this Amendment was executed as a "blue ink" original.

19. **Severability**. The provisions hereof are intended to be severable. Any provisions hereof, or the application thereof to any Person or circumstance, which, for any reason, in whole or in part, is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof (or the remaining portions of such provision) or the application thereof to any other Person or circumstance, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision (or portion thereof) or the application thereof to any Person or circumstance in any other jurisdiction.

20. **Headings**. The section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

21. **Submission of Amendment**. The submission of this Amendment to Borrower and Guarantor or any of their respective agents or attorneys for review or signature does not constitute a commitment or agreement by Lender to modify the Loan Documents as more particularly set forth herein, and this Amendment shall have no force or effect unless the signatures of Lender and each of the other parties hereto shall have been fully executed and delivered.

22. **Further Assurances**. At any time or from time to time, upon the request of Lender, Borrower and Guarantor shall execute and deliver such further documents and do such other acts and things as Lender may reasonably request in order to effect fully the purposes of this Amendment, provided that the same shall not increase the obligations or decrease the rights of Borrower or Guarantor hereunder other than to a de minimis extent.

23. **Joint and Several Obligations**. If Borrower consists of more than one Person, the obligations and liabilities of each such Person hereunder shall be joint and several. If Guarantor consists of more than one Person, the obligations and liabilities of each such Person hereunder shall be joint and several.

[Remainder of page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

BORROWER:

COMPLEX THERAPEUTICS LLC,
a Delaware limited liability company

By: /s/Sandeep Laumas
Name: Sandeep Laumas
Title: Authorized Signatory

GUARANTOR:

INSTIL BIO, INC.,
a Delaware corporation

By: /s/ Sandeep Laumas
Name: Sandeep Laumas
Title: Chief Financial Officer and
Chief Business Officer

LENDER:

OP USA DEBT HOLDINGS II LIMITED PARTNERSHIP,
an Ontario limited partnership

By: OP USA DEBT GP II INC.,
its general partner

By: /s/ David Holmes
Name: David Holmes
Title: Vice President

By: /s/ Brady McLeod
Name: Brady L. McLeod
Title: Assistant Secretary

FIRST AMENDMENT TO MEZZANINE LOAN AGREEMENT AND OMNIBUS AMENDMENT TO MEZZANINE LOAN DOCUMENTS

THIS FIRST AMENDMENT TO MEZZANINE LOAN AGREEMENT AND OMNIBUS AMENDMENT TO MEZZANINE LOAN DOCUMENTS (this "**Amendment**"), dated as of July 10, 2024 (the "**Amendment Date**"), is made by and among OP USA DEBT HOLDINGS II LIMITED PARTNERSHIP, an Ontario limited partnership (as successor-by-assignment to OPG Hermes Investments (DE) LLC, a Delaware limited liability company) (together with its successors and/or assigns, "**Lender**"), COMPLEX THERAPEUTICS MEZZANINE LLC, a Delaware limited liability company ("**Borrower**"), and INSTIL BIO, INC., a Delaware corporation ("**Guarantor**").

RECITALS

A. Borrower and Lender entered into that certain Mezzanine Loan Agreement dated as of June 10, 2022 (the "**Closing Date**"), among Borrower and Lender (as the same may be amended, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), pursuant to which Lender has made a loan to Borrower in the maximum principal amount of up to THIRTY MILLION AND NO/100 DOLLARS ($30,000,000.00) (the "**Loan**").

B. The Loan is evidenced by the Note (as defined in the Loan Agreement) and secured by the Pledge Agreement (as defined in the Loan Agreement).

C. Borrower has requested that Lender agree to make certain modifications to the Loan Agreement as set forth herein (the "**Specified Modification**").

D. Lender is willing to agree to the Specified Modification and, in connection therewith, modify certain provisions of the Loan Agreement as set forth herein, provided, that, and, in connection therewith, each of Borrower and Guarantor executes and delivers to Lender this Amendment.

E. Guarantor is the owner of a direct or indirect interest in Borrower, and Guarantor has directly benefited from, and will continue to benefit from, Lender making the Loan to Borrower.

F. Guarantor executed in favor of Lender the Guarantees (as defined in the Loan Agreement) and the Environmental Indemnity (as defined in the Loan Agreement).

G. Lender and Borrower and Guarantor desire to amend the Loan Agreement and the other Loan Documents as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

AGREEMENT

1. **Definitions**. All capitalized terms used herein and not specifically defined herein shall have the respective meanings ascribed to such terms in the Loan Agreement. To the extent of any conflict, the definitions set forth in this Amendment shall control. The definition of, and all references to, "Agreement" set forth in the Loan Agreement shall be deemed to include this Amendment. Additionally, the definitions of, and all references to, "Loan Agreement" and "Loan Documents" as set forth in the Loan Documents shall, in each case, be deemed to include this Amendment.

2. **Representations and Warranties**.

(a) Borrower hereby represents, warrants and covenants with Lender as follows:

(i) Borrower has the full power and authority to enter into and perform its obligations under this Amendment, and the execution, delivery and performance of this Amendment by Borrower (A) has been duly and validly authorized by all necessary action on the part of Borrower, (B) does not conflict with or result in a violation of Borrower's partnership, operating or membership agreement or any judgment, order or decree of any court or arbiter in any proceeding to which Borrower is a party, (C) does not conflict with or constitute a breach of, or constitute a default under, any contract, agreement or other instrument by which Borrower is bound or to which it is a party, (D) does not result in the creation or imposition of any lien, charge or encumbrance (other than pursuant to the Loan Documents and Permitted Encumbrances) upon any asset or property of Borrower or Guarantor pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, partnership agreement, management agreement or other agreement or instrument to which Borrower or Guarantor is a party or by which, as applicable, any of Borrower's or Guarantor's assets or properties is subject, and (E) does not result in any violation of the provisions of any Legal Requirements of any Governmental Authority having jurisdiction over, as applicable, Borrower or Guarantor or any of Borrower's or Guarantor's assets or properties.

(ii) This Amendment constitutes a legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms, subject only to applicable bankruptcy, insolvency and similar laws generally affecting rights of creditors and the enforcement of debtors' obligations, and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(iii) No consent (other than the consent of a party hereto, which consent has already been provided), approval, authorization, order, registration or qualification of or with any court or any other Governmental Authority is required for Borrower to enter into and perform its obligations under this Amendment, and Borrower hereby agrees to and does indemnify, defend and hold harmless Lender from and against any and all loss, damage or liability whatsoever, including, without limitation, attorneys' fees and costs, arising from any failure to obtain the consent of any such Person which is not a party hereto.

(iv) There is no pending, nor, to Borrower's knowledge, is there any threatened, litigation proceeding involving the Property, the Collateral or Mortgage Borrower's ownership, leasing, operation or maintenance of the Property or Borrower's ownership of the Collateral.

(v) The Loan Documents, as modified by this Amendment, are in full force and effect and remain enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency and similar laws generally affecting rights of creditors and the enforcement of debtors' obligations, and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). The terms and conditions of the Loan Documents, including, without limitation, the prepayment charges, are commercially reasonable and constitute good faith and fair dealing on the part of Lender.

(vi) No Default or Event of Default will be triggered by the execution, delivery or performance of this Amendment, and no Default or Event of Default has occurred and is continuing under the Loan Agreement or any of the other Loan Documents after giving effect to this Amendment.

(vii) As of the date hereof, all representations and warranties made by Borrower in the Loan Agreement and in any other Loan Documents are true and correct in all material respects (except to the extent that such representation or warranty contains a materiality or similar qualifier, in which event, such representation or warranty shall be true and correct) on and as of the date hereof with the same effect as if made on and as of the date hereof, except for any changes in facts or circumstances occurring since the Closing Date that do not constitute a Default or Event of Default or were not caused by the occurrence of a Default or Event of Default and, in any event, do not result in a Material Adverse Effect.

(viii) As of the date hereof, (A) Borrower does not possess any defenses, claims, rights of set-off, counterclaims or other causes of action against Lender, including, but not limited to, setoff, estoppel, waiver, cancellation of instruments, rescission or excuse of performance, arising out of, or in connection with, the Loan Agreement or any of the other Loan Documents, or against any of the obligations evidenced or secured thereby, and (B) Lender is not in default of any of its obligations, and Lender has fully performed all of its obligations, in each case, under the Loan Documents.

(ix) Mortgage Borrower has entered into that certain First Amendment to Loan Agreement and Omnibus Amendment to Loan Documents, dated as of the date hereof, among Mortgage Borrower, Guarantor and Mortgage Lender, a true, correct and complete copy thereof is attached hereto as Exhibit A.

(x) As of the date hereof, Guarantor satisfies the Financial Covenant Requirements.

(xi) The outstanding principal amount of the Loan as of July 8, 2024 is $29,236,765.91. The outstanding principal amount of the Mortgage Loan as of July 8, 2024 is $53,600,757.18.

(xii) The Specified Tenant Lease (as defined in Section 3 below) is in full force and effect according to its terms, is the valid and binding obligation of the Specified Tenant (as defined in Section 3 below), and has not been modified, amended or supplemented since the date hereof. There exist no other agreements between Borrower or Mortgage Borrower and the

applicable Specified Tenant currently in effect concerning the Specified Tenant Lease. No party under the Specified Tenant Lease is in default under the Specified Tenant Lease.

(xiii) Except for CBRE, none of Borrower, Mortgage Borrower or any Affiliate of Borrower or Mortgage Borrower has dealt with any financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the negotiation or execution of the Specified Tenant Lease.

(b) Guarantor hereby represents, warrants and covenants with Lender as follows:

(i) Guarantor has the full power and authority to enter into and perform its obligations under this Amendment, and the execution, delivery and performance of this Amendment by Guarantor (A) has been duly and validly authorized by all necessary action on the part of Guarantor, (B) does not conflict with or result in a violation of Guarantor's partnership, operating or membership agreement or any judgment, order or decree of any court or arbiter in any proceeding to which Borrower is a party, (C) does not conflict with or constitute a breach of, or constitute a default under, any contract, agreement or other instrument by which Guarantor is bound or to which it is a party, (D) does not result in the creation or imposition of any lien, charge or encumbrance (other than pursuant to the Loan Documents and Permitted Encumbrances) upon any asset or property of Borrower or Guarantor pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, partnership agreement, management agreement or other agreement or instrument to which Borrower or Guarantor is a party or by which, as applicable, any of Borrower's or Guarantor's assets or properties is subject, and (E) does not result in any violation of the provisions of any Legal Requirements of any Governmental Authority having jurisdiction over, as applicable, Borrower or Guarantor or any of Borrower's or Guarantor's assets or properties.

(ii) This Amendment constitutes a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms, subject only to applicable bankruptcy, insolvency and similar laws generally affecting rights of creditors and the enforcement of debtors' obligations, and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(iii) No consent (other than the consent of a party hereto, which consent has already been provided), approval, authorization, order, registration or qualification of or with any court or any other Governmental Authority is required for Guarantor to enter into and perform its obligations under this Amendment, and Guarantor hereby agrees to and does indemnify, defend and hold harmless Lender from and against any and all loss, damage or liability whatsoever, including, without limitation, attorneys' fees and costs, arising from any failure to obtain the consent of any such Person which is not a party hereto.

(iv) The Loan Documents to which Guarantor is a party, as modified by this Amendment, are in full force and effect and remain enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency and similar laws generally affecting rights of creditors and the enforcement of debtors' obligations, and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). The terms and conditions of the Loan Documents to which Guarantor is a party, including, without

limitation, the prepayment charges, are commercially reasonable and constitute good faith and fair dealing on the part of Lender.

(v) As of the date hereof, all representations and warranties made by Guarantor in the Loan Documents to which Guarantor is a party are true and correct in all material respects (except to the extent that such representation or warranty contains a materiality or similar qualifier, in which event, such representation or warranty shall be true and correct) on and as of the date hereof with the same effect as if made on and as of the date hereof, except for any changes in facts or circumstances occurring since the Closing Date that do not constitute a Default or Event of Default or were not caused by the occurrence of a Default or Event of Default and, in any event, do not result in a Material Adverse Effect.

(vi) As of the date hereof, (A) Guarantor does not possess any defenses, claims, rights of set-off, counterclaims or other causes of action against Lender, including, but not limited to, setoff, estoppel, waiver, cancellation of instruments, rescission or excuse of performance, arising out of, or in connection with, the Loan Documents to which Guarantor is a party, or against any of the obligations evidenced or secured thereby, and (B) Lender is not in default of any of its obligations, and Lender has fully performed all of its obligations, in each case, under the Loan Documents.

(vii) As of the date hereof, Guarantor satisfies the Financial Covenant Requirements.

3. **Termination of Master Lease, Execution of Specified Tenant Lease, Guaranty and Consent of Lender**: The parties hereto acknowledge and agree that (i) Mortgage Borrower and Guarantor desire to terminate the Master Lease pursuant to that certain Lease Termination Agreement dated as of the date hereof ("**Master Lease Termination Agreement**") and release one another from their respective obligations under the Master Lease, except as otherwise provided in the Master Lease Termination Agreement; (ii) Borrower desires to cause Mortgage Borrower to enter into that certain Lease by and between Mortgage Borrower, as landlord, and ASTRAZENECA PHARMACEUTICALS LP, a Delaware limited partnership, as tenant, ("**Specified Tenant**"), dated as of the Amendment Date (as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time, the "**Specified Tenant Lease**") pursuant to which Mortgage Borrower desires to lease the Property to Specified Tenant; (iii) in connection with the Specified Tenant Lease, Guarantor shall deliver to Lender that certain Guaranty of Payment, dated as of the Amendment Date, pursuant to which Guarantor unconditionally guarantees payment and performance to Lender of the Guaranteed Obligations (as defined therein) and (iv) pursuant to Sections 5.1.1(d) and 5.1.2(h) of the Loan Agreement, Lender hereby consents to the foregoing clauses (i) and (ii).

4. **Amendment to Loan Agreement**. In reliance on the representations, warranties and covenants set forth herein, effective as of the date of this Amendment, the Loan Agreement is hereby amended as follows:

(a) The definition of "Cash Management Event" set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following definition:

"**Cash Management Event**" means the existence of any of the following: (a) the Closing Date; (b) an Event of Default; (c) any Bankruptcy Action with respect to Borrower, Mortgage Borrower, Specified Tenant, Guarantor, or any Affiliated Manager; (d) a Specified Tenant Trigger Event, or (e) except, so long as no other Cash Management Event has occurred under any of clauses (b), (c) or (d) of this definition, during the first twelve (12) months immediately following the Commencement Date (as defined in the Specified Tenant Lease) under the Specified Tenant Lease, the determination by Lender at any time that the Debt Yield is not at least eight and one-half percent (8.5%) (provided, that in the event of a failure of Borrower to deliver the information and documentation required under Section 5.1.1(f) by the required delivery date hereunder, at Lender's option the Debt Yield will be presumed to be less than the levels required above unless and until such information and documentation are provided to Lender and demonstrate otherwise).

(b) The definition of "Cash Management Termination Event" set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following definition:

"**Cash Management Termination Event**" means the occurrence of any of the following: (a) in the event the related Cash Management Event occurred as a result of an Event of Default, such Event of Default shall no longer exists (without implying that Borrower has a right to cure an Event of Default), no other Default or Event of Default then exists, and Lender shall not have otherwise accelerated the Loan, moved for a receiver, commenced foreclosure proceedings, or otherwise begun exercising remedies; (b) (i) in the event that the related Cash Management Event occurred as a result of a Bankruptcy Action relating to Borrower, Mortgage Borrower, Specified Tenant or Guarantor, as applicable, such Bankruptcy Action no longer exists and there has been no Material Adverse Effect as a result thereof, and (ii) in the event that the related Cash Management Event occurred as a result of a Bankruptcy Action relating to any Affiliated Manager, the replacement of such Affiliated Manager in accordance with the terms and conditions of this Agreement, (c) in the event the related Cash Management Event occurred solely by a Specified Tenant Trigger Event, the achievement of a Specified Tenant Cure, and (d) with respect to the Cash Management Event described in clause (a) or (e) of the definition thereof, (i) Substantial Completion shall have occurred and (ii) Lender has determined that the Debt Yield is at least eight and one-half percent (8.5%) for two (2) consecutive calendar quarters.

(c) The definition of "Guarantees" set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following definition:

"**Guarantees**" means, collectively, the Recourse Guaranty, the Carry Cost Guaranty, the Completion Guaranty and the Equity Funding Guaranty, each dated as of the Closing Date, and the Payment Guaranty, dated as of Amendment Date, each from Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

(d) The definition of "Loan Documents" set forth in Section 1.1 of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following definition:

"**Loan Documents**" means, collectively, this Agreement, the Note, the Pledge Agreement, the Guarantees, the Environmental Indemnity, the Manager Consent, the General Contractor Agreement Consent, each Architect Consent, each Engineer Consent, each Major Trade Contractor Consent, the Cash Management Agreement, the Clearing Account Agreement, any Assignment of Interest Rate Cap Agreement, the Closing Certificate, the Master Lease Recognition Agreement, the Specified Tenant Recognition Agreement and all other certificates, documents, agreements or instruments now or hereafter executed and/or delivered in connection with the Loan (as each may be amended, modified, extended, consolidated or supplemented from time to time).

(e) The following definitions are hereby incorporated into Section 1.1 of the Loan Agreement:

"**First Amendment**" shall mean that certain First Amendment to Mezzanine Loan Agreement And Omnibus Amendment to Mezzanine Loan Documents, dated as of the First Amendment Date, among Lender, Borrower and Guarantor.

"**First Amendment Date**" shall mean the Amendment Date (as defined in the First Amendment).

"**Payment Guaranty**" shall mean that certain Mezzanine Guaranty of Payment, dated as of the Amendment Date, from Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Specified Tenant**" shall mean, collectively and/or individually (as the context requires), (i) ASTRAZENECA PHARMACEUTICALS LP, a Delaware limited partnership, (ii) any Permitted Transferee (as defined in the Specified Lease) that becomes the tenant under the Specified Tenant Lease pursuant to an assignment of the Specified Tenant Lease (x) to which Mortgage Borrower's consent is not required and (y) which is in accordance with the express provisions of Section 31(A) of the Specified Tenant Lease, and (iii) any replacement tenant

of the Specified Tenant Space approved by Lender pursuant to a replacement Lease entered into in accordance with this Agreement.

"**Specified Tenant Cure**" shall mean the earlier to occur of (I) with respect to a Specified Tenant Trigger Event occurring solely as a result of subclause (a)(i) of the definition of Specified Tenant Trigger Event, (x) such Specified Tenant has cured such monetary or non-monetary default (other than as a result of any waiver by Mortgage Borrower) in a manner reasonably acceptable to Lender and no other default then exists under the applicable Specified Tenant Lease or (y) (A) Mortgage Borrower has executed a Lease (or Leases) in form an substance acceptable to Lender with a replacement tenant acceptable to Lender for the entirety of the applicable Specified Tenant Space in question, (B) Mortgage Borrower has satisfied all of its landlord work and delivery obligations under such lease and the applicable replacement tenant has confirmed same in writing, and (C) such replacement tenant(s) is in physical occupancy of its demised space, paying current rent and the applicable replacement tenant does not have the right to terminate such lease or offset rent due to the failure of Mortgage Borrower to adequately and/or timely complete and deliver all landlord work and the applicable demised premises (the events described in this subclause (y), a "**New Tenant Cure**"), (II) for the Specified Tenant Trigger Event in subclause (a)(ii) of the definition of Specified Tenant Trigger Event, either (x) a New Tenant Cure has occurred or (y) (A) all the space demised to the Specified Tenant has been re-leased to such Specified Tenant upon terms and conditions acceptable to Lender, (B) Mortgage Borrower has satisfied all of its landlord work and delivery obligations under such lease (if any) and the applicable Specified Tenant has confirmed same in writing, and (C) such Specified Tenant is in physical occupancy of its demised space, paying current rent and the applicable Specified Tenant does not have the right to terminate such lease or offset rent due to the failure of Mortgage Borrower to adequately and/or timely complete and deliver all landlord work and the applicable demised premises, (III) for the Specified Tenant Trigger Event in subclause (a)(iii) of the definition of Specified Tenant Trigger Event, either (x) a New Tenant Cure has occurred or (y) the Specified Tenant resumes actual physical occupancy and operation of business in more than ninety percent (90%) of the applicable Specified Tenant Space, (IV) for the Specified Tenant Trigger Event in subclause (a)(iv) of the definition of Specified Tenant Trigger Event, such sublease has been terminated and the Specified Tenant is in full physical occupancy of the applicable Specified Tenant Space and paying current rent, (V) for the Specified Tenant Trigger Event in subclause (a)(v) of the definition of Specified Tenant Trigger Event, a New Tenant Cure has occurred, and (VI) for the Specified Tenant Trigger Event in subclause (b) of the definition of Specified Tenant Trigger Event, either (x) a New Tenant Cure has occurred or (y) the affirmation (without amendment) of the applicable Specified Tenant Lease or Specified Tenant Parent's obligations thereunder, as

applicable; provided, however, that in each case, a Specified Tenant Cure set forth in this definition shall be subject to the following conditions, (i) that no Event of Default shall have occurred and be continuing, (ii) no other Cash Management Event and no other Specified Tenant Trigger Event has occurred and is continuing, and (iii) Borrower shall have paid all the out-of-pocket costs and expenses of Lender incurred in connection therewith (including reasonable attorneys' fees and expenses).

"**Specified Tenant Lease**" shall mean, collectively and/or individually (as the context requires), each Lease at the Property with a Specified Tenant (including, without limitation, any guaranty or similar instrument furnished thereunder or any other agreement with any Specified Tenant Parent relating to the applicable Specified Tenant Lease), as the same may have been or may hereafter be amended, restated, extended, renewed, replaced and/or otherwise modified in accordance with the terms of this Agreement.

"**Specified Tenant Parent**" shall mean, with respect to any Specified Tenant, any guarantor or indemnitor of such Specified Tenant's liabilities and obligations under the applicable Specified Tenant Lease.

"**Specified Lease Payments**" shall mean all Rent (as defined in the Specified Lease) paid by Specified Tenant pursuant to the Specified Lease.

"**Specified Tenant Recognition Agreement**" shall mean that certain Mezzanine Recognition Agreement Agreement, dated as of the Amendment Date, among Lender, Mortgage Borrower, Borrower and Specified Tenant, with respect to the Specified Lease, as the same may be amended, modified and/or supplemented from time to time in accordance with the terms hereof.

"**Specified Tenant Space**" shall mean the entire portion of the Property demised as of the date hereof to the Specified Tenant pursuant to the Specified Tenant Lease.

"**Specified Tenant Trigger Event**" shall mean with respect to any Specified Tenant, that such Specified Tenant (a) (i) is in monetary or non-monetary default under its Specified Tenant Lease beyond applicable notice and cure periods, (ii) terminates, cancels or rejects (or gives notice of its intention to terminate, cancel or reject) its Specified Tenant Lease, (iii) goes dark at the Property, is not in physical occupancy or is otherwise not open or operating its business with respect to ninety percent (90%) or more of its Specified Tenant Space, in each case for more than thirty (30) days, (iv) subleases or licenses any material portion of its Specified Tenant Space to any Person without the prior written consent of Lender, except any sublease that constitutes a Permitted Transfer (as defined in the Specified Lease) (x) to which Mortgage Borrower's consent is not required and (y) which is in accordance with the express provisions of Section 31(A) of the Specified Tenant Lease, and/or (v) does not renew (or gives notice of intention to not renew, including by

failing to timely deliver any notice required in connection with any renewal options set forth in the Specified Tenant Lease) its Specified Tenant Lease; or (b) is or its Specified Tenant Parent is the subject of any bankruptcy proceeding or takes advantage of (or announces its intent to take advantage of) any rights under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law.

(f) Section 4.1.2(l) of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following provision:

"(l) Leases.

(i) The Property is not subject to any Leases other than the Specified Tenant Lease, and the demised premises under the Specified Tenant Lease constitute the entirety of the Land and the Improvements. The initial term of the Specified Tenant Lease does not expire prior to the date that is fifteen (15) years following the First Amendment Date, subject to the rights of Specified Tenant under Section 13 of the Specified Tenant Lease. Specified Tenant is required to commence payment of base rental payments under the Specified Tenant Lease on the Commencement Date (as defined in the Specified Tenant Lease), which is the date of mutual execution and delivery of the Specified Tenant Lease by Mortgage Borrower and Specified Tenant (except during the Rent Abatement Period (as defined in the Specified Tenant Lease) as expressly set forth in Section 4(D) thereof).

(ii) With respect to each Lease (including, without limitation, the Specified Tenant Lease), (A) Mortgage Borrower is the owner of landlord's interest in such Lease, (B) other than with respect to Permitted Encumbrances, no Person has any possessory interest in the Property or right to occupy the same except under and pursuant to the provisions of such Lease, (C) such Lease is in full force and effect, the tenants thereunder have accepted possession of and are in occupancy of all of their respective demised premises, are open for business, and are paying (except, with respect to Specified Tenant only, during the Rent Abatement Period (as defined in the Specified Tenant Lease) as expressly set forth in Section 4(D) thereof) full, unabated rent, and no tenant under such Lease has given Borrower or Mortgage Borrower any notice of its intent to terminate such Lease or vacate the leased premises (and, except with respect to the termination of the Master Lease as described in Section 3 of the First Amendment, neither Borrower nor Mortgage Borrower has any knowledge that any such tenant intends to so terminate or vacate), (D) neither Borrower nor Mortgage Borrower has received written notice from any tenant under such Lease claiming that Mortgage Borrower (or any prior landlord) is in default thereunder, and to the knowledge of Borrower and Mortgage Borrower there are no defaults under such Lease by any party thereto, (E) no Revenue has been paid more than one (1) month in advance of its due date, (F) all work to be performed by Mortgage Borrower (or any prior

landlord) under such Lease has been performed as required and has been accepted by the applicable tenant, (G) any payments, free rent, partial rent, rebate of rent or other payments, credits, allowances or abatements required to be given by Mortgage Borrower to any tenant has already been received by such tenant (except, with respect to Specified Tenant only, the abatement of Monthly Base Rent and Direct Expenses (as each such term is defined in the Specified Tenant Lease) during the Rent Abatement Period (as defined in the Specified Tenant Lease) as expressly set forth in Section 4(D) thereof), (H) all security deposits are held by Mortgage Borrower in accordance with the terms of such Lease and applicable Legal Requirements, (I) no tenant under such Lease is a debtor in state or federal bankruptcy, insolvency, or similar proceeding, (J) other than Master Tenant under the Master Lease, no tenant under such Lease (or any sublease) is an Affiliate of Borrower or Mortgage Borrower, (K) except, in each case, in accordance with the express provisions of this Agreement, no tenant has assigned any interest in such Lease or sublet all or any portion of the premises demised thereby, no such tenant holds its leased premises under assignment or sublease, nor does anyone except such tenant and its employees occupy such leased premises, (L) other than brokerage fees in connection with the Specified Lease, all of which shall be fully paid in accordance with the terms set forth in the First Amendment, there are no brokerage fees or commissions due and payable in connection with such Lease, and no such fees or commissions will become due and payable in the future in connection with such Lease, including by reason of any extension of such Lease or expansion of the space leased thereunder, in each case except as has previously been disclosed to Lender in writing, (M) no tenant under such Lease has a right or option pursuant to such Lease or otherwise to purchase all or any part of the leased premises or the building of which the leased premises are a part (except, with respect to Specified Tenant only, in accordance with the Right of First Offer to Purchase (as defined in the Specified Tenant Lease) in favor of Specified Tenant set forth in Section 27 of the Specified Tenant Lease), (N) no tenant under such Lease has any right or option for additional space in the Improvements, (O) other than as expressly permitted under the Master Lease and/or the Specified Tenant Lease, no hazardous wastes or toxic substances, as defined by applicable federal, state or local statutes, rules and regulations, have been disposed, stored or treated by any tenant under such Lease on or about the leased premises nor does Borrower or Mortgage Borrower have any knowledge of any tenant's intention to use its leased premises for any activity which, directly or indirectly, involves the use, generation, treatment, storage, disposal or transportation of any petroleum product or any toxic or hazardous chemical, material, substance or waste, and (P) such Lease (including any renewal or expansion options) provides that it is subordinate to the Security Instrument and the Pledge Agreement and that the lessee agrees to attorn to Lender or any purchaser at a sale by foreclosure or power of sale."

(g) Section 5.1.1(b)(i)(G) of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following provision:

> "cease to cause Mortgage Borrower to operate the Property, or permit the Property to cease to be operated, exclusively as a life sciences research related manufacturing and office facility together with other appurtenant and related uses (other than temporary cessation in connection with any continuous and diligent renovation or restoration of the Property following a Casualty or Condemnation), or change the trade name or names under which it operates or leases the Property."

(h) Section 5.1.2(h)(v) of the Loan Agreement is hereby deleted in its entirety from the Loan Agreement and replaced with the following provision:

> "[Intentionally Omitted]"

(i) In Section 1.1 (except for the definitions of "Borrower Party", "Complete", "Master Lease", "Master Lease Payments", "Master Lease Recognition Agreement", "Master Tenant" and "Third Party Sale"), Section 2.1.6(x), Section 2.3.1(f), Section 3.2.1(c), Section 3.2.2.(c), Section 4.1.2(a), Section 5.1.1(f)(iv)(B)(III), Section 5.1.2(h)(i), Section 8.3(xi) and Exhibit E, all references to "Master Lease" are hereby deleted in their entirety and replaced with "Specified Tenant Lease" and all references to "Master Tenant" are hereby deleted in their entirety and replaced with "Specified Tenant".

(j) Intentionally omitted.

5. **Amendments to Loan Documents.**

(a) Intentionally omitted.

(b) The definition of "Ordinary Course Hazardous Substances" set forth in Section 1 of the Environmental Indemnity is hereby deleted in its entirety from the Environmental Indemnity and replaced with the following definition:

> "**Ordinary Course Hazardous Substances**" means, collectively, (a) consumer products and pre-packaged materials containing Hazardous Substances used in the ordinary course of maintaining or operating the Property, (b) construction materials and fuels that are or contain Hazardous Substances used in the ordinary course of constructing the Project, and (c) Hazardous Substances used by Specified Tenant in the ordinary course of biotechnology research and development and expressly permitted under the Specified Lease, in each case, of kinds and in amounts ordinarily and customarily used or stored in similar properties for such purposes and only so long as, in each case, such products and materials are used, stored, held, handled and disposed of in compliance with all applicable Environmental Laws.

(c) The definition of "Guarantor Net Worth" set forth in Schedule 1 of the Recourse Guaranty is hereby deleted in its entirety from the Recourse Guaranty and replaced with the following definition:

> "**Guarantor Net Worth**" means, at any time: (i) the consolidated total assets of Guarantor and its wholly owned subsidiaries (including, without limitation, Borrower) located in the United States (excluding goodwill, patents, trademarks, trade names, organization expense, treasury stock, unamortized debt discount and expense, deferred research and development costs, deferred marketing expenses, and other like intangibles), as reported in Guarantor's quarterly and annual filings with the U.S. Securities and Exchange Commission (the "**SEC Filings**"), determined in accordance with GAAP, minus (ii) the total liabilities of Guarantor as reported in the SEC Filings (including, without limitation, such Guarantor's Contingent Liabilities that have accrued under GAAP, accrued and deferred income taxes, and any reserves against assets) determined in accordance with GAAP; provided, however, in no event shall Guarantor's Net Worth be calculated to include either (a) the value of the Property or the Collateral or (b) any assets or liabilities associated with the Specified Lease, and, provided, further, for the avoidance of doubt, Guarantor's Contingent Liabilities shall not include the outstanding principal balance of the Loan or the Mortgage Loan unless the same shall constitute Contingent Liabilities of Guarantor pursuant to the definition thereof.

6. **Payments**.

(a) Borrower shall pay to Oxford I Asset Management USA Inc., a Delaware corporation, a modification fee (the "**Amendment Fee**") as of the Amendment Date equal to $37,500.

(b) Borrower shall (i) cause Mortgage Borrower to pay to CBRE, not later than the date (the "**Broker Payment Outside Date**") that is the earlier of (x) the date on which any fees owed to CBRE in any way relating to or arising, directly or indirectly, from the negotiation and execution of the Specified Tenant Lease, become due and payable, and (y) July 12, 2024, all fees owed to CBRE in any way relating to or arising, directly or indirectly, from the negotiation and execution of the Specified Tenant Lease, and (ii) deliver to Lender, on or prior to the Broker Payment Outside Date, evidence reasonably acceptable to Lender of Mortgage Borrower's payment of all such fees owed to CBRE.

7. **Limited Effect; Reservation of Rights**. Neither this Amendment nor the execution and delivery of this Amendment shall (i) operate as a waiver, release or limitation of any rights, powers or remedies of Lender under the Loan Documents, (ii) except as expressly set forth herein, constitute or evidence any waiver, estoppel, stay, release, modification, limitation, forbearance or any agreement by Lender to delay the exercise of Lender's rights or remedies under the Loan Documents or a waiver, estoppel, stay, release, modification, limitation, forbearance or postponement of the obligations of Borrower or Guarantor under the Loan Documents, (iii) except as expressly set forth herein, be construed as an amendment, waiver, satisfaction, termination, diminishment or other modification of any provision of the Loan Agreement or any of the other

Loan Documents or for any purpose, or (iv) be construed as a consent to any further or future action on the part of Borrower or Guarantor that would require the waiver or consent of Lender. Lender reserves all rights and remedies they may have as provided in the Loan Agreement and in the other Loan Documents.

8. **Release**.

(a) In consideration of the execution and delivery by Lender of this Amendment, the receipt and sufficiency of which consideration are hereby acknowledged, each of Borrower and Guarantor, on behalf of itself and each of its Affiliates and their respective successors and assigns, heirs, legal representatives and constituents (collectively, the "**Releasing Parties**" and each a "**Releasing Party**") hereby fully, forever, unconditionally and irrevocably releases, discharges and acquits the Released Parties (as defined below) of and from any and all rights, claims, demands, obligations, liabilities, indebtedness, breaches of contract, breaches of duty or any relationship, acts, omissions, misfeasance, malfeasance, cause or causes of action, debts, sums of money, accounts, compensations, contracts, controversies, promises, variances, damages, trespasses, costs, losses, expenses and judgments of every type, kind, nature, description or character, and irrespective of how, why, by reason of what facts, whether heretofore or now existing or that could, might, or may be claimed to exist, of whatever kind or nature, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, claimed or unclaimed, whether based on contract, tort, breach of any duty, or other legal or equitable theory of recovery, each as though fully set forth herein at length (collectively, a "**Claim**" or the "**Claims**") including, without limitation, any Claims that in any way arise from or out of, are connected with, or related to the Loan, or the administration thereof, the Loan Documents, the collateral for the Loan, as well as any action or inaction of any of the Released Parties with respect to the Loan or the administration thereof, from the beginning of the world to and including the date of execution of this Amendment. As used in this Section 8, "**Released Parties**" means, collectively, Lender and its past, present and future affiliates, branches, participants, constituent members, partners, officers, directors, agents, attorneys (including external counsel), accountants, lenders, agents, employees, servants, representatives, successors, heirs and assigns, and all persons, firms corporations, and organizations acting on its behalf.

(b) Each of Borrower and Guarantor acknowledges and agrees that factual matters now unknown to it may have given or may hereafter give rise to Claims which are presently unknown, unanticipated and unsuspected, and each of Borrower and Guarantor further agrees, represents and warrants that the waivers and releases in this Section 8 have been negotiated and agreed upon in light of that realization and that each of Borrower and Guarantor nevertheless hereby intends to fully, forever and irrevocably release, discharge and acquit the Released Parties from any such unknown Claims.

(c) Each of Borrower and Guarantor covenants and agrees never to institute or cause to be instituted or continue prosecution of any suit or other form of action or proceeding of any kind or nature whatsoever against the Released Parties by reason of or in connection with any Claim with respect to which Releasing Parties have released Released Parties pursuant to Section 8(a) above. If either of Borrower or Guarantor (and/or any of their respective Affiliates or the respective successors and assigns, heirs, legal representatives and constituents of Borrower and/or Guarantor and/or any of its Affiliates) violates the covenant set forth in the immediately preceding

sentence, each of Borrower and Guarantor agree to pay, in addition to such other damages as any of the Released Parties may sustain as a result of such violation, all attorneys' fees and costs incurred by any of the Released Parties as a result of such violation.

(d) The agreement and covenant set forth in this Section 8 on the part of each of Borrower and Guarantor is contractual, and not a mere recital, and the parties hereby acknowledge and agree that no liability whatsoever is admitted on the part of any party, except the obligations of Borrower to Lender arising under the Loan Documents to which Borrower is a party and the obligations of Guarantor to Lender arising under the Loan Documents to which Guaranty is a party.

9. **Confirmation**. This Amendment constitutes a "Loan Document" as defined in the Loan Agreement. If any party hereto fails to perform any obligation under this Amendment, or if any representation or warranty in this Amendment is not true and correct (following the expiration of any applicable cure period with respect thereto provided in the Loan Agreement, including, without limitation, the cure periods set forth in Section 7.1 of the Loan Agreement), the same shall, at Lender's option, constitute an immediate Event of Default and Lender may exercise any rights and remedies under the Loan Documents. Except as expressly modified and amended hereby, each of Borrower and Guarantor hereby (i) unconditionally ratifies and confirms, renews and reaffirms, in all respects and without condition, all of its obligations, indebtedness and liabilities under the Loan Agreement and the other Loan Documents to which it is a party and all of the terms, covenants and conditions set forth in the Loan Agreement and the other Loan Documents to which it is a party, (ii) acknowledges and agrees that such obligations remain in full force and effect, binding on and enforceable against each of Borrower and Guarantor in accordance with the terms, covenants and conditions of the Loan Agreement and the other Loan Documents to which it is a party, without modification (except as set forth herein) or impairment, and each of Borrower and Guarantor remains unconditionally liable to Lender subject to and in accordance with the terms, covenants and conditions of the Loan Agreement and the other Loan Documents to which it is a party, (iii) unconditionally ratifies and acknowledges the validity and binding nature, both as of the Closing Date and on the date hereof, of all of Lender's rights and remedies under the Loan Documents, as amended by this Amendment, and (iv) acknowledges and agrees that all sums advanced by Lender under the Loan Documents are duly and properly secured by a Lien on the Collateral to the full extent thereof, without defense, offset, claim, or counterclaim of any kind whatsoever.

10. **Modifications, Waivers, Entire Agreement**. No modification, amendment, extension, discharge, diminishment, satisfaction, termination or waiver of any provision of this Amendment, or of any of the other Loan Documents, nor consent to any departure by Borrower and/or Guarantor therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against which enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. This Amendment, the Loan Agreement (as modified hereby), the Guarantees and the other Loan Documents contain the entire agreement between the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior or contemporaneous agreements, understandings, representations, and statements, among or between such parties, whether oral or written, are superseded by the terms of this Amendment, the Loan Agreement (as modified hereby), the Guarantees and the other Loan Documents.

11. **Voluntary Act; Advice from Independent Counsel; Judicial Interpretation**. Borrower, Guarantor and Lender represent and warrant that (a) each of them is represented by competent legal counsel of their choice, (b) each of them has consulted with counsel regarding this Amendment, (c) each of them has read, fully understood, and is fully aware of each of the terms and conditions contained herein, (d) each of them and their counsel has been afforded an opportunity to review, negotiate and modify the terms of this Amendment, (e) each of them has voluntarily and without coercion, duress or undue influence of any kind entered into this Amendment, and (f) each of them intends to be bound by this Amendment. In accordance with the foregoing, should any provisions of this Amendment require judicial interpretation, it is expressly acknowledged and agreed that a court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against any party hereto by reason of the rule of construction that a document is to be construed more strictly against the party that itself or through its counsel or agent prepared the same, it being expressly acknowledged and agreed that all parties hereto have participated in the preparation of this Amendment.

12. **No Novation**. The parties do not intend this Amendment nor the transactions contemplated hereby to be, and this Amendment and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owing by the Borrower or Guarantor under or in connection with the Loan Documents. Further, the parties do not intend this Amendment or the transactions contemplated hereby to affect the priority of any of Lender's liens in any of the collateral securing the Debt in any way, including, but not limited to, the liens, security interests and encumbrances created by the Pledge Agreement and the other Loan Documents.

13. **Costs and Expenses**. Borrower and Guarantor agree that all of Lender's out-of-pocket costs and expenses in connection with the preparation, execution and delivery of this Amendment and any discussions or correspondences prior to the date of this Amendment, including, in each case, without limitation, the reasonable fees and disbursements of counsel for Lender actually incurred (collectively, the "**Costs and Expenses**") are secured by the Loan Documents. As a condition precedent to Lender entering into this Amendment, Borrower and/or Guarantor shall have paid to Lender all of the Costs and Expenses incurred in connection with this Amendment.

14. **Recitals**. The recitals and introductory paragraphs hereof are a part hereof, form a basis for this Amendment and shall be considered prima facie evidence of the facts and documents referred to therein. The parties hereto hereby approve the recitals hereof and agree that said recitals are true and correct in all respects.

15. **Conflicts**. Except as expressly modified pursuant to this Amendment, all of the terms, covenants and provisions of the Loan Agreement and the other Loan Documents shall continue in full force and effect. In the event of any conflict or ambiguity between the terms, covenants, and provisions of this Amendment and those of the Loan Agreement or the other Loan Documents, the terms, covenants, and provisions of this Amendment shall control.

16. **Governing Law; Trial by Jury**. The provisions of Section 10.3 and Section 10.7 of the Loan Agreement are hereby incorporated by reference as if fully set forth herein.

17. **Successors and Assigns**. This Amendment shall be binding upon each party hereto and such party's successors and assigns and shall inure to the benefit of each party hereto and such party's successors and permitted assigns. Notwithstanding the foregoing, neither Borrower nor Guarantor may assign, transfer or set over to another, in whole or in part, all or any part of its benefits, rights, duties and obligations hereunder, including, but not limited to, performance of and compliance with conditions hereof, and any attempted assignment, transfer or set-over shall be null and void.

18. **Counterparts; Electronic Signatures**. This Amendment may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument and any of the parties or signatories hereto may execute this Amendment by signing any such counterpart. Further, this Amendment may be executed by portable document format (.pdf) signature or other electronic means (including electronic signature system providers such as DocuSign, Inc.), or TIF (or other similar format), such that execution of this Amendment by portable document format (.pdf) signature or other electronic means (including electronic signature system providers such as DocuSign, Inc.), or TIF (or other similar format) shall be deemed effective for all purposes as though this Amendment was executed as a "blue ink" original.

19. **Severability**. The provisions hereof are intended to be severable. Any provisions hereof, or the application thereof to any Person or circumstance, which, for any reason, in whole or in part, is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof (or the remaining portions of such provision) or the application thereof to any other Person or circumstance, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision (or portion thereof) or the application thereof to any Person or circumstance in any other jurisdiction.

20. **Headings**. The section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

21. **Submission of Amendment**. The submission of this Amendment to Borrower and Guarantor or any of their respective agents or attorneys for review or signature does not constitute a commitment or agreement by Lender to modify the Loan Documents as more particularly set forth herein, and this Amendment shall have no force or effect unless the signatures of Lender and each of the other parties hereto shall have been fully executed and delivered.

22. **Further Assurances**. At any time or from time to time, upon the request of Lender, Borrower and Guarantor shall execute and deliver such further documents and do such other acts and things as Lender may reasonably request in order to effect fully the purposes of this Amendment, provided that the same shall not increase the obligations or decrease the rights of Borrower or Guarantor hereunder other than to a de minimis extent.

23. **Joint and Several Obligations**. If Borrower consists of more than one Person, the obligations and liabilities of each such Person hereunder shall be joint and several. If Guarantor consists of more than one Person, the obligations and liabilities of each such Person hereunder shall be joint and several.

[Remainder of page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

BORROWER:

COMPLEX THERAPEUTICS MEZZANINE LLC,
a Delaware limited liability company

By: /s/ Sandeep Laumas
Name: Sandeep Laumas
Title: Authorized Signatory

GUARANTOR:

INSTIL BIO, INC.,
a Delaware corporation

By: /s/ Sandeep Laumas
Name: Sandeep Laumas
Title: Chief Financial Officer and
Chief Business Officer

LENDER:

OP USA DEBT HOLDINGS II LIMITED PARTNERSHIP,
an Ontario limited partnership

By: OP USA DEBT GP II INC.,
its general partner

By: /s/ David Holmes
Name: David Holmes
Title: Vice President

By: /s/ Brady McLeod
Name: Brady L. McLeod
Title: Assistant Secretary

EXHIBIT A

First Amendment to Mortgage Loan Agreement

(see attached)

Exhibit 10.3

CERTAIN INFORMATION IN THIS DOCUMENT, MARKED BY [****], HAS BEEN OMITTED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL

LEASE

BY AND BETWEEN

COMPLEX THERAPEUTICS LLC,
a Delaware limited liability company

("Landlord")

and

ASTRAZENECA PHARMACEUTICALS LP,
a Delaware limited partnership

("Tenant")

Dated: July 10, 2024

FOR REAL PROPERTY LOCATED AT:
18408-18412 OXNARD STREET, LOS ANGELES, CALIFORNIA

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LEASE

1. PARTIES. THIS LEASE (this "Lease") is entered into as of July 10, 2024 (the "Effective Date"), by and between COMPLEX THERAPEUTICS LLC, a Delaware limited liability company ("Landlord"), and ASTRAZENECA PHARMACEUTICALS LP, a Delaware limited partnership ("Tenant" and, together with Landlord, the "Parties").

2. PREMISES. Subject to the terms and conditions set forth in this Lease, Landlord hereby leases to Tenant, and Tenant leases from Landlord, those certain premises and their appurtenances commonly known as 18408-18412 Oxnard Street, Los Angeles, California consisting of the entirety of two (2) buildings (the "Buildings"), together with all other improvements and structures depicted on Exhibit A-1 hereto (together with the Buildings, the "Improvements") and the land upon which the Improvements are located (the "Land"), legally described on Exhibit A-2 hereto.

   A. **Exterior Areas**. During the Lease Term, Tenant shall have the exclusive right to use and occupy, at no additional charge to Tenant, twenty-four (24) hours/day/three hundred sixty-five (365) days/year ("24/7"), all access and perimeter roads, parking stalls, parking lots, parking structures, pedestrian sidewalks, driveways, drive aisles, landscaped areas, landscape drainage, irrigation, backflow devices, exterior lighting and other improvements located from time to time on the Land (collectively, the "Exterior Areas"). The Exterior Areas are generally depicted on Exhibit A-1 hereto. The Improvements and the Exterior Areas shall be referred to herein together as the "Premises".

   B. **Parking.** During the Lease Term (as defined below), Tenant shall have the exclusive right to use on a 24/7 basis and at no additional cost to Tenant all of the parking spaces located on the Exterior Areas as depicted on Exhibit A-1 hereto (collectively, the "Parking Areas"). Tenant may secure the Parking Areas in the manner desired by Tenant subject to Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, and subject to compliance with all applicable laws, statutes, codes, ordinances, regulations and/or governmental orders and/or directives, whether on the federal, state, county and/or local level (collectively, "Laws"). In addition, Tenant may install, operate and maintain, at Tenant's sole discretion and at Tenant's sole cost and expense, electric vehicle parking stalls and charging stations and all related equipment (collectively, the "Charging Stations") for Tenant's use at no additional charge to Tenant. Tenant acknowledges that there are currently two Charging Stations located at the Premises (the "Existing EV Stations"), which Tenant shall also have the right to use at no additional charge to Tenant.

   C. **Measurement of Premises**. Landlord and Tenant hereby agree that "rentable square feet" of the Premises shall be stipulated and deemed to be 128,097, provided that for purposes of calculation of the Monthly Base Rent hereunder, the Monthly Base Rent shall be calculated on 104,546 square feet (as Tenant is not obligated to pay Monthly Base Rent on the "interstitial walkable" portions of the Premises), and such amounts shall not be subject to remeasurement or modification.

3. USE. The Premises may be used and occupied by Tenant for general office, research and development laboratory use (including, but not limited to, Biosafety Level 2 plus or Biosafety Level 2 Enhanced activities, pathology, a CAP CLIA laboratory, a human tissue biobank and cell therapy), manufacturing (including, but not limited to, drug manufacturing in accordance with the Food and Drug Administration's Current Good Manufacturing Practice regulations currently in effect), warehouse, cold storage and any other lawful purposes, subject to the provisions of this Lease (the "Permitted Use"). Tenant shall have access to and exclusive use of the Premises 24/7.

4. TERM AND RENTAL.

A. **Term.** The term of this Lease (the "Lease Term") shall commence upon July 10, 2024 (the "Commencement Date") and, unless sooner terminated or extended as hereinafter provided, shall end on July 31, 2039 (the "Expiration Date").

The Lease Term is subject to extension as provided for in Section 39 herein. All references to the "Lease Term" and the "Expiration Date" in this Lease shall include all "Options" (as defined in Section 39 below) that have been exercised and taken effect in accordance with this Lease.

B. **Rental.** Beginning on the Commencement Date, and in addition to all other sums payable by Tenant under this Lease, Tenant shall pay monthly base rent ("Monthly Base Rent") for the Premises in the following amounts:

Year During the Lease Term	Annual Base Rent	Monthly Base Rent	Approximate Monthly Base Rent per Rentable Square Foot
1	$7,527,312.00	$627,276.00	$6.00
2	$7,753,131.36	$646,094.28	$6.18
3	$7,985,725.30	$665,477.11	$6.37
4	$8,225,297.06	$685,441.42	$6.56
5	$8,472,055.97	$706,004.66	$6.75
6	$8,726,217.65	$727,184.80	$6.96
7	$8,988,004.18	$749,000.35	$7.16
8	$9,257,644.31	$771,470.36	$7.38
9	$9,535,373.63	$794,614.47	$7.60
10	$9,821,434.84	$818,452.90	$7.83
11	$10,116,077.89	$843,006.49	$8.06
12	$10,419,560.23	$868,296.69	$8.31
13	$10,732,147.03	$894,345.59	$8.55
14	$11,054,111.44	$921,175.95	$8.81
15	$11,385,734.79	$948,811.23	$9.08

In addition, Tenant shall pay "Direct Expenses" as defined in Section 5 below.

C. **Payment**. All sums payable by Tenant to Landlord under this Lease shall be paid in lawful money of the United States of America, without offset or deduction (except as otherwise expressly set forth in this Lease). All Base Rent shall be paid in advance on or before the first day of each and every calendar month during the Lease Term, and without prior notice or demand by electronic funds transfer to the account set forth on Exhibit E attached hereto, or to another bank account directed in writing by Landlord during the Lease Term; provided that Landlord shall deliver written notice to Tenant of any changes to Landlord's banking details at least sixty (60) days prior to any such change taking effect. Rent for any period less than a full calendar month shall be prorated based on the actual number of days in the applicable month.

D. **Abatement of Rent.** Provided that Tenant is not then in default under this Lease beyond the applicable notice and cure period, Tenant shall not be obligated to pay (i) Monthly Base Rent or Direct Expenses for the first six (6) full calendar months of the Lease Term, and (ii) fifty percent (50%) of the Monthly Base Rent for the following six

(6) full calendar months of the Lease Term (i.e., months seven (7) through and including twelve (12)) (collectively, the "Rent Abatement Period"). If Tenant is in default of this Lease beyond the applicable notice and cure period at the time Tenant would otherwise be entitled to the abatement of Rent set forth above, then such abatement shall be suspended during such period when the default is occurring (the aggregate amount of such suspended Rent abatement is referred to herein as the "Suspended Rent Abatement"), but if Tenant subsequently cures such default, then Landlord shall credit the aggregate amount of such Suspended Rent Abatement against the Rent next due and payable by Tenant under this Lease after the date of such cure.

5. ADDITIONAL RENT.

A. **General Terms**. In addition to paying the Base Rent specified in Section 4 of this Lease, Tenant shall pay annual Direct Expenses. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms of this Lease, are hereinafter collectively referred to as the "Additional Rent", and the Monthly Base Rent and the Additional Rent are herein collectively referred to as "Rent." All amounts due under this Section 5 as Additional Rent shall be payable as set forth in Section 4.4(C). Without limitation on other obligations of Tenant which survive the expiration of the Lease Term to the extent set forth herein, the obligations of Tenant to pay the Additional Rent attributable to the period of time prior to the Expiration Date, as may be extended pursuant to the terms of this Lease, or earlier termination of this Lease, and Landlord's obligation to refund to Tenant any overpayments of such Additional Rent, shall survive the expiration of the Lease Term (subject to the terms of Section 5(C) below). Tenant shall not have to pay Direct Expenses attributable to any period of time after the Lease Term has ended, except to the extent Tenant continues to occupy the Premises

B. **Definitions of Key Terms Relating to Additional Rent**. As used in this Section 5, the following terms shall have the meanings hereinafter set forth:

a. "Direct Expenses" shall mean "Operating Expenses" and "Tax Expenses."

b. "Expense 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.

c. "Operating Expenses" shall mean, except as set forth in Section 5(B)(d), all expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management, maintenance, repair, replacement, restoration or operation of the Premises, or any portion thereof. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following expressly with respect to the Premises and Tenant's use thereof: (i) the cost of supplying all utilities; (ii) the cost of licenses, certificates, permits and inspections; (iii) the commercially reasonable premiums and deductibles for all insurance carried by Landlord in connection with the Premises; (iv) the management fee for the operation, maintenance and repair of the Premises paid to a reputable third party property manager with experience managing properties comparable to the Premises (provided that if Landlord elects to self-manage the property, then such fee shall be payable to Landlord) (the "Management Fee"), which Management Fee shall not exceed 2% of Annual Base Rent; (v) intentionally omitted; (vi) wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation and maintenance of the Premises; (vii) the cost of capital improvements or other costs incurred in connection with the Premises (A) that are required under applicable Laws, (B) that are reasonably anticipated by

Landlord to reduce Operating Expenses, (C) that are reasonably anticipated by Landlord to improve the management and/or operation of the Premises, or (D) for the replacement of the roof; provided, however, that any capital expenditure shall be amortized with interest (at the "Interest Rate" (as defined in Section 23(B) below) over its reasonable useful life as reasonably determined in accordance with sound real estate management and accounting practices, consistently applied; (xiii) payments under any "CC&R's" (as defined in Section 34(a) below) or other agreements pertaining to the sharing of costs by the Premises and other properties; and (ix) costs of any additional services requested by Tenant and agreed to by Landlord.

d. **Exclusions from Operating Expenses.** Notwithstanding anything in this Section 5 to the contrary, for purposes of this Lease, Operating Expenses shall not, however, include the following:

a. costs incurred in connection with the original construction of the Premises;

b. except as set forth in item (vii) above, depreciation, interest and principal payments on mortgages and other debt costs, including prepayment fees, late fees, attorney fees, costs of environmental investigations or reports, points, fees, and other lender costs and closing costs on any mortgage or mortgages, if any;

c. marketing costs, legal fees, space planners' and architects' fees, advertising and promotional expenses, and brokerage fees incurred in connection with the original development, subsequent improvement, or original or future leasing of the Premises;

d. costs for which the Landlord is reimbursed, or would have been reimbursed if Landlord had carried the insurance Landlord is required to carry pursuant to this Lease or would have been reimbursed if Landlord had used commercially reasonable efforts to collect such amounts from its insurer (except to the extent of the insurance deductible);

e. any bad debt loss, rent loss, or reserves for bad debts or rent loss or any reserves of any kind;

f. costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of operation of the Premises, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of the Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in the Premises, and costs incurred in connection with any disputes between Landlord and its employees, or between Landlord and Premises management

g. the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Premises unless such wages and benefits are prorated to reflect time spent on operating and managing the Premises vis-à-vis time spent on matters unrelated to operating and managing the Premises;

h. except as set forth in item (vii) above, late charges, penalties, liquidated damages, interest and other finance charges;

i. amount paid as ground rental or as rental for the Premises by the Landlord or under any mortgage or secured loan agreement;

j. costs of capital repairs and alterations, capital improvements and capital equipment, except as set forth in item (vii) above;

k. any amount paid by Landlord or to the parent organization or a subsidiary or affiliate of the Landlord for supplies and/or services in the Premises to the extent the same exceeds the costs of such supplies and/or services rendered by qualified, first-class unaffiliated third parties on a competitive basis;

l. all items and services for which Tenant or any third party reimburses Landlord (including the cost of work or materials provided under the enforcement of any warranties held by Landlord);

m. tax penalties;

n. fees and reimbursements payable to Landlord (including its parent organization, subsidiaries and/or affiliates) or by Landlord for management of the Premises other than the Management Fee;

o. any costs expressly excluded from Operating Expenses elsewhere in this Lease;

p. Landlord's general corporate overhead and general and administrative expenses;

q. all assessments and premiums which are not specifically charged to Tenant because of what Tenant has done, which can be paid by Landlord in installments, shall be paid by Landlord in the maximum number of installments permitted by applicable Laws (except to the extent inconsistent with the general practice of landlords of buildings comparable to and in the vicinity of the Building) and shall be included as Operating Expenses in the year in which the assessment or premium installment is actually paid;

r. costs incurred to comply with Applicable Law with respect to "Hazardous Materials" (as defined in Section 18(A) below), which was in existence in the Premises prior to the Commencement Date;

s. in-house legal and/or accounting (as opposed to office building bookkeeping) fees;

t. legal fees and costs, settlements, judgments or awards paid or incurred because of disputes between Landlord and Tenant, Landlord and prospective occupants or prospective tenants/occupants, or providers of goods and services to the Premises;

u. legal fees and costs concerning the negotiation and preparation of this Lease or any litigation between Landlord and Tenant;

v. any reserves retained by Landlord;

w. costs arising from Landlord's charitable or political contributions;

x. any finders' fees, brokerage commissions, job placement costs or job advertising cost.

y. costs of Landlord's repair, maintenance, and replacement obligations required hereunder, including any latent defect, except as set forth in Section 5(B)(c)(vii)(D) above;

z. any cost which is otherwise Landlord's responsibility hereunder; and

aa. costs attributable to the negligence, gross negligence, or willful misconduct of Landlord, its agents and/or its employees.

Landlord shall not collect Operating Expenses from Tenant in an amount in excess of what Landlord incurs for the items included in Operating Expenses.

e. **Tax Expenses.**

a. "Tax Expenses" shall mean all federal, state, county, or local governmental or municipal taxes, fees, 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 taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Premises, or any portion thereof), which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Premises, or any portion thereof, except to the extent set forth in Section 5(d) above.

b. Tax Expenses shall include, without limitation: (i) any tax on the rent, right to rent or other income from the Premises, or any portion thereof, or as against the business of leasing the Premises, or any portion thereof; (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, and, in further recognition of the decrease in the level and quality of governmental services and amenities as a result of Proposition 13, Tax Expenses shall also include any governmental or private assessments or the Premises' contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies; (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 business or gross income tax or excise tax with respect to the receipt of such rent, or 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) all of the real estate taxes and assessments imposed upon or with respect to the Premises.

c. Any costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize Tax Expenses which Tenant requests shall be included in Tax Expenses in the Expense Year such expenses are paid. Refunds of Tax Expenses shall be credited against Tax Expenses and refunded to Tenant regardless of when received, based on the Expense Year to which the refund is applicable, provided that in no event shall the amount to be refunded to Tenant for any such Expense Year exceed the total amount paid by Tenant as an increase in Tax Expenses under this Section 5 for such Expense Year. If Tax Expenses for any period during the Lease Term or any extension thereof are increased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord upon demand such increased Tax Expenses included by Landlord as Tax Expenses pursuant to the terms of this Lease. Notwithstanding anything to the contrary contained in this Section 5 (except as set forth in Section 5(e)(a), above), there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to the equivalent of a sales tax or rent tax or gross receipts tax), (ii) any items included as Operating Expenses (unless expressly excluded therefrom), and (iii) any items paid by Tenant under Section 5(D) of this Lease below. Tenant shall have the right by written notice to Landlord, to request that Landlord institute proceedings to reduce Tax Expenses. If Landlord does not elect to institute such proceedings within thirty (30) days after such request, or if Landlord informs Tenant that in Landlord's good faith judgment, such proceedings would not be successful, then Tenant shall have the right to institute such proceedings, at Tenant's sole cost and expense, and Landlord will reasonably cooperate with Tenant in connection therewith.

C. **Calculation and Payment of Additional Rent**. For every Expense Year ending or commencing within the Lease Term, Tenant shall pay to Landlord, in the manner set forth in this Section 5(C) below, and as Additional Rent, Direct Expenses for each Expense Year.

a. **Statement of Actual Direct Expenses and Payment by Tenant**. Landlord shall give to Tenant within one hundred fifty (150) days following the end of each Expense Year, a statement (the "Statement") which shall state, on a line-item by line-item basis, the Direct Expenses incurred or accrued for such preceding Expense Year. Tenant shall pay, within thirty (30) days after delivery of the Statement, the full amount of Direct Expenses for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Direct Expenses," as that term is defined in Section 5(C)(b), below, subject to the terms below. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Section 5 (provided that in the event that such failure continues for a period of six (6) months following receipt of notice from Tenant, Tenant may elect to seek specific performance). Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of the Excess for the Expense Year in which this Lease terminates, Tenant shall, within thirty (30) days after receipt of the Statement, immediately pay to

Landlord any portion of such amount that has not been paid as Estimated Excess, subject to the terms below. If the amount of Direct Expenses for any Expense Year during the Lease Term shall be less than the Estimated Direct Expenses paid by Tenant for such Expense Year, then, within thirty (30) days following delivery of the Statement, Landlord shall credit against the Rent next payable by Tenant the amount of the overpayment, unless the Lease Term has expired, in which event Landlord shall pay Tenant the amount of the overpayment. The provisions of this Section 5(C) shall survive the expiration or earlier termination of the Lease Term. Notwithstanding the immediately preceding sentence, Tenant shall not be responsible for any Direct Expenses attributable to any Expense Year which are first billed to Tenant more than one (1) calendar year after the earlier of the expiration of the applicable Expense Year or the Expiration Date, provided that in any event Tenant shall be responsible for any Direct Expenses levied by any governmental authority or by any public utility companies at any time following the Expiration Date which are attributable to any Expense Year (provided that Landlord delivers Tenant a bill for such amounts within one (1) year following Landlord's receipt of the bill therefor).

b. **Statement of Estimated Direct Expenses**. In addition, Landlord shall give Tenant a yearly expense estimate statement (the "Estimate Statement") which shall set forth Landlord's reasonable estimate (the "Estimate") of what the total amount of the Direct Expenses for the then-current Expense Year shall be and the estimated Direct Expenses (the "Estimated Direct 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 Excess under this Section 5 (provided that in the event that such failure continues for a period of six (6) months following receipt of notice from Tenant, Tenant may elect to seek specific performance), nor shall Landlord be prohibited from reasonably revising any Estimate Statement theretofore delivered to the extent necessary. Thereafter, Tenant shall pay, with its next installment of Monthly Base Rent due (but not sooner than thirty (30) days after receipt of the Estimate Statement), a fraction of the Estimated Direct Expenses for the then-current Expense Year (reduced by any amounts paid pursuant to the next to last sentence of this Section 5(C)(b)). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time), Tenant shall pay monthly, with the Monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Direct Expenses set forth in the previous Estimate Statement delivered by Landlord to Tenant.

c. **Controllable Expenses**. In no event shall Controllable Operating Expenses, as that term is defined below, for any Expense Year following the Expense Year that commences on January 1st of the calendar year following the calendar year that contains the Lease Commencement Date (the "Measuring Expense Year") increase by more than five percent (5%) over the Controllable Operating Expenses in the prior Expense Year. Upon the commencement of the first Option Term (or any other extension of the initial Lease Term), the Measuring Expense Year shall be reset to be the Expense Year in which such Option Term commences. As used herein "Controllable Operating Expenses" shall mean all Operating Expenses, excluding the following: (i) utility charges, (ii) Landlord's insurance costs and deductibles thereunder, (iii) any costs that constitute Tax Expenses, (iv) costs incurred to comply with applicable Laws, (v) costs incurred due to “Force Majeure Delays” (as defined in Section 44(S) below), and (vi) any

costs incurred specifically at the request of Tenant and not expressly required to be incurred by Landlord pursuant to this Lease.

D. **Taxes and Other Charges for Which Tenant Is Directly Responsible.** Tenant shall be liable for and shall pay taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises, which shall exclude Furniture (as hereinafter defined). If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall upon demand repay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

E. **Landlord's Books and Records**. Not more than six (6) months after Tenant's receipt of a Statement for a particular Expense year, Landlord shall furnish Tenant with such reasonable supporting documentation in connection with said Direct Expenses as Tenant may reasonably request. Landlord shall provide said information to Tenant as soon as reasonably practical (but not to exceed sixty (60) days after a Tenant request) for the particular Expense Year. If requested, Landlord shall provide sufficient information, to enable Tenant to verify that the terms of exclusions and inclusions with respect to Direct Expenses, as set forth in this Lease, have been adhered to. If, within sixty (60) days following Tenant's receipt of the supporting documentation, Tenant disputes the amount of the applicable Direct Expenses, an independent certified public accountant (which accountant is a member of a reputable, nationally or regionally recognized accounting firm) experienced in auditing operating expenses designated and paid for by Tenant, may, after reasonable notice to Landlord and at reasonable times, audit and photocopy Landlord's records with respect to the Statement at Landlord's corporate offices, provided that Tenant is not then in default under this Lease and Tenant has paid all amounts required to be paid under the applicable Estimate Statement and Statement, as the case may be (but Tenant may pay the same "under protest"). In connection with such audit, Tenant and Tenant's agents must agree in advance to follow Landlord's reasonable rules and procedures regarding audits of Landlord's records. Tenant's failure to initiate the audit of the amount of Additional Rent set forth in any Statement within six (6) months of Tenant's receipt of such Statement shall be deemed to be Tenant's approval of such Statement and Tenant, thereafter, waives the right or ability to audit the amounts set forth in such Statement. If after such audit, Tenant still disputes such Additional Rent, Landlord and Tenant shall meet in order to resolve the dispute. If Landlord and Tenant are unable to resolve the dispute, an audit as to the proper amount shall be made, at Tenant's expense, by a qualified third-party ("Qualified Third-Party") selected by mutual agreement of Landlord and Tenant and if the parties are unable to agree upon a Qualified Third-Party, then such Qualified Third Party shall be selected by application to the presiding judge of the Los Angeles Superior Court. The Qualified Third-Party in any event, be required to select and retain an independent certified public accountant experienced in auditing operating expenses at the Comparable Buildings (the "Accountant") to advise and assist such lawyer in its analysis and audit hereunder. Notwithstanding anything contained herein to the contrary, if the audit by the Qualified Third-Party proves that Direct Expenses in the applicable Statement were overstated by more than seven percent (7%), then the cost of the Qualified Third-Party, the Accountant and the cost of such audit shall be paid for by Landlord (provided that, if any such firm is being paid on a contingency fee basis, Landlord's reimbursement obligation shall not exceed the amount that would have been charged by a similar accounting firm to provide such services on a non-contingency fee basis). If such audit by the Qualified Third-Party reveals that Landlord has overcharged

or undercharged Tenant, then within thirty (30) days after the results of such audit, Landlord shall reimburse Tenant the amount of the overcharge or Tenant shall pay the amount of the undercharge, as applicable. Tenant hereby acknowledges that Tenant's sole right to audit Landlord's records and to contest the amount of Direct Expenses payable by Tenant shall be as set forth in this Section 5(E), and Tenant hereby waives any and all other rights pursuant to applicable Laws to audit such records and/or to contest the amount of Direct Expenses payable by Tenant.

6. SECURITY DEPOSIT**.** None.

7. LATE CHARGES**.** Tenant hereby acknowledges that any late payment by Tenant to Landlord of Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which is extremely difficult to ascertain. Such costs include but are not limited to: administrative, processing, accounting, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of Rent is not received by Landlord or its designee within ten (10) days after the due date therefor, Tenant shall pay to Landlord a late charge equal to three percent (3%) of the amount due. Notwithstanding the foregoing, Landlord agrees to waive such late charge on the first occasion of such late payment during any consecutive twelve (12) calendar month period provided that such overdue amount is paid in full by check or electronic funds transfer within five (5) business days after Tenant's receipt of notice from Landlord that such payment is past due. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance by Landlord of such late charge shall not constitute a waiver of Tenant's default with respect to such overdue amount nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

8. DELIVERY CONDITION AND COVENANTS TO SURRENDER.

A. **Delivery Condition.** Except as specifically set forth in this Lease, Tenant accepts the Premises in its currently existing "as-is" condition, and Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises or with respect to the suitability of any of the foregoing for the conduct of Tenant's business, except as specifically set forth in this Lease. Notwithstanding the foregoing, Landlord shall at Landlord's cost as of the Commencement Date cause (i) the "Building Systems" (as defined in Section 11(A) below) to be in good working condition and all utilities to be presently available at the Premises, (ii) the Premises to be in compliance with applicable Laws (including applicable ADA requirements) in effect as of the Commencement Date, (iii) the Premises to be free of Hazardous Materials to the extent required by applicable Laws, and (iv) the Punch List Items attached hereto as Exhibit C to be completed to Tenant's reasonable satisfaction within the time period specified for each item in Exhibit C (collectively, the "Landlord Delivery Requirements"). If Landlord does not deliver the Premises in the condition specified above and Tenant delivers notice to Landlord within six (6) months following the Commencement Date, Landlord shall, at Landlord's sole cost and expense (which shall not be deemed an Operating Expense), perform the work required to cause the Premises to comply with the delivery condition above, provided that such corrective work was not caused by the misuse, misconduct, damage, destruction, omissions, and/or negligence of Tenant or its agent or contractors.

B. **Surrender.** Tenant agrees, upon the expiration or earlier termination of the Lease Term, to surrender the Premises to Landlord in good working order and condition, reasonable wear and tear, damage by casualty or condemnation and any repairs, maintenance or alterations that are Landlord's responsibility hereunder excepted. Tenant shall remove all of its personal property and trade fixtures from the Premises; provided, that Tenant repairs all damage to the Premises caused thereby. Tenant shall

have no obligation to restore the Premises to any prior or particular condition or to remove any alterations, additions or other improvements on, in or to the Premises, including without limitation any Alterations, regardless of when such alterations, additions or other improvements were made and irrespective of whether such alterations, additions or other improvements were made by Tenant, provided that Tenant shall remove any Alterations constructed by Tenant to the extent Landlord requires such removal when Landlord approves the same (and Tenant shall repair all damage to the Premises caused thereby).

9. USES PROHIBITED**.** Tenant shall not commit any waste or nuisance upon the Premises, nor allow the Premises to be used for any unlawful purpose or purpose that is not consistent with the Permitted Use.

10. ALTERATIONS AND ADDITIONS**.**

A. **Alterations.** Tenant may construct and install alterations, additions and improvements (collectively, "Alterations") on, in and to the Premises without Landlord's prior approval (but on at least ten (10) days prior written notice to Landlord), provided that such Alterations (i) do not affect the exterior of the Buildings, (ii) do not adversely affect the structural portions of the Premises (the "Building Structure"), the roof, or the Building Systems, (iii) comply with all applicable Laws, and (iv) do not exceed [****] for any given project (any such Alterations that do not require Landlord's consent are "Permitted Alterations"). For the avoidance of doubt, notice shall not be required with respect to installation of any equipment unless such equipment constitutes a fixture.

B. **Approval of Alterations Affecting the Building Structure.** If Tenant desires to make any Alterations that are not Permitted Alterations, Tenant shall first obtain Landlord's written consent, which shall not be unreasonably withheld, conditioned or delayed, and, if Landlord does not notify Tenant in writing of its reasonable disapproval of any such Alterations within ten (10) business days following Tenant's written request for approval and delivery to Landlord of the proposed plans and specifications for such Alterations, then the failure of Landlord to respond within ten (10) business days after receipt of such written request shall be deemed to be Landlord's approval of Tenant's proposed Alterations. Any disapproval by Landlord of all or any portion of Tenant's proposed Alterations shall include a specific description of the portion of the work so disapproved and the reason(s) for such disapproval. Thereafter, Tenant may resubmit to Landlord another request for approval of such previously disapproved portion of the work and Landlord shall have five (5) business days from the date of Tenant's request to respond, failing which such non-responsiveness by Landlord within the required time period shall be Landlord's deemed approval. Landlord may impose, as a condition of its consent to any Alterations such requirements as Landlord in its reasonable discretion may deem desirable. Landlord also have the right to notify Tenant at the time of consent to any Alterations that Tenant must remove such Alterations at the end of the Lease Term and repair any damage caused thereby. For any Alterations other than Permitted Alterations Landlord shall have the right to approve Tenant's general contractor, provided that (i) such approval shall not be unreasonably withheld, and (ii) Landlord hereby approves the general contractors set forth on Exhibit D attached hereto. If Lessee performs any work on the roof of the Buildings (including without limitation installation and maintenance of any solar panels installed by Lessee), Lessee shall require its contractor to comply with the terms of the existing roof warranty. Tenant shall reimburse Landlord for Landlord's reasonable, actual, documented, out-of-pocket costs and expenses reasonably and actually incurred in connection with Landlord's review of any Alterations up to $5,000, and no other fees shall be payable to Landlord in connection with Alterations. Landlord pre-approves Tenant's right to install as Alterations (i) a generator, and (ii) solar panels on the roof of the Buildings, subject to Tenant's compliance with the terms of this Section 10 (including without limitation Landlord's approval of Tenant's plans for such work).

C. **Tenant Responsibilities.** Tenant shall provide a copy of the plans and specifications, all building permits (if permits were required), lien waivers from Tenant's contractor, and as-built plans (which may be field-marked record drawings) for all Alterations commencing after the Commencement Date, other than interior, non-structural Alterations (with respect to which Tenant shall provide copies of the plans and specifications to Landlord after written request by Landlord to the extent such plans and specifications have been prepared by Tenant). Tenant shall not construct any Alterations until Tenant has obtained all required governmental approvals and permits, and Landlord agrees to cooperate with Tenant in applying for and acquiring such approvals and permits. All Alterations shall be constructed in accordance with applicable Laws and by architects, engineers and/or licensed contractors. Tenant shall be entitled to all depreciation, amortization and after tax benefits with respect to all Alterations, trade fixtures and personal property constructed or installed on, in or to the Premises at Tenant's expense.

D. **Landlord's Rights.** Landlord shall not make any changes to the Premises without Tenant's prior written consent other than as required under Landlord's repair obligations set forth in Section 11(B) below or by applicable Laws.

11. REPAIR AND MAINTENANCE.

A. **Tenant's Obligations.** Subject to Landlord's obligations as set forth in this Lease (including, without limitation, in Sections 11(B), 29 and 30 of this Lease), throughout the Lease Term, Tenant shall, at Tenant's sole cost and expense, keep and maintain the Premises in good working order and condition, including without limitation all systems serving the Premises including the HVAC, generators, solar panels installed by Lessee, mechanical, electrical, fire alarm and life safety, plumbing, vertical transportation system (including elevator cabs), and sprinkler systems (collectively, the "Building Systems"), the roof covering (which shall comply with the terms of the existing roof warranty but in no event shall Lessee be responsible for repair or maintenance of the structural portions of the roof or for replacement of the roof covering (subject to reimbursement as set forth in Section 5(B)(c)(vii) above), all Exterior Areas, and the Parking Areas. Tenant's obligations described in this Section 11(A) shall be collectively referred to herein as the "Tenant Repair/Maintenance Obligations." As part of the Tenant Repair/Maintenance Obligations, Tenant shall obtain and maintain periodic maintenance contracts with respect to the [roof covering], HVAC system, and vertical transportation system serving the Premises and shall deliver to Landlord copies of all such service contracts. Landlord hereby assigns to Tenant and Tenant shall have the right to enforce any third-party warranties held by Landlord relating to the Building Systems, the Existing EV Stations, or in connection with any other Landlord Repair/Maintenance Obligations (hereinafter defined) and, upon request from Tenant, Landlord will cooperate with Tenant with respect to the pricing and purchase, at Tenant's cost, of any extended warranties available for any component of the Premises and/or the Building Systems. If Tenant fails to make any required Tenant Repair/Maintenance Obligations, Landlord may demand in writing that Tenant make the same, and if Tenant refuses to commence such repairs or replacements within twenty (20) days after such demand or to complete the same with reasonable diligence thereafter, then Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the reasonable, out-of-pocket documented cost thereof, including all overhead, general conditions, fees and other costs or expenses reasonably arising from Landlord's involvement with such repairs and replacements within thirty (30) days after invoice. Tenant shall, at its sole cost and expense, contract directly with a janitorial service and shall pay for all janitorial services used on or for the Premises and Landlord shall have no obligations whatsoever in connection therewith.

B. **Landlord's Obligations.** Landlord shall maintain in good condition and repair, including replacements, the structural portions of the Buildings, including the structural portions of the foundation, structural portions of the walls, structural portions of the floor/ceiling slabs, and the structural portions of the roof. Landlord's obligations described in this Section 11(B) shall be collectively referred to herein as the "Landlord Repair/Maintenance Obligations." If any repairs that are Landlord's repair obligations are required because of (i) Tenant's negligence or willful misconduct, or (ii) damage caused by Tenant or its agents or contractors, then Landlord shall make such repairs and replacements, at Tenant's sole cost, sufficient to reimburse Landlord for all reasonable, out-of-pocket, documented, 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. If Landlord fails to make any required Landlord Repair/Maintenance Obligations, Tenant may demand in writing that Landlord make the same, and if Landlord refuses to commence such repairs or replacements within twenty (20) days after such demand or to complete the same with reasonable diligence thereafter, then Tenant may, but need not, make such repairs and replacements, and Landlord shall pay Tenant the reasonable, out-of-pocket documented cost thereof, including all overhead, general conditions, fees and other costs or expenses reasonably arising from Tenant's involvement with such repairs and replacements within thirty (30) days after invoice.

12. INSURANCE.

A. **Tenant's Use.** Tenant shall not use or permit the Premises, or any part thereof, to be used for any purpose other than the Permitted Use.

B. **Landlord's Insurance.**

a. **Required Insurance.** Landlord, at its sole cost and expense (but subject to reimbursement by Tenant as set forth in Section 5 above), shall keep in force at all times during the Lease Term, (i) a policy or policies of casualty insurance covering loss or damage to the Premises and all improvements on or to the Premises (but excluding any property that Tenant is required to insure under this Lease) in the amount of the full replacement cost thereof, providing protection against those perils covered by a standard ISO form policy of special form insurance, (ii) commercial general liability insurance covering the Premises with limits of at least Three Million Dollars ($3,000,000) per occurrence and Five Million Dollars ($5,000,000) annual aggregate (collectively, the "Required Insurance").

b. **Optional Insurance.** Landlord, at Landlord's option and sole cost and expense (but subject to reimbursement by Tenant as set forth in Section 5 above), may, but shall have no obligation to, carry: (ii) additional liability insurance and terrorism coverage as Landlord may deem prudent or advisable; and (iii) such other and additional insurance as Landlord elects in its discretion. If Landlord elects to carry earthquake, earthquake sprinkler leakage and flood insurance, it shall be at Landlord's sole cost and expense and not subject to reimbursement by Tenant.

c. **General Insurance Requirements.** All insurance maintained by Landlord hereunder shall be under separate policies covering the Premises exclusively; alternatively, Landlord may maintain such insurance under a blanket policy provided that the premium under such blanket policy is equitably allocated across all projects covered by such policy. Such insurance policies shall have commercially reasonable deductibles and competitively bid rates. All insurance policies required to be carried by Landlord under this Lease shall be written by companies rated A-VII or better in "Best's Insurance Guide" and authorized to do business in the state in which the property is located and shall name Tenant as an additional insured.

Landlord shall deliver a certificate of insurance to Tenant on or before the Commencement Date evidencing all insurance that Landlord is permitted or required to maintain hereunder and upon any renewal of each such policy. Tenant shall be notified promptly (in advance if practicable) in the event of any cancellation or reduction of coverage.

C. Tenant's Insurance.

a. **Required Insurance.** Tenant agrees, at its sole cost, to (i) insure the Alterations and Tenant's personal property, each for their full replacement cost, under a policy of property insurance covering risks commonly associated with all-risk or special form property insurance policies; (ii) obtain workers' compensation coverage as required by Laws; (iii) maintain commercial general liability insurance covering bodily injury and property damage arising out of Tenant's use and occupancy of the Premises with limits not less than [****] per occurrence for bodily injury and property damage; (iv) maintain business automobile liability insurance covering owned vehicles with a limit of not less than [****] per occurrence; and (v) maintain employers' liability insurance with limits of not less than [****] per occurrence. In addition, (1) for a period of three (3) years from and after the expiration or earlier termination of this Lease, and (2) at all times during the Lease Term that the Tenant is no longer the original tenant under this Lease (i.e., AstraZeneca Pharmaceuticals LP) ("Original Tenant") or a Tenant Affiliate (as defined in Section 31(A)) of the Original Tenant, Tenant shall, at its sole cost, maintain environmental pollution legal liability insurance covering (a) pollution conditions and indoor environmental conditions, (b) transportation covering, and (c) non-owned disposal site coverage, with a limit of not less than [****] per occurrence.

b. **General Insurance Requirements.** All insurance maintained by Tenant hereunder may be under a separate policy covering the Premises exclusively or under a blanket policy. All insurance policies required to be carried by Tenant under this Lease shall, insofar as the claims arise from the operations of Tenant, 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. Tenant shall provide Additional Insured Status to Landlord and its property manager (provided Landlord has given Tenant written notice of the name of any such property manager) and Landlord's lender or future lender (provided Landlord has given Tenant written notice of the name of any such future lender) under Tenant's commercial general liability policy as to liability arising to Landlord or lender out of Tenant's use and occupancy of the Premises, and shall deliver a certificate of insurance to Landlord on or before the Commencement Date and upon any renewal of such policy. In addition, if the Tenant is no longer the Original Tenant or a Tenant Affiliate of the Original Tenant, then all insurance policies required to be carried by Tenant under this Lease shall (i) be written by companies rated A- VII or better in "Best's Insurance Guide" and authorized to do business in the state in which the property is located, and (ii) 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 of Landlord (if such notice is reasonably available).

c. **Tenant's Self-Insurance.** At Tenant's option and upon no less than fifteen (15) days prior notice, for so long as (i) Tenant is the Tenant under this Lease and/or is a Permitted Transferee (defined below) of Tenant, (ii) no Event of Default (as defined in this Lease) exists, (iii) Tenant has in full force and effect a self-insurance program issued through a captive insurance company which covers Tenant for some or all of the risks required to be insured against by Tenant under this Lease, and (iv) Tenant satisfies the "Financial Requirement" (as defined below) Tenant

(and any transferees of Tenant permitted without Landlord's consent under this Lease and that are covered under Tenant's self-insurance program) may self-insure for some or all of the insurance required by this Section 12. Any undertaking by Tenant to self-insure pursuant to this Section 12(C) shall not relieve Tenant from any of Tenant's other obligations under this Section 12 and Tenant shall not be relieved from the indemnification obligations of this Lease. The rights and obligations of Landlord shall remain the same as if Tenant had obtained and maintained separate insurance from an independent institutional insurer of recognized responsibility for the coverages as provided herein, including the application of the waivers and releases in Section 12(D) hereof. Tenant shall be liable for the same coverages and the same amount of insurance as would Tenant's insurer if Tenant maintained the insurance described in this Section 12. For the avoidance of doubt, the term "self-insure" shall mean Tenant, through itself (through a wholly owned captive insurance company) acting as though it were the insurance company providing the insurance required under the provisions of this Lease and Tenant shall pay any amounts due in lieu of insurance proceeds because of self-insurance, which amounts shall be treated as insurance proceeds for all purposes under this Lease. If an event or claim occurs for which a defense and/or coverage would have been available from the insurance company issuing insurance for which Tenant is required to maintain pursuant to this Section 12 and Tenant has self-insured with respect to such required insurance, Tenant shall, to the extent required under this Lease, (i) undertake the defense of any such claim, including a defense of Landlord at Tenant's sole cost and expense; and (ii) use its own funds to pay any claim or replace any property or otherwise provide the funding that would have been available from insurance proceeds but for such election by Tenant to self-insure. It is expressly understood that the self-insurance permitted above does not relieve Tenant of its statutory obligations under Workers' Compensation laws. The "Financial Requirement" shall mean that Tenant and its "Parent" (as defined in Section 44(T) below) shall maintain net worth calculated in accordance with generally accepted accounting principles consistently applied of [****]. If Tenant maintains a self-insurance program, then [****].

D. **Mutual Waiver of Subrogation.** Notwithstanding anything to the contrary in this Lease, the Parties hereby waive any rights each may have against the other on account of any loss or damage that is caused by or results from a risk which is actually insured against, which is required to be insured against under this Lease, or which would normally be covered by a property insurance policy equivalent to "all risk" or "special form" policies, regardless of whether such loss or damage is due to the negligence of Landlord or Tenant or of their respective agents, employees, subtenants, contractors, assignees, invitees or any other cause subject to the limitation that the party being released shall be responsible for reimbursing the releasing party for any deductible owed as a result of such damages but only in proportion to the released party's negligence. Each Party shall obtain from their respective insurance companies a waiver of any right of subrogation that such insurance company may have against Landlord or Tenant, as the case may be. All of Landlord's and Tenant's repair and indemnity obligations under this Lease shall be subject to the waiver contained in this Section 12(D).

13. TENANT TERMINATION RIGHT. Provided that Tenant is not in monetary or material non-monetary default under this Lease beyond the applicable notice and cure period as of the date of Tenant's delivery of the "Termination Notice," as that term is defined below, Tenant shall have the right to terminate this Lease, effective as of tenth (10^{th}) anniversary of the Commencement Date (the "Termination Date"), provided that (i) Landlord receives written notice (the "Termination Notice") from Tenant on or before the date which is twelve (12) months prior to the Termination Date, stating that Tenant has elected to terminate this Lease pursuant to the terms and conditions of this Section 13, and (ii) concurrently with Landlord's receipt of the Termination Notice, Landlord receives from Tenant fifty percent (50%) of the "Termination Fee" (as defined below). Tenant shall pay the remaining fifty percent (50%) of the

Termination Fee not later than thirty (30) days prior to the Termination Date. The "Termination Fee" shall equal to the sum of (A) the unamortized amount of leasing commissions paid by Landlord in connection with this Lease remaining as of the Termination Date, and (B) the unamortized amount of abated Rent provided to Tenant pursuant to Section 4(D) above remaining as of the Termination Date, as consideration for and as a condition precedent to such early termination (each amortized at an annual interest rate of 6% over the initial Lease Term). If Tenant terminates this Lease pursuant to the terms of this Section 13, this Lease shall automatically terminate and be of no further force or effect and Landlord and Tenant shall be relieved of their respective obligations under this Lease as of the Termination Date, except those obligations set forth in this Lease which specifically survive the expiration or earlier termination of this Lease, including, without limitation, the payment by Tenant of all amounts owed by Tenant under this Lease, up to and including the Termination Date.

14. UTILITIES.

A. **Provision.** Tenant shall pay directly to the applicable utility provider the charges for utilities consumed by the Premises during the Lease Term. Tenant shall contract for such utilities directly with the applicable utility provider. Without limiting the foregoing, Landlord shall, at no additional cost to Tenant, allow Tenant and its utility providers (including, but not limited to, telecommunication service providers, electrical service providers and water and sewer providers) (collectively, "Carriers") to access the Premises for purposes of installing, testing, monitoring and maintaining utility services to the Premises, including upgrading the existing utility services available to the Premises. The activities may include: (a) allowing each of Tenant's Carriers to install a fiber distribution panel for purposes of providing connectivity to the Premises; (b) allowing Tenant's Carriers to install additional utility lines to the Premises (including establishing one or more additional fiber optic pathways to the Buildings); (c) granting Tenant's Carriers access to and use of existing easement areas and ducts, risers, closets, and conduits serving the Buildings; (d) allowing Tenant and its Carriers to install, monitor, and maintain equipment within the Buildings for purposes of providing, receiving and monitoring utility service to the Premises; and (e) installing underground or overhead conduit, cabling, fiber, and other utility lines on or within the Premises and the removal and replacement of curbing, pavement, and sidewalks.

B. **Loss of Service.** Landlord shall not be liable for a loss of or injury to person or property, through or in connection with or incidental to furnishing or failure to furnish any utilities to the Premises (and no such interruption or failure of utility services shall be deemed to constitute a constructive eviction of Tenant); provided, however, if (i) a utility service failure occurs as a result of the negligence or willful misconduct of Landlord or any of Landlord's agents, employees, contractors, suppliers, or invitees (collectively, "Landlord Parties"), and (ii) such utility service failure lasts for more than twenty-four (24) hours and adversely impacts Tenant's equipment or operations or testing or production environments within the Premises or Tenant's ability to use the Premises for the Permitted Use, then Tenant shall be entitled to receive an abatement of Rent payable hereunder during the period beginning after the expiration of such twenty-four (24) hour period and ending on the day the service has been restored. In the case of a utility service failure, if the entire Premises has not been rendered untenantable by such failure, the amount of abatement shall be equitably prorated.

C. **Energy Consumption Data.** Tenant agrees to provide Landlord with its energy consumption data within thirty (30) days after Landlord's request for the same. Tenant acknowledges that pursuant to applicable Laws, Landlord may be required to disclose information concerning Tenant's energy usage at the Building to certain third parties, including, without limitation, prospective purchasers, lenders and tenants of the Building (the "Tenant Energy Use Disclosure"). Tenant hereby (A) consents to all such Tenant Energy Use Disclosures, and (B) acknowledges that Landlord shall not be required to notify Tenant of any Tenant Energy Use Disclosure. Tenant agrees to take such further

actions as are reasonably necessary in order to further the purpose of this paragraph, including, without limitation, providing to Landlord the names and contact information for all utility providers serving the Premises, copies of utility bills, written authorization from Tenant to any such utility company to release information to Landlord, and any other relevant information reasonably requested by Landlord or the applicable utility company.

15. FURNITURE, FIXTURES, AND EQUIPMENT. Tenant shall have the right to use the furniture, fixtures, and equipment currently existing in the Premises, as set forth on Exhibit B attached hereto (the "Furniture"), during the Lease Term. Tenant shall accept the Furniture in its currently existing "as-is" condition and Landlord makes no representation or warranty regarding the condition of the Furniture or its suitability for Tenant's intended use. Subject to the remaining terms of this Section 15, the Furniture shall remain the sole property of Landlord and shall be returned to Landlord by Tenant in the same condition in which it was delivered, subject to reasonable wear and tear. As of the Expiration Date, if this Lease is still in effect, Tenant shall purchase the Furniture from Landlord, and Landlord shall sell the Furniture to Tenant, for $1.00, and the Furniture shall become the sole property of Tenant and Tenant shall be responsible for removing the same from the Premises. Landlord and Tenant shall execute a bill of sale in reasonable form evidencing such sale.

16. FREE FROM LIENS. Tenant shall keep the Buildings and the Land free from all liens arising out of work performed, materials furnished, or obligations incurred by Tenant; provided that if Tenant, in good faith, elects to contest such lien, Tenant shall furnish a bond or other security reasonably acceptable to Landlord and Tenant shall not then be deemed in default under this Lease. Tenant shall cause any such lien imposed to be released of record by payment or posting of a proper bond reasonably acceptable to Landlord within thirty (30) days after written request by Landlord.

17. COMPLIANCE WITH GOVERNMENTAL REGULATIONS. Except as expressly provided herein, Tenant shall, at Tenant's sole cost and expense, comply in all material respects with all Laws applicable to the Premises including performing required modifications. Landlord shall, at Landlord's sole cost and expense, perform modifications to the Building components that comprise the Landlord Repair/Maintenance Obligations to the extent required to comply with all Laws in all material respects (subject to reimbursement to the extent permitted under Section 5 above), provided that Tenant shall be responsible for making such modifications at Tenant's sole cost to the extent the compliance obligation is triggered by Tenant's particular use of the Premises or Alterations constructed by Tenant.

18. HAZARDOUS MATERIALS AND COMPLIANCE WITH ENVIRONMENTAL LAWS.

A. **Hazardous Materials**. As used herein, "Hazardous Materials" means any pollutant, petroleum product or byproduct, radioactive or hazardous substance, chemicals, toxic or hazardous gaseous, liquid or solid materials or waste, including without limitation, any material or substance having characteristics of ignitability, corrosiveness, reactivity, or toxicity or other substance for which liability or standards of conduct may be imposed or that are regulated under any laws because of the effect or alleged effect on health or the environment, or which is otherwise determined under any laws to be a danger to health, reproduction or the environment and shall include asbestos and asbestos-containing materials, radiation, mold and microbial agents.

B. **Environmental Laws**. As used herein, "Environmental Laws" means all federal, state and local environmental laws, rules, regulations, ordinances, directives and orders pertaining to environmental health and safety matters, as same may be amended or supplemented from time to time, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, ("CERCLA"), 42 U.S.C § 9601 et seq.; the Resource Conservation and Recovery Act, ("RCRA"), 42 U.S.C § 6901 et seq.; the Clean Air Act, 42 U.S.C § 7401 et seq.; the Federal Water Pollution Control Act (including but not limited to as amended by the Clean Water Act), 33 U.S.C § 1251 et seq.; the Hazardous Material Transportation Act, 49 U.S.C. § 5101 et seq.; the

Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Occupational Safety & Health Act of 1970, 29 U.S.C. § 651 et seq.; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq.

C. **Tenant's Responsibility**. Tenant shall not bring or use on the Premises, or manufacture on the Premises, any Hazardous Materials without Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed, and either given or withheld within thirty (30) days after Tenant's written request; provided that Tenant may, without Landlord's consent, use, store, and properly dispose of Hazardous Materials as required for Tenant to operate, repair, and maintain the Premises for the Permitted Use and to perform Tenant's obligations under this Lease so long as Tenant complies with Environmental Laws. Landlord's consent (as needed) shall be deemed granted with respect to Hazardous Material required to be disclosed to the Los Angeles Fire Department pursuant to the California Environmental Reporting System (CERS) regarding the Hazardous Materials Tenant uses at the Premises, provided that Tenant delivers a copy of such report(s) to Landlord. Hazardous Materials not required to be disclosed under CERS, including Hazardous Materials below the reportable quantities under CERS, shall not require consent. If Landlord consents (or is deemed to have consented) in accordance with the foregoing to Tenant's use of Hazardous Materials on the Premises, Tenant represents and warrants that it will do the following: (i) adhere to all reporting and inspection and other requirements imposed by applicable Environmental Laws; (ii) obtain and provide to Landlord copies of all necessary permits required for the use and handling of Hazardous Materials on the Premises; and (iii) enforce Hazardous Materials handling and disposal practices consistent with industry standards.

D. **Tenant's Indemnity Regarding Hazardous Materials**. Tenant shall indemnify, defend and hold Landlord harmless from and against any claims, liabilities, costs or expenses to third parties incurred or suffered by Landlord to the extent arising from Tenant bringing, using or manufacturing Hazardous Materials on the Premises. Tenant's indemnification and hold harmless obligations include, without limitation, the following: (a) claims, liability, costs or expenses resulting from or based upon administrative, judicial (civil or criminal) or other action, legal or equitable, brought by any private or public person under common law or under Environmental Laws, (b) claims, liabilities, costs or expenses pertaining to the identification, monitoring, cleanup, containment, or removal of Hazardous Materials from soils, riverbeds or aquifers including the provision of an alternative public drinking water source, and (c) all costs of defending such claims. The foregoing obligations of Tenant shall survive the expiration or earlier termination of this Lease.

E. **Tenant's Remediation**. If any Hazardous Materials brought upon, or used or manufactured in, the Premises and the Land by Tenant or any Tenant Party during the Lease Term ("Tenant Hazardous Materials") are introduced by Tenant or any Tenant Party into the soil or ground water under the Premises and the Land, Tenant agrees to promptly notify Landlord of the same and comply, at Tenant's sole cost, with all applicable Environmental Laws relating to the investigation, monitoring and remediation of such Tenant Hazardous Materials. In the event of any such introduction of Tenant Hazardous Materials, Tenant agrees to meet and confer with Landlord to attempt to eliminate or mitigate any financial exposure to Landlord under any applicable Environmental Laws as a result thereof, and Tenant agrees to take all investigatory, monitoring and remedial steps with respect to such introduction as required by Environmental Laws.

F. **Tenant's Investigation.** Tenant shall have the right, at Tenant's sole cost and expense, to designate and engage its own advisers and to make any inspections of the

Premises and the Land during the Lease Term that Tenant may deem necessary, provided that (a) Tenant shall notify Landlord, as promptly as practicable, of its intention to cause such inspection to occur; (b) neither Tenant nor its advisers shall perform any invasive testing unless required by applicable Environmental Laws or governmental orders; and (c) any written report resulting from such inspection shall be addressed only to Tenant's counsel and shall be marked "Attorney-Client Privileged and Confidential."

G. **Landlord's Representation.** Landlord represents and warrants, to the best of its knowledge, that, as of the Commencement Date, no Hazardous Materials exist on, under or about the Premises and Land in violation of Environmental Laws.

H. **Notification.** The Parties shall notify each other of the existence of any reports, recommendations or studies prepared in connection with any investigation for the presence of Hazardous Materials on, in or under the Premises and Land of which it becomes actually aware, and shall give written notice to the other as soon as reasonably practicable of: (i) any written communication received from any governmental authority concerning any Hazardous Materials which relates to the Premises and Land; and (ii) any release of Hazardous Materials in violation of applicable Environmental Laws on, in or under the Premises and Land of which such party becomes actually aware.

I. **Landlord's Indemnity Regarding Hazardous Materials.** Landlord shall indemnify, defend and hold Tenant harmless from any claims, liabilities, costs or expenses incurred or suffered by Tenant to third parties arising from: (i) the existence of Hazardous Materials in, on, around or under the Premises and Land prior to the Commencement Date (other than and to the extent of Hazardous Materials brought thereon by Tenant), and (ii) the bringing, using, permitting, generating, emitting or disposing of Hazardous Materials by Landlord or any of the Landlord Parties on, in or under the Premises and Land during the Lease Term. Landlord's indemnification and hold harmless obligations include, without limitation, the following: (a) claims, liability, costs or expenses resulting from or based upon administrative, judicial (civil or criminal) or other action, legal or equitable, brought by any private or public person under common law or under Environmental Laws, (b) claims, liabilities, costs or expenses pertaining to the identification, monitoring, cleanup, containment, or removal of Hazardous Materials from soils, riverbeds or aquifers including the provision of an alternative public drinking water source, and (c) all costs of defending such claims. The foregoing obligations of Landlord shall survive the expiration or earlier termination of this Lease.

J. **Landlord's Compliance with Environmental Laws; Landlord's Remediation**. Landlord agrees to comply, at its sole cost (without reimbursement as an operating expense or otherwise), with all Environmental Laws relating to the investigation, monitoring, disposal, remediation and/or removal of Hazardous Materials (excluding those for which Tenant is responsible pursuant to Section 18(E)) that: (i) are present on, in or under the Premises and Land on or prior to the Commencement Date (except to the extent brought thereon by Tenant), or (ii) are brought, used, permitted, generated, emitted or disposed of by Landlord or any Landlord Parties on, in or under the Premises and Land. Under no circumstances shall any costs or expenses incurred by Landlord in connection with any investigation, monitoring, testing, remediation or removal activities be passed through to Tenant. If any Hazardous Materials for which Landlord is responsible pursuant to this Section 18(J) require investigation, monitoring, remediation and removal, Landlord agrees to promptly meet and confer with Tenant to attempt to eliminate and mitigate any exposure to Tenant and any Tenant Party by such Hazardous Materials and promptly, at Landlord's sole cost and expense, take all reasonable and required investigatory, monitoring, testing, remedial and removal steps and actions taking into account the current use of the Premises, the risks to human health posed by the discharge, the then available technology, and the costs of investigation, monitoring and remediation, consistent with acceptable customary

practices for the type and severity of such contamination and all applicable Environmental Laws. Landlord shall provide Tenant prompt written notice of Landlord's proposed investigatory, monitoring, cleanup and remedial steps and actions.

19. INDEMNITY.

A. **Tenant's Indemnity.** To the fullest extent permitted under applicable Laws but only to the extent that such Losses (as defined below) are not subject to the waiver of claims and subrogation under Section 12(D), Tenant shall defend, indemnify and hold Landlord and Landlord Parties harmless from and against any and all obligations, losses, costs, expenses, liabilities, claims, damages, demands, fines, penalties, attorneys' fees, investigation costs, court costs or expert witness fees (collectively, "Losses") incurred to the extent resulting from any injury or death or property damage occurring during the Lease Term on the Premises and Land resulting from: (i) any occurrence in or about the Premises, the use and occupancy of the Premises, or from any activity, work, or thing done, permitted or suffered by Tenant and/or any Tenant Party in or about the Premises, (ii) any negligence or willful misconduct of Tenant or any of its employees, contractors or agents (collectively, the "Tenant Parties"), or (iii) any breach by Tenant of any of its obligations hereunder which continues beyond applicable grace, notice and cure periods. If any action or proceeding is brought against any Landlord Party by reason of any such claim, Tenant, upon written notice from Landlord, shall defend the claim at Tenant's expense with counsel reasonably approved by Landlord. The foregoing obligations of Tenant shall survive the expiration or earlier termination of this Lease.

B. **Landlord's Indemnity.** To the fullest extent permitted under applicable Laws but only to the extent that such Losses are not subject to the waiver of claims and subrogation under Section 12(D), Landlord shall defend, indemnify and hold Tenant and Tenant Parties harmless from and against any and all Losses incurred to the extent resulting from any injury or death or property damage occurring during the Lease Term on the Premises and Land resulting from: (1) any negligence or willful misconduct of Landlord or any of the Landlord Parties; or (2) any breach by Landlord of any of its obligations hereunder which continues beyond applicable grace, notice and cure periods. If any action or proceeding is brought against any Tenant Party by reason of any such claim, Landlord, upon written notice from Tenant, shall defend the claim at Landlord's expense with counsel reasonably approved by Tenant. The foregoing obligations of Landlord shall survive the expiration or earlier termination of this Lease.

20. INTENTIONALLY DELETED.

21. INTENTIONALLY DELETED.

22. ATTORNEYS' FEES. If a suit or alternative form of dispute resolution is brought for the possession of the Premises, for the recovery of any sum due hereunder, to interpret this Lease, or because of the breach of any other covenant or warranty herein, the losing party shall pay to the prevailing party reasonable, out-of-pocket attorneys' fees actually incurred, including the expense of expert witnesses, depositions and court testimony as part of its costs which shall be deemed to have accrued on the commencement of such action. The prevailing party shall also be entitled to recover all out-of-pocket costs and expenses including reasonable attorneys' fees incurred in enforcing any judgment or award against the other party. The foregoing provision relating to post judgment costs is severable from all other provisions of this Lease.

23. TENANT'S DEFAULT.

A. **Default.** The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant: (i) any failure by Tenant to pay rent or to make any

other payment required to be made by Tenant to Landlord hereunder, where such failure continues for five (5) business days after Tenant's receipt of written notice of such delinquency from Landlord; (ii) a failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, where such failure continues for forty-five (45) days after Tenant's receipt of written notice thereof from Landlord; provided, that if the nature of the default is such that it cannot reasonably be cured within such 45-day period, Tenant shall not be deemed to be in default if Tenant commences within such period to cure the default and thereafter diligently prosecutes the cure to completion; (iii) the making by Tenant of any general assignment for the benefit of creditors or the filing by or against Tenant of a petition to have Tenant adjudged bankrupt or of a petition for reorganization or arrangement under any Laws relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within ninety (90) days after the filing); (iv) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within sixty (60) days; or (v) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within sixty (60) days. The notice requirements set forth herein are in lieu of and not in addition to the notices required by applicable Laws, provided that no such notice period hereunder shall be less than any required by appliable Laws.

B. **Remedies.** Upon material default and breach of this Lease by Tenant beyond applicable notice and cure periods, as described in Section 23(A), Landlord shall have those rights and remedies set out in this Section 23(B), in addition to all other rights and remedies available under this Lease, at law and in equity. Without notice or demand (except as otherwise required in Section 23(A) or by applicable Laws) Landlord may terminate this Lease in accordance with Laws and pursuant to the judgment of a court of competent jurisdiction, in which case Tenant shall immediately surrender the Premises to Landlord. Thereafter, Tenant shall pay Landlord, on demand, all past due rent and other losses and damages Landlord suffers as a result of Tenant's default, including, without limitation: (i) the worth at the time of award of any unpaid rent which had 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 be reasonably avoided; plus (iv) except as otherwise limited by Section 42, 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. The term "rent" as used in this Section shall be deemed to be and to mean the Monthly Base Rent, Direct Expenses, and all other sums required to be paid by Tenant pursuant to the terms of this Lease, all other such sums being deemed to be additional rent due hereunder. As used in subsections (i) and (ii) above, the "worth at the time of award" is computed by allowing interest on all such unpaid sums at the rate of the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication H-15, published on the first Tuesday of each calendar month (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published) plus two (2) percentage points (the "Interest Rate"), compounded annually. As used in subsection (iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco plus one percent (1%) per year.

Landlord shall also 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.

24. LANDLORD'S DEFAULT**.** Notwithstanding anything to the contrary set forth in this Lease, Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease unless Landlord fails to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) day period and thereafter diligently pursue the same to completion. Upon any such default by Landlord under this Lease (subject to any additional rights of a lender under an SNDA) Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity. Tenant shall give to each of Landlord's lenders whose name and address are given to Tenant written notice of any default by Landlord under the terms of this Lease by certified mail, and each such lender shall be given the same opportunity to cure such default as Landlord is given above prior to Tenant's exercising any remedy available to Tenant.

25. SIGNAGE**.** During the Lease Term, Tenant shall have the exclusive right, in compliance with all applicable Laws, to all signage located on or about the Premises including the Buildings and the Exterior Areas, and may install additional signage in Tenant's sole discretion. All signage installed by Tenant on the exterior of any Building or the Exterior Areas is subject to the prior written approval of Landlord, which shall not be unreasonably withheld. Tenant shall maintain its signage in good condition and repair at all times. Tenant shall be responsible for the cost of installing, maintaining, and repairing Tenant's signs.

26. INTENTIONALLY DELETED.

27. RIGHT OF FIRST OFFER TO PURCHASE. Provided that Tenant is not then in monetary or material non-monetary default of the terms of this Lease beyond the applicable notice and cure period at the time of Tenant's exercise of the right of first offer to purchase under this Section 27, Tenant shall have a right of first offer (the "Right of First Offer to Purchase"), during the Lease Term, to purchase the Premises pursuant to the terms and conditions of this Section 27. Such Right of First Offer to Purchase shall be a continuing right for the first two years of the Lease Term and thereafter shall be a one-time right. For purposes of this Section 27, "Premises" refers separately to each Building such that Tenant has the Right of First Offer to Purchase either Building in the event Landlord elects to sell only one (or each separately).

A. **Landlord's Notice of Intent to Sell**. In the event Landlord desires to Sell (as defined below) the Premises, then, prior to Selling the Premises, Landlord must first offer to Sell the Premises to Tenant by delivering written notice (the "Purchase Offer Notice") to Tenant setting forth (i) the gross purchase price for the Premises together with any material closing cost allocations and any other material estimated adjustments to the purchase price (the "Purchase Price") that Landlord will accept for the Premises, (ii) the closing period, (iii) the deposit amount, (iv) the escrow/title company, and (v) material conditions to closing (if any) (provided that there shall be no "due diligence period" or other contingency period offered to Tenant regardless of the terms Landlord may seek from a third party). For the purposes hereof, "Sale", "Sell" or "Selling" shall mean to sell, transfer, or ground lease the Premises (however, the granting of a first priority real property secured mortgage, deed of trust or other security instrument, shall not be deemed a Sale) or to convey one hundred percent (100%) of the membership or other direct or indirect controlling ownership interests in the Landlord to a third party (e.g., other than for estate planning purposes or among current owners of interests in Landlord). Tenant acknowledges that the Premises is currently on the market (or has

been recently) and that Landlord is not obligated to deliver to Tenant a Purchase Offer Notice upon execution of this Lease (but shall be obligated to do so if Landlord materially changes the terms of the sale being offered). Notwithstanding the foregoing or anything to the contrary in this Section 27 the following transactions shall not be considered a Sale (each, an "Exempt Transfer"): (i) transfers of any direct or indirect ownership interest in Landlord, including any interest of any member, as a result of exercising buy/sell or other contractual rights or pursuant to any other agreement by a direct or indirect constituent owner of, or a member of, Landlord to acquire the interest of another constituent owner or member under the organizational documents of, or a member of, Landlord or any of its constituent owners or members; (ii) transfers of the Premises to a Landlord Affiliate (as defined below), provided any such Landlord Affiliate shall take subject to the obligations of Landlord hereunder; (iii) transfers of direct or indirect ownership interest in Landlord provided that after the transfer, Landlord remains a Landlord Affiliate; (iv) transfers of any direct or indirect ownership interest in Landlord or Landlord Affiliate resulting solely from the sale, transfer, or issuance of operating partnership units; (v) transfers of direct or indirect ownership interests in Landlord resulting solely from the sale, transfer or issuance of shares of common stock or operating partnership units in an entity that is (or becomes as a result of such transfer) a publicly traded entity, provided such shares of common stock are listed on the New York Stock Exchange or another nationally recognized stock exchange; or (vi) transfers of the Premises or the interests in Landlord to a Foreclosure Owner (as defined below) or any foreclosure or transfer in lieu thereof of a security interest in the membership or other equity interest in the entity constituting Landlord. Concurrently with Landlord's delivery to Tenant of a Purchase Offer Notice, Landlord shall deliver to Tenant, to the extent in Landlord's possession: (a) operating statements for the two (2) prior calendar years and a year to date operating statement, (b) a copy of Landlord's most recent title policy and property survey, if any, and (c) a copy of Landlord's most recent environmental reports, if any (collectively, the "Due Diligence Materials").

B. **Confidentiality**. Subject to Section 27(J) below, Tenant shall keep the existence of the Purchase Offer Notice, Tenant's potential purchase of the Premises, and the Due Diligence Materials confidential, except to the extent necessary to comply with applicable Law; provided, however, that Tenant shall be allowed to disclose such information to Tenant's agents, employees, contractors, consultants, and attorneys, as well as current or prospective partners, lenders (if any), tenants, and title company personnel, in each case with a need to know in connection with Tenant's review and consideration of the Premises. Tenant shall inform all persons receiving such information from Tenant of the confidentiality requirement and (to the extent within Tenant's control) cause such confidence to be maintained. Any such disclosure to third parties shall indicate that the information is confidential and should be so treated by the third party. Disclosure of information by Tenant shall not be prohibited if that disclosure is of information that is or becomes a matter of public record or public knowledge from sources other than Tenant or its agents, employees, contractors, consultants or attorneys.

C. **Definitions**.

a. A "Landlord Affiliate" shall mean an affiliate of Landlord or Landlord's parent (an entity that directly or indirectly, through one or more intermediaries, is controlled by, controls, or is under common control, as such term is defined in California General Corporations Code Sections 160 and 5045, with, Landlord).

b. A "Foreclosure Owner" shall mean an entity or person who had a first priority real property secured loan or a security interest in the equity interests of the entity constituting Landlord and that becomes the owner of the Premises or the entity constituting Landlord through a foreclosure by trustee's power of sale, judicially or

otherwise, or as a purchaser at a foreclosure sale, UCC sale or a mortgagee of the Premises (or an entity that is controlled by, controls, or is under common control with such mortgagee) that acquires title by deed in lieu or transfer of equity in lieu of foreclosure, in connection with a default by Landlord under a first priority real property secured mortgage, deed of trust or other security interest encumbering the Premises.

c. The "Closing Date" shall be the date the grant deed, in a form set forth in the ROFO Purchase Agreement, conveying the Premises to Tenant is recorded in the official records of Los Angeles County, California, which shall be sixty (60) days following the full execution and delivery of the ROFO Purchase Agreement.

D. **Procedure for Acceptance by Tenant**. If Tenant wishes to purchase the Premises following Tenant's receipt of a Purchase Offer Notice, then Tenant shall send written notice to Landlord (the "Purchase Acceptance") indicating Tenant's acceptance of Landlord's offer to sell the Premises on the terms of the Purchase Offer Notice, on or before the date that occurs [****] days following Tenant's receipt of the Purchase Offer Notice and the Due Diligence Materials (the "Offer Period"). The delivery of the Purchase Acceptance shall be deemed to be an acceptance to buy the Premises on the terms and conditions set forth in the Purchase Offer Notice. If Tenant fails to deliver a Purchase Acceptance within the Offer Period, then Landlord shall thereafter be free for a period of one (1) year (the "One Year Period") to sell the Premises to any party thereafter on any terms determined by Landlord in its sole discretion; provided, however, prior to selling the Premises to a third party at a Purchase Price that is less than ninety-five percent (95%) of the Purchase Price set forth in the Purchase Offer Notice, then Landlord shall deliver to Tenant a modified Purchase Offer Notice at the reduced Purchase Price and Tenant shall again have the right to deliver a Purchase Acceptance pursuant to the terms of this Section 27(D) except that Tenant shall have [****] days following Tenant's receipt of such modified Purchase Offer Notice to deliver the Purchase Acceptance to Landlord. If Landlord has not entered into a legally binding agreement with, or granted any legally binding, unconditional rights to, a third party to purchase or acquire title to the Premises within the One Year Period, then, unless terminated pursuant to Section 27(F) below, Tenant's Right of First Offer to Purchase shall be reinstated through the ROFO Expiration Date (as defined below), subject to the terms of this Section 27.

E. **Execution of Purchase Agreement**. Within five (5) business days of receipt of Tenant's Purchase Acceptance, Landlord shall prepare a purchase agreement for the sale of the Premises to Tenant (the "ROFO Purchase Agreement") on the terms set forth in the Purchase Offer Notice and otherwise on such terms as are customary for the sale of commercial property in the Los Angeles, California area and Landlord and Tenant shall use their best, good faith efforts to negotiate the terms of the purchase agreement within forty (40) days following Landlord's delivery of the purchase agreement, provided that notwithstanding the foregoing documentation obligations, Tenant's timely delivery of the Purchase Acceptance shall, in and of itself, conclusively establish Tenant's right to purchase the Premises on the express terms set forth in this Section 27.

F. **Termination of Purchase Rights**. Tenant's Right of First Offer to Purchase granted hereunder shall terminate and not be thereafter reinstated upon any of the following (each, a "ROFO Expiration Date").

a. Tenant's failure to consummate the transaction contemplated by any ROFO Purchase Agreement after delivering a Purchase Acceptance to Landlord (except to the extent that the transaction is not consummated due to casualty,

condemnation, failure of a condition, or the default of Landlord under the ROFO Purchase Agreement).

b. Any sale of the Premises as to which Tenant's Right of First Offer to Purchase was applicable, and as to which Tenant has failed to exercise its Right of First Offer to Purchase.

c. After the second year of the Lease Term, Tenant's failure to exercise Tenant's Right of First Offer to Purchase in the time frame required above after receiving a Purchase Offer Notice.

d. The date upon which this Lease has been terminated.

Subject to the termination provisions as set forth above, Landlord acknowledges that Tenant's Right of First Offer to Purchase shall not be terminated, and shall continue in full force and effect, following a transfer to a Landlord Affiliate or any Foreclosure Owner or any other Exempt Transfer.

G. **Estoppel; Quitclaim by Tenant**. Upon the termination of Tenant's Right of First Offer to Purchase, Tenant shall provide Landlord, within ten (10) business days following a request in writing by Landlord, with a reasonable and customary quitclaim deed sufficient to clear title of any record of Tenant's Right of First Offer to Purchase. In accordance with Section 38 below, within ten (10) business days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord (and any other persons reasonably requested by Landlord, including, without limitation, a title company) an estoppel certificate or other affidavit indicating therein to what extent Tenant's Right of First Offer to Purchase may exist at that time or that such right has been waived or terminated, as applicable.

H. **Rights Personal to Tenant**. Tenant's Right of First Offer to Purchase shall be personal to the "Original Tenant" (as defined in Section 12(C)(a) above) or a "Permitted Transferee" (as defined in Section 31(A) below) only and shall therefore not be exercisable by any other transferee (including any other assignee, sublessee or transferee) of Tenant's interest in this Lease.

I. **Subordination**. Tenant hereby covenants and agrees that as part of any SNDA with respect to a first priority real property secured loan or mezzanine loan, Tenant shall specifically subordinate its Right of First Offer to Purchase and any documents executed in connection therewith to the applicable mortgage or security agreement referenced in such SNDA, provided that each such SNDA must recognize that the Right of First Offer to Purchase continues in effect following any foreclosure sale.

J. **Memorandum of ROFO.** As soon as reasonably practicable after the Effective Date, the parties shall record a memorandum evidencing the Tenant's Right of First Offer to Purchase ("Memorandum of ROFO") and containing any other information at Landlord's and Tenant's mutual election, in the official records of Los Angeles County, California. The costs of any recording or transfer fees or taxes related thereto, shall be split between Landlord and Tenant. Tenant agrees to execute reasonable documentation require to release such Memorandum of ROFO upon the earlier to occur of (i) the end of the Lease Term, and (ii) the termination of Tenant's Right of First Offer to Purchase as set forth in this Section 27 above.

28. NOTICES. All notices, approvals, requests, demands and other communications submitted or required to be given under this Lease shall be in writing and shall be delivered by (i) reputable commercial overnight courier, (ii) United States Postal Service, certified or registered mail, return receipt requested,

postage prepaid, or (iii) e-mail (provided that any notice provided by e-mail must also be confirmed using one of the methods specified in subsection (i) or (ii)), at the following addresses, or such other addresses as a Party may designate by ten (10) days' prior written notice to the other Party:

If to Tenant:

Corporate Real Estate
AstraZeneca Pharmaceuticals LP
1800 Concord Pike
Wilmington, Delaware 19803
Email: [****]
Attn: [****]

With copies to:

General Counsel
AstraZeneca Pharmaceuticals LP
1800 Concord Pike, PO Box 15437
Wilmington, Delaware 19850-5437
Email: [****]

and

Neogene Therapeutics
Attn: [****]
2225 Colorado Ave, Santa Monica, CA 90404
[****]

and

Saul Ewing LLP
1201 North market Street
Suite 2300
Wilmington, DE 19801
Attn: [****]
Email: [****]

If to Landlord:

Instil Bio, Inc.
3963 Maple Avenue, Suite 350
Dallas, Texas 75219
Attn: [****]
Email: [****]

With a copy to:

Novos Law LLP
696 Hilgard Avenue, PH-9
Los Angeles, CA 90024
Attn: [****]
Email: [****]

Notices shall be deemed effective when actually delivered or refused at a Party's address(es) set forth above. To the extent that an email notice address is provided above, such email notice shall not be deemed effective until such Party receives a hard copy of such notice (together with all attachments) at the physical

address set forth above or is otherwise waived. Each Party must promptly notify the other party in the event of a change of any of the address(es) set forth in this Section and in the event either Party attempts to deliver notice to the other Party using an address set forth in this Lease but such delivery fails due to the other Party's failure to update the address(es) set forth herein, such notice shall be deemed to have been delivered under this Lease.

29. ENTRY BY LANDLORD**.**

A. Subject to Tenant's Security Systems (as defined below) and the other terms and conditions of this Section 29, Landlord reserves and shall have the right to enter the Premises (other than the Designated Secured Areas (as defined below)) to: (i) inspect the same; (ii) show the Premises to prospective purchasers, tenants or lenders; provided that showings to prospective tenants shall only occur during the last year of the Lease Term (i.e., where Tenant has not exercised any available Option or no Option remains available to Tenant); and (iii) repair any portion of the Buildings (subject to subsections 29(C) and 29(D)), as required by the terms of this Lease, or to otherwise satisfy or perform Landlord's express obligations under this Lease. In connection with any entry, Landlord shall use commercially reasonable efforts to not materially interfere with Tenant's use of the Premises and to perform the same after Tenant's business hours if reasonably practical.

B. Landlord agrees that Landlord shall provide Tenant with at least two (2) business days' prior written notice (and ten (10) days' prior written notice for any entry by Landlord's contractors) of any entry pursuant to this Lease (the "Entry Notice"), which Entry Notice shall include the following information: (i) the dates and times of such entry (which dates and times shall conform to the requirements of this Section 29); (ii) the purpose of such entry (including whether such entry is required by Landlord's lender, or Landlord's lender's agents and/or contractors); and (iii) to the extent such information is then available to Landlord, the identity of the persons entering the Premises, provided that no Entry Notice shall be required in the event of an "Emergency" (as defined below). For purposes of this Lease, an "Emergency" shall mean a situation that threatens imminent material harm to persons or property.

C. Landlord acknowledges and agrees that neither Landlord nor any of Landlord's agents, employees, contractors, and invitees shall have the right to (i) enter the Premises (or any part thereof) without an escort provided by Tenant (provided that Tenant makes an escort reasonably available) except in the event of an Emergency; or (ii) take any photographs and/or video of the Premises (or any part thereof) including the interior or exterior of any of the Improvements or the Exterior Areas without Tenant's prior written consent (which consent may be withheld in Tenant's sole and absolute discretion). Without limiting the foregoing, Landlord shall comply with, and shall cause its agents, employees, contractors, and invitees to comply with Tenant's security systems and procedures (collectively, "Tenant's Security Systems"). Tenant's Security Systems may include, among other things, continuously monitored video surveillance, roving security guards/patrols, lobby attendants, security lighting, key-card systems, access gates, the right to require visitors to wear badges while in the Premises, the right to require Landlord and/or any of Landlord's designees to submit to a background check and/or deliver to Tenant a current commercially reasonable confidentiality/non-disclosure agreement prior to any entry onto the Premises, and the right to restrict access by any visitor who Landlord intends to bring on the Premises who is a Competitor or a Competitor Related Party (as each such term is defined below), except that a Competitor or Competitor Related Party shall be allowed to tour the Premises as a prospective tenant during the final year of the Lease Term. In connection with any Competitor or Competitor Related Party entering the Premises, Tenant may institute additional, reasonable security protocols. Without limiting the foregoing, Landlord agrees that Landlord shall use commercially reasonable efforts to provide Tenant with

written notice (which may be by electronic mail) of the identity of each person anticipated to enter the Premises pursuant to the terms and conditions of Section 29(B) as part of Landlord's Entry Notice. As used herein, (1) a "Competitor" of Tenant shall mean an entity whose primary business produces or profits from the sale of the same clinical modalities as Tenant or its affiliates and that compete with those offered by Tenant (as reasonably determined by Tenant and as such products and services shall change and expand from time to time); and (2) a "Competitor Related Party" means (x) any person or entity that controls, is controlled by, or is under common control with a Competitor; (y) any successor entity resulting from the merger or consolidation with a Competitor; or (z) any person or entity that acquires all or substantially all of the assets of a Competitor in one or more transactions.

D. Landlord acknowledges and agrees that: (i) the Premises has been designated by Tenant as a sensitive information facility due to the highly confidential nature of Tenant's use thereof; (ii) Tenant shall have the right from time to time to designate commercially reasonable portions of the interior or exterior of the Premises (when taking into consideration reasonable security concerns) as wholly restricted from entry by Landlord or any of its designees (such areas being referred to herein as the "Designated Secured Areas"); (iii) to the extent access to any Designated Secured Areas is necessary to perform any of Landlord's obligations under this Lease and Landlord notifies Tenant in writing that no reasonable alternatives to such access exist that would not result in materially increased costs to Landlord, then, unless Tenant either provides access to the applicable Designated Secured Areas or agrees to pay the incremental increase in costs associated with such alternative access, Landlord shall be excused from performing such obligations during the period of time that Tenant refuses to provide Landlord with such necessary access; and (iv) if, in connection with an entry pursuant to clause (ii) of Section 29(A) above, (1) Landlord (on behalf of itself or any proposed purchaser or lender) requires access to any of the Designated Secured Areas in order to complete customary due diligence investigations (e.g., seismic, property condition and indoor air quality reports) in the Premises, (2) access to the Designated Secured Areas is required to perform such investigations in accordance with then-applicable industry standards, and (3) no reasonable alternative (that would not result in any materially increased cost) to complete such investigations is available, then Tenant shall grant access to such Designated Secured Areas solely to the extent necessary to perform such investigations (in which case such access shall be subject to Tenant's Security Systems and any other additional, reasonable security protocols instituted by Tenant).

E. Tenant shall have exclusive control over all access to and security at the Premises and Landlord shall have no responsibility or liability in connection therewith.

30. DESTRUCTION OF PREMISES.

A. **Landlord's Obligation to Restore.** If the Premises are destroyed in whole or in part from any cause, Landlord shall, within thirty (30) days of such casualty, cause a general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required in days from the date of the casualty to substantially complete the repair and restoration of the Premises ("Completion Estimate"). Except as provided in Sections 30(B)-(D), Landlord shall, at its sole cost and expense, and with due diligence, rebuild or restore the Premises to its condition prior to the damage or destruction; provided that Landlord shall only be required to restore Tenant's leasehold improvements and alterations to the extent Landlord is required to insure the same or if Landlord is not required to insure the same, if Tenant agrees to provide Landlord with sufficient funds to complete such restoration. If the Building is rendered materially untenantable (i.e., greater than 30% of the Building is rendered untenantable) (a "Material Casualty", and less than 30% a "Partial Casualty"), Tenant may elect to

terminate this Lease at its sole election by delivery of notice within sixty (60) days of receipt of the Completion Estimate. If this Lease is not terminated following a casualty and Landlord is not required to restore Tenant's leasehold improvements and alterations, Tenant shall be required to restore the same at its sole cost and expense, along with Tenant's trade fixtures and equipment.

B. **Uninsured Casualty.** Notwithstanding any of the provisions of this Section 30 to the contrary, if the damage to the Premises that Landlord is required to restore exceeds an amount equal to (i) six (6) months' Rent at the time of the casualty, or (ii) in the last year of the Lease Term, three (3) months' Rent at the time of the casualty, as applicable (the "Uninsured Loss Cap"), and also results from an uninsured casualty, Landlord shall, within thirty (30) days of such casualty, send written notice thereof to Tenant detailing the cost of restoration and the amount by which it exceeds the Uninsured Loss Cap. As used herein, an "uninsured casualty" means (a) a hazard or peril that Landlord does not actually insure against and is not required to insure against hereunder, or (b) a hazard or peril that Landlord is required to insure against hereunder and did actually insure against in the manner provided for in this Lease, but for whatever reason, the insurance coverage(s) obtained by Landlord with respect to such hazard or peril did not actually pay proceeds (and will not actually pay proceeds) in an amount sufficient to fully fund the cost of the restoration work (taking into account any deductible). An uninsured casualty does not include a hazard or peril that Landlord is required to insure against hereunder, but for which the cost to repair the damage and undertake the restoration work is less than the deductible on Landlord's insurance policy(ies). No later than thirty (30) days after Tenant's receipt of such written notice from Landlord, Tenant shall notify Landlord in writing whether Tenant is willing to contribute the amount required to restore the Premises which exceeds the Uninsured Loss Cap (the "Tenant Payment Amount"). Provided that Tenant timely notifies Landlord that Tenant is willing to contribute the Tenant Payment Amount toward the restoration of the Premises and actually pays Landlord such amount, Landlord shall restore the Premises, at its sole cost and expense. If Tenant does not pay Landlord the Tenant Payment Amount, then Landlord shall have the option (in its sole discretion) to restore the Premises at Landlord's cost or terminate this Lease upon thirty (30) written notice to Tenant.

C. **Damage During Last Year of Term.** Notwithstanding any of the provisions of this Section 30 to the contrary, if a casualty occurs during the last year of the Lease Term and the restoration of the Premises is not estimated to be complete within one hundred eighty (180) days, either Landlord or Tenant may terminate this Lease upon written notice to the other party. To exercise the termination option pursuant to this Section 30(C), a party must notify the other party within thirty (30) days after Tenant's receipt of the Completion Estimate. Notwithstanding the foregoing, Landlord may not terminate this Lease pursuant to this Section 30(C) if (a) at the time of such casualty or peril Tenant has an unexercised option to further extend the Lease Term and Tenant exercises such option to further extend the Lease Term within fifteen (15) days following Landlord's exercise of its option to terminate pursuant to this Section 30(C), and (b) Tenant agrees in writing, as provided in Section 30(B), that if the total amount of the uninsured casualty exceeds the Uninsured Loss Cap, Tenant shall pay such uninsured casualty sum, as further described in Section 30(B).

D. **Completion Estimate Exceeds 12 Months.** Notwithstanding any of the provisions of Section 30(A) to the contrary, if any Completion Estimate indicates that more than (i) twelve (12) months for a Material Casualty or (ii) four (4) months for a Partial Casualty will be required to rebuild or restore the Premises, Landlord and Tenant shall each have the right to terminate this Lease by providing written notice thereof to the other party within thirty (30) days of Tenant's receipt of the Completion Estimate. In addition, if the Completion Estimate indicates that restoration will take less than twelve (12) months for a Material Casualty or (ii) four (4) months for a Partial Casualty, but Landlord does not

complete the rebuilding or restoration within twelve (12) months for a Material Casualty or (ii) four (4) months for a Partial Casualty following the date of such casualty (which time period shall be extended for Force Majeure Delays), then Tenant shall have the right to terminate this Lease by giving thirty (30) days prior written notice to Landlord. In the event the Completion Estimate indicates that more than twelve (12) months for a Material Casualty or (ii) four (4) months for a Partial Casualty will be required to rebuild or restore the Premises and Tenant does not elect to terminate, then if Landlord does not complete the rebuilding or restoration within thirty (30) days following time period set forth in the Completion Estimate (which time period shall be extended for Force Majeure Delays), then Tenant shall have the right to terminate this Lease by giving thirty (30) days prior written notice to Landlord.

E. **Abatement in Rent.** In the event Tenant does not elect to terminate the Lease as permitted hereunder, then commencing on the date a Material Casualty or Partial Casualty occurs, Tenant shall be entitled to a reduction in Rent in the proportion that the area of the Premises is rendered untenantable by such damage bears to the total area of the Premises. The reduction in Rent shall continue until the date the Lease is validly terminated by either party or if Landlord is required or has elected to restore, the date such restoration is completed, plus a reasonable period of time thereafter for Tenant to complete its improvements, alterations and additions.

F. **Waiver of Statutory Rights of Termination.** Unless this Lease is terminated pursuant to the foregoing provisions, this Lease shall remain in full force and effect. Each party hereby expressly waives any statutory rights of termination, including, without limitation, Sections 1932(2), 1933(4), 1941, 1941.1 and 1942 of the California Civil Code, which may arise by reason of any partial or total destruction of the Premises.

31. ASSIGNMENT OR SUBLEASE.

A. **Permitted Transfers.** Tenant may, without Landlord's prior consent, sublet all or a portion of the Premises or assign this Lease to (each of the following of which shall be referred to in this Lease as a "Permitted Transfer"): (i) a subsidiary, parent, affiliate, division, or corporation controlled by or under common control with Tenant (each, a "Tenant Affiliate"); (ii) a successor corporation related to Tenant by merger, consolidation, non-bankruptcy reorganization, or government action; or (iii) a purchaser of all or substantially all of Tenant's assets, membership interests, or stock (each, a "Permitted Transferee"), provided that such Permitted Transferee (together with Tenant if the Tenant entity remains in existence following the Permitted Transfer) has a tangible net worth computed in accordance with generally accepted accounting principles consistently applied that is sufficient to meet the obligations of Tenant under this Lease as they become due and mature and Tenant provides reasonable evidence of the same to Landlord. For the purposes of this Lease, the following shall not be deemed an assignment or sublease of the Premises and thus may occur without the prior consent of Landlord: (1) any public or private offering of Tenant's capital stock or the sale of Tenant's capital stock through any public exchange, or (2) the use or occupancy of the Premises or any portion thereof by any subsidiary, parent, or Tenant Affiliate.

B. **Consent by Landlord.** Except for any Permitted Transfers, Tenant may not assign, sublet, hypothecate, or allow a third party to use or occupy the Premises without the express written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. If Tenant desires to assign this Lease or sublet the Premises or any part thereof, Tenant shall deliver to Landlord executed counterparts of any agreement, if any exists, with the proposed assignee/subtenant, a notice containing the name and address of the proposed assignee/subtenant and the proposed use of the Premises, and the most recent financial statement of the assignee/subtenant. Landlord shall have a thirty (30) day period following receipt of all of the foregoing within which to

notify Tenant in writing that Landlord elects to: (i) permit Tenant to assign or sublet such space to the named assignee/subtenant on the terms and conditions set forth in the notice; or (ii) reasonably refuse consent. If Landlord should fail to notify Tenant in writing of such election within the thirty (30) day period, then Tenant may send a reminder notice. If Landlord fails to respond within ten (10) additional days after such reminder, Landlord's consent shall be deemed granted. If all or any one of the foregoing conditions is not satisfied by Tenant, Landlord shall be considered to have acted reasonably if it withholds its consent and shall provide the reasons for refusal. If Landlord consents to a proposed assignment or sublease, (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 assignment or sublease by either Tenant or a transferee. Without limitation as to other reasonable grounds for withholding consent, 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:

1. The transferee intends to use the Premises for purposes which are not permitted under this Lease;

2. The transferee is either a governmental agency or instrumentality thereof; or

3. In connection with any lease assignment or sublease of the entire Premises (or substantially all of the Premises), the transferee is not (considering any credit enhancements provided) a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the assignment or sublease as they become due and mature on the date consent is requested.

C. **No Release.** Any assignment or sublease shall be made only if, and shall not be effective until, the assignee or subtenant shall execute, acknowledge and deliver to Landlord an agreement, in form and substance reasonably satisfactory to Landlord, whereby the assignee or subtenant shall assume all of the obligations of this Lease on the part of Tenant to be performed or observed and shall be subject to all of the covenants, agreements, terms, provisions and conditions contained in this Lease. Notwithstanding any sublease or assignment and the acceptance of rent or additional rent by Landlord from any subtenant or assignee, Tenant shall and will remain fully liable for the payment of the rent and additional rent due, and to become due hereunder, for the performance of all of the covenants, agreements, terms, provisions and conditions contained in this Lease on the part of Tenant to be performed and for all acts and omissions of any licensee, subtenant, assignee or any other person claiming under or through any subtenant or assignee that shall be in violation of any of the obligations of this Lease, and any such violation shall be deemed to be a violation by Tenant.

D. **Effect of Termination.** The termination of this Lease due to Tenant's default beyond any applicable notice and cure period shall automatically terminate any assignment or sublease then in existence, provided that at the election of Landlord (in Landlord's sole discretion), the assignee or subtenant shall attorn to Landlord and Landlord shall undertake the obligations of Tenant under the sublease or assignment; provided Landlord shall not be liable for prepaid rent, security deposits or other defaults of Tenant to the assignee or subtenant.

E. **Transfer Premium**. If Landlord consents to an assignment or sublease, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined below, actually received by Tenant from such transferee; provided, however, that Tenant shall not be required to pay to Landlord any Transfer Premium (i) in connection with a Permitted

Transfer or (ii) until such time as Tenant has recovered all applicable "Subleasing Costs," as that term is defined below, it being understood that if in any year the gross revenues, less the deductions set forth and included in Subleasing Costs, are less than any and all costs actually paid in assigning or subletting the affected space (collectively "Transaction Costs"), the amount of the excess Transaction Costs shall be carried over to the next year and then deducted from net revenues with the procedure repeated until a Transfer Premium is achieved. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such transferee in connection with the assignment or sublease in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the assignment or sublease 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 changes, alterations and improvements to the Premises in connection with the assignment or sublease, (ii) any free rent reasonably provided to the transferee, (iii) any brokerage commissions in connection with the assignment or sublease, (iv) out-of-pocket costs of advertising the space subject to the Transfer, (v) any improvement allowance or other economic concessions paid by Tenant to the transferee in connection with the assignment or sublease; and (vi) reasonable attorneys' fees incurred by Tenant in connection with the Transfer (collectively, "Subleasing Costs"). "Transfer Premium" shall also include, but not be limited to, key money, bonus money or other cash consideration 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.

32. CONDEMNATION. If any part of the Premises is taken for any public or quasi-public use, under any statute or by right of eminent domain or private purchase in lieu thereof, and a part thereof remains which is susceptible of occupation hereunder, this Lease shall as to the part so taken, terminate as of the date title shall vest in the condemner or purchaser, and the Rent payable hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the Lease Term only such portion of the Rent as the rentable square footage of the Premises remaining after such taking bears to the rentable square footage of the entire Premises prior to such taking; provided, however, Tenant shall have the option to terminate this Lease as of the date when title to the part taken vests in the condemner or purchaser if the taking or condemnation of the Premises is such that the remaining space unaffected by the taking or condemnation is not reasonably suitable for Tenant's use or the conduct of Tenant's business or in the event access to the Premises is substantially impaired. If a part or all of the Premises is taken, all compensation awarded upon such taking shall go to Landlord and Tenant shall have no claim thereto, except as provided in the next sentence. Nothing contained herein shall be deemed to waive or release Tenant's interest in any award for: (i) loss of or damage to Tenant's trade fixtures or personal property; (ii) interruption of Tenant's business; (iii) Tenant's loss of goodwill; (iv) Tenant's moving costs; (v) Tenant's interest in any Alterations; and (vi) any separate award made to Tenant for whatever purpose, provided that any such award does not diminish Landlord's right to recover or collect proceeds. If this Lease is not terminated by reason of the condemnation, Landlord at its expense shall repair any damage to the Premises caused by such condemnation not to exceed the award collected by Landlord, and Tenant hereby waives all rights to the contrary provided for by any Laws (including pursuant to Section 1265.130 of the California Code of Civil Procedure). Notwithstanding anything to the contrary contained in this Section 32, 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 Monthly Base Rent and the Additional Rent 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.

33. EFFECTS OF CONVEYANCE. In the event of any sale, transfer or other conveyance (not for security purposes or otherwise in connection with the financing or refinancing of the Premises) of all or any part of the Premises, Landlord shall be relieved of all its covenants and obligations hereunder accruing after the date of such transfer or conveyance, and it shall be deemed and construed, without further agreement between the Parties and the transferee, that the transferee has assumed and agreed to carry

out any and all covenants and obligations of Landlord hereunder accruing after the date of such transfer or conveyance and Landlord shall be discharged from any responsibility and liability thereto, provided that such transfer or conveyance shall not relieve Landlord of its responsibility and liability for any defaults under this Lease or failure to perform its duties hereunder that arose on or prior to the date of such transfer or conveyance.

34. SUBORDINATION.

A. **Subordination.** Subject to Sections 34(B) and (C) and the requirements herein with respect to the non-disturbance of Tenant, this Lease is subject and subordinate to the liens of mortgages and deeds of trust (collectively, "Encumbrances") which may now or hereinafter affect the Premises and the Land and to any covenants, conditions or restrictions of record (collectively, "CC&Rs") as of the Effective Date, and to all renewals, modifications, consolidations, replacements and extensions thereof; provided that such renewals, modifications, consolidations, replacements and extensions of the CC&Rs do not adversely affect Tenant's use of, operations on or access to the Premises or increase Tenant's obligations or decrease Tenant's rights under this Lease. Notwithstanding the foregoing, if the holder or holders of any such Encumbrance ("Holder") require that this Lease be prior and superior thereto, within twenty (20) days after written request of Landlord to Tenant, Tenant shall execute, have acknowledged and deliver all documents or instruments, in form reasonably acceptable to Tenant, which Landlord or Holder deems necessary or desirable for such purposes. Within thirty (30) days after Landlord's written request, Tenant shall execute any documents reasonably required by Landlord or the Holder to further reflect that this Lease is subordinate to any lien of the Encumbrance, provided that such documents contain non-disturbance protection and are otherwise reasonably acceptable to Tenant. Notwithstanding anything to the contrary in this Lease, Landlord shall not enter into any amendments to any existing CC&Rs or enter into any new CC&Rs, easements, use restrictions or other similar agreements or restrictions affecting the Premises and/or the Land on and after the Effective Date without Tenant's prior written consent, which may be given or withheld in Tenant's reasonable discretion.

B. **Existing Obligations.** Landlord represents and warrants that the Premises are not encumbered by a mortgage, loan, deed of trust, or ground lease as of the Effective Date, except for a deed of trust in favor of OP USA Debt Holdings II Limited Partnership, an Ontario limited partnership (the "Current Lender"). Landlord shall use commercially reasonable efforts to cause such Current Lender to enter into a commercially reasonable subordination, nondisturbance and attornment agreement with Tenant within thirty (30) days following the mutual execution and delivery of this Lease.

C. **Future Encumbrances**. As a condition precedent to the subordination provided for in Section 34(A) with respect to any new Encumbrance after the Effective Date, Landlord shall furnish Tenant a subordination, non-disturbance, and attornment agreement from the Holder of such Encumbrance in a form that is recordable and is otherwise reasonably satisfactory to Tenant, providing that such Holder (i) shall recognize all of the terms and conditions of this Lease and (ii) shall not disturb Tenant's use and possession of the Premises following any foreclosure of such Holder's lien (or any deed-in-lieu of such foreclosure), in each case so long as Tenant is not in default hereunder beyond any applicable notice and cure periods (an "SNDA").

35. WAIVER. The waiver by Landlord or Tenant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of any sum by a Party (or the payment thereof by the other Party) shall not be deemed to be a waiver by the accepting Party of any preceding breach of this Lease by the other Party of any term, covenant or condition of this Lease, other than the failure of such Party to pay the particular sum

accepted, regardless of the accepting Party's knowledge of such preceding breach at the time of acceptance of such sum. No payment by Tenant or receipt by Landlord of a lesser amount than any installment of rent due shall be deemed as other than payment on account of the amount due. No delay or omission in the exercise of any right or remedy by either Party shall impair such right or remedy or be construed as a waiver thereof by such Party. A Party's consent to or approval of any act by the other Party which requires the first Party's consent or approval shall not be deemed to waive or render unnecessary the first Party's consent to or approval of any subsequent act by the other Party.

36. HOLDING OVER. Any holding over after the expiration of earlier termination of this Lease shall be construed as a month-to-month tenancy, terminable upon thirty (30) days written notice from either Party, and for the first two (2) months following the expiration of earlier termination of this Lease, Tenant shall pay Monthly Base Rent (on a per diem basis) at a rate equal to one hundred twenty-five percent (125%) of the Monthly Base Rent due in the month immediately preceding the expiration or earlier termination of this Lease. Following the end of such 2-month period, Monthly Base Rent shall increase to a rate equal to one hundred fifty percent (150%) of the Monthly Base Rent due in the month immediately preceding the expiration or earlier termination of this Lease. Any holding over shall otherwise be on the terms and conditions set forth in this Lease. If Tenant fails to surrender the Premises within sixty (60) days following 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. Tenant shall have no liability to Landlord for holding over except for the amounts expressly due Landlord under this Section 36.

37. SUCCESSORS AND ASSIGNS. Subject to the provisions of Section 31, the covenants and conditions of this Lease shall apply to and bind the heirs, successors, executors, administrators and assigns of all parties hereto.

38. ESTOPPEL CERTIFICATES. Each Party shall at any time during the Lease Term, upon not less than fifteen (15) business days' prior written notice from the other Party, execute and deliver a statement in writing certifying (i) that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification); (ii) the date to which any rent and other charges have been paid in advance; (iii) that there are not, to the Party's knowledge, any uncured defaults on the part of the other Party hereunder or specifying such defaults if they are claimed; and (iv) such other customary, factual matters as may be reasonably required by the requesting Party. Any Such estoppel certificate and any additional certifications requested shall otherwise be in a form reasonably acceptable to the Party executing the same. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Premises or by assignee or sublessee or purchaser of Tenant's business.

39. OPTIONS TO EXTEND THE LEASE TERM**.** Landlord hereby grants to Tenant two (2) consecutive options to extend the Lease Term with respect to the Premises (each, an "Option"), for a period of five (5) years each (each such period, an "Option Term") commencing upon the expiration of the then initial Lease Term, upon each of the following conditions and terms.

A. **Exercise of Options.** Tenant shall give to Landlord on a date which is not less than twelve (12) months and not more than eighteen (18) months prior to the then scheduled expiration date of the Lease Term, a written notice of Tenant's exercise of an Option (an "Option Notice"), time being of the essence. If an Option Notice is not timely so given, the Option, and any subsequent Option (if any), shall automatically expire. Tenant shall have no right to exercise an Option, notwithstanding any provision hereof to the contrary, if Tenant is then in default under this Lease beyond the applicable notice and cure period. The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Option because of Force Majeure Delays.

B. **Options are Personal.** The Options granted to Tenant are personal to the Original Tenant or any Permitted Transferee to whom this Lease has been assigned. The Options herein granted to Tenant are not assignable separate and apart from this Lease, nor may the Options be separated from this Lease in any manner, either by reservation or otherwise.

C. **Effect of Exercise.** All of the terms and conditions of this Lease except where specifically modified by this Section 39 or as otherwise stated to be applicable only to the initial Lease Term shall apply during any Option Term, except for any provisions that were meant to be one-time Landlord concessions including without limitation free rent and delivery condition. If Tenant exercises its right to extend the term of the Lease for an Option Term pursuant to this Section 39, the term "Lease Term" or "Term" as used in the Lease, shall be construed to include the initial Lease Term and the applicable Option Term (except with respect to any provisions expressly modified by this Section 39 or otherwise stated as being applicable only to the initial Lease Term or any prior portion of the Lease Term).

D. **Fair Market Rent.** [****].

E. **Arbitration of Fair Market Rent.** If Tenant disagrees with Landlord's determination of the Fair Market Rent for the Option Term, Landlord and Tenant shall confer for a period of thirty (30) days in an attempt to agree on the Fair Market Rent. In the event Landlord and Tenant fail to reach an agreement on the Fair Market Rent within such thirty (30) day period, then the Fair Market Rent for the applicable Option Term shall be determined in accordance with the following procedure (the "Arbitration Procedure"), which Arbitration Procedure shall be binding upon the parties: Within fifteen (15) days after the expiration of the thirty (30) day period described above, Landlord and Tenant shall each select a licensed real estate broker with at least ten (10) years' experience negotiating life science transactions in the Los Angeles market. If the two brokers are unable to agree within ten (10) days after their selection, they shall select a similarly qualified third broker (the "Neutral Broker"). Within twenty (20) days after selection of the Neutral Broker, the three brokers shall simultaneously exchange determinations of the Fair Market Rent. If the lowest determination of Fair Market Rent is not less than ninety-seven and one-half percent (97.5%) of the highest determination, then the three determinations shall be averaged and the result shall be the Fair Market Rent. If the lowest determination is less than ninety-seven and one-half percent (97.5%) of the highest determination, then the Fair Market Rent shall be deemed the rate set forth in the determination submitted by a broker appointed by a party that is closest in dollar amount to the determination submitted by the Neutral Broker. Each party shall pay the cost of its own broker and the parties shall share the cost of the Neutral Broker equally. If the Monthly Base Rent for an Option Term has not been determined by the commencement date of the Option Term, then until such Monthly Base Rent is determined, Tenant shall pay Monthly Base Rent to Landlord at the rate in effect immediately preceding the Option Term. If the actual Monthly Base Rent for the Option Term is determined to be higher, then within fifteen (15) days after the determination of such higher Monthly Base Rent, Tenant shall pay to Landlord the difference for each month of the Option Term for which Monthly Base Rent has already become due. If the actual Monthly Base Rent for the Option Term is determined to be lower, then within fifteen (15) days after the determination of such lower Monthly Base Rent, Tenant shall receive a credit against Monthly Base Rent next due and owing in an amount equal to the difference between the actual Monthly Base Rent determined for the Option Term and the amount for which Tenant has already paid during the Option Term. Tenant shall continue to pay Landlord as set forth in the Lease for Direct Expenses during the applicable Option Term. If Tenant was obligated to pay any amortized amounts under the Lease prior to the commencement of the applicable Option Term and there remains useful life with respect to the applicable capital improvement, then Tenant shall remain

obligated during the applicable Option Term to pay such amortized amounts in addition to the Monthly Base Rent (as adjusted to Fair Market Rent) and other amounts payable under the Lease.

40. QUIET ENJOYMENT**.** As long as Tenant is not in default of Tenant's obligations hereunder beyond any applicable notice and cure period, Tenant shall have and hold the Premises for the Lease Term without any hindrance or interference by Landlord or any party claiming by, under or through Landlord.

41. BROKERS. The Parties each warrant to the other that they have not dealt with any real estate broker(s) or agent(s) in connection with the negotiation of this Lease except: CBRE (representing Landlord and Tenant) ("Broker"). Landlord and Tenant each acknowledge that CBRE is acting as a dual agent in connection with this Lease and have provided their consent thereto. Each Party shall indemnify, defend, protect and hold harmless the other party and its agents, employees and independent contractors from and against any and all liabilities, losses, costs, expenses and damages (including reasonable attorneys' fees and costs) arising out of any claims of brokerage commissions or finder's fees based on the respective Party's dealings or contacts with brokers or agents in connection with this Lease other than Broker. Landlord shall pay the Broker the commission in connection with this Lease pursuant to a separate written agreement. The indemnities set forth in this Section 41 shall survive the expiration or earlier termination of this Lease.

42. LIABILITY. If Tenant recovers a money judgment against Landlord for Landlord's breach of this Lease, the judgment shall be satisfied only out of Landlord's interest in the Premises, the improvements thereon, all rents therefrom, and all other proceeds thereof, including but not limited to, all sale, insurance, financing and condemnation proceeds, and neither Landlord nor any of its managers, members, partners, officers, directors, agents, trustees, shareholders or employees shall be liable personally for any deficiency. Moreover, none of Tenant's partners, officers, directors, agents, trustees, shareholders or employees shall be liable personally for any claim or liability arising from or in connection with this Lease. **NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS LEASE, IN NO EVENT SHALL EITHER LANDLORD (AND LANDLORD PARTIES) OR TENANT (AND TENANT PARTIES) HAVE ANY LIABILITY TO THE OTHER FOR ANY CLAIMS BASED ON INTERRUPTION TO, OR LOSS OF, BUSINESS, OR FOR ANY INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES OR FOR ANY OTHER SPECIAL DAMAGES WHATSOEVER (EXCEPT AS SET FORTH IN SECTION 36 ABOVE), AND EACH PARTY WAIVES THE RIGHT TO THE SAME TO THE FULLEST EXTENT PERMITTED BY LAW.**

43. AUTHORITY OF PARTIES**.**

A. Tenant's Authority. Tenant represents and warrants that the individual(s) executing this Lease on Tenant's behalf have the requisite authority to sign this Lease and that this Lease is binding upon such corporation in accordance with its terms. Tenant represents that Tenant is duly formed and in good standing in its jurisdiction of formation. Tenant represents that Tenant is duly formed and in good standing in its jurisdiction of formation. Neither the execution and delivery of this Lease nor the performance by Tenant of its obligations hereunder will violate, be in conflict with, result in a breach of, or constitute (with due notice or lapse of time, or both) a material default under any applicable law or under any agreement or order binding upon Tenant in any material respect.

B. Landlord's Authority. Landlord represents and warrants that the individual(s) executing this Lease on Landlord's behalf have the requisite authority to sign this Lease and that this Lease is binding on Landlord in accordance with its terms. Landlord represents that it owns the Premises and is duly authorized to sign this Lease, and that the consent of no other party is required to make this Lease binding on Landlord. Landlord represents that Landlord is duly formed and in good standing in its jurisdiction of formation. Neither the execution and delivery of this Lease nor the performance by Landlord of its obligations hereunder will violate, be in conflict with, result in a breach

of, or constitute (with due notice or lapse of time, or both) a material default under any applicable law or under any agreement or order binding upon Landlord in any material respect.

44. MISCELLANEOUS PROVISIONS.

A. **Intentionally omitted.**

B. **Confidentiality.** Subject to the Memorandum of ROFO in Section 27(J), Landlord and Tenant each acknowledges and agrees that it shall keep the existence of this Lease and the terms and conditions set forth herein confidential, except to the extent disclosure is required by Laws, judicial order or subpoena or except as hereinafter provided. Each Party shall be entitled to discuss and disclose the transaction with employees, agents, attorneys, consultants, potential and actual lenders, potential purchasers, members, investors and partners of such Party; provided that such parties either have a professional obligation to maintain the confidentiality required hereby or execute a written agreement in which they agree to comply with the foregoing confidentiality obligations. Either Party may request a copy of any such confidentiality agreement at any time.

C. **Disclosure Regarding CASp Inspection.** In accordance with Section 1938 of the California Civil Code, Landlord states that the Premises have not undergone inspection by a Certified Access Specialist. 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, and Tenant shall be responsible for any fee for the CASp inspection. The Parties shall allocate the costs of making any repairs necessary to correct violations of construction-related accessibility standards in the Premises in accordance with each Party's respective responsibilities under this Lease.

D. **Rights and Remedies.** Except as otherwise stated in Section 23(B), all rights and remedies hereunder are cumulative and not alternative to the extent permitted by Laws, and are in addition to all other rights and remedies in law and in equity.

E. **Survival.** All indemnification, defense, and hold harmless obligations of the Parties and outstanding obligations under this Lease to pay Rent relating to the period prior to the expiration or earlier termination of this Lease (including all obligations expressly stated in this Lease to survive the expiration or earlier termination hereof) shall survive the expiration or earlier termination of this Lease.

F. **Severability.** If any term or provision of this Lease is held unenforceable or invalid by a court of competent jurisdiction, the remainder of the Lease shall not be invalidated thereby but shall be enforceable in accordance with its terms, omitting the unenforceable or invalid term.

G. **Choice of Law.** This Lease shall be governed by and construed in accordance with the Laws of the State of California. Venue shall be in Los Angeles County, California.

H. **Waiver of Jury Trial**. THE PARTIES HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING

OUT OF OR RELATING TO THIS LEASE. IF THE JURY WAIVER PROVISIONS OF THIS SECTION 44(H) ARE NOT ENFORCEABLE UNDER CALIFORNIA LAW, THEN SECTION 44(I) SHALL APPLY.

I. **Judicial Reference.** It is the desire and intention of the Parties to agree upon a mechanism and procedure under which controversies and disputes arising out of this Lease or related to the Premises will be resolved in a prompt and expeditious manner. Accordingly, except with respect to the filing of a Lis Pendens or a prejudgment remedy of attachment, any action, proceeding or counterclaim brought by either Party hereto against the other (and/or against its officers, directors, employees, agents or subsidiaries or affiliated entities) on any matters whatsoever arising out of or in any way connected with this Lease and/or any claim of injury or damage, whether sounding in contract, tort, or otherwise, shall be heard and resolved by a referee under the provisions of the California Code of Civil Procedure, Sections 638-645.1, inclusive (as same may be amended, or any successor statute(s) thereto) (the "Referee Sections"). Any fee to initiate the judicial reference proceedings and all fees charged and costs incurred by the referee shall initially be paid by the Party initiating such procedure (except that if a reporter is requested by either Party, then a reporter shall be present at all proceedings where requested and the fees of such reporter – except for copies ordered by the other Parties – shall be borne by the Party requesting the reporter); provided, however, that the allocation of the costs and fees (including any initiation fee), of such proceeding shall be ultimately determined in accordance with Section 22 of this Lease. The venue of the proceedings shall be as set forth in Section 44(G) above. Within ten (10) days of receipt by any Party of a written request to resolve any dispute or controversy pursuant to this Section, the Parties shall agree upon a single referee who shall try all issues, whether of fact or law, and report a finding and judgment on such issues as required by the Referee Sections. If the Parties are unable to agree upon a referee within such ten (10) day period, then any Party may thereafter file a lawsuit in the county in which the Premises are located for the purpose of appointment of a referee under the Referee Sections. If the referee is appointed by the court, the referee shall be a neutral and impartial retired judge with substantial experience in similar commercial real estate transactions in Southern California, from JAMS or its successor. The proposed referee may be challenged by any Party for any of the grounds listed in the Referee Sections. The referee shall have the power to decide all issues of fact and law and report his or her decision on such issues, and to issue all recognized remedies available at law or in equity for any cause of action that is before the referee, including an award of attorneys' fees and costs in accordance with this Lease. The referee shall not, however, have the power to award punitive damages, nor any other damages which are not permitted by the express provisions of this Lease, and the Parties hereby waive any right to recover any such damages. The Parties shall be entitled to conduct all discovery as provided in the California Code of Civil Procedure, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge, with rights to regulate discovery and to issue and enforce subpoenas, protective orders and other limitations on discovery available under California law. The reference proceeding shall be conducted in accordance with California law (including the rules of evidence), and in all regards, the referee shall follow California law applicable at the time of the reference proceeding. The Parties shall promptly and diligently cooperate with one another and the referee, and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute or controversy in accordance with the terms of this Section. In this regard, the Parties agree that the Parties and the referee shall use best efforts to ensure that (i) discovery be conducted for a period no longer than six (6) months from the date the referee is appointed, excluding motions regarding discovery, and (ii) a trial date be set within nine (9) months of the date the referee is appointed. In accordance with Section 644 of the California Code of Civil Procedure, the decision of the referee upon the whole issue must stand as the decision of the court, and upon the filing of the statement of

decision with the clerk of the court, or with the judge if there is no clerk, judgment may be entered thereon in the same manner as if the action had been tried by the court. Any decision of the referee and/or judgment or other order entered thereon shall be appealable to the same extent and in the same manner that such decision, judgment, or order would be appealable if rendered by a judge of the superior court in which venue is proper hereunder. The referee shall in his/her statement of decision set forth his/her findings of fact and conclusions of law. The Parties intend this general reference agreement to be specifically enforceable in accordance with the Code of Civil Procedure. Nothing in this Section shall prejudice the right of any Party to obtain provisional relief or other equitable remedies from a court of competent jurisdiction as shall otherwise be available under the Code of Civil Procedure and/or applicable court rules.

J. **Time.** Time is of the essence of each and every provision of this Lease.

K. **Entire Agreement.** This Lease (including all exhibits hereto) contains all of the agreements between the Parties concerning the subject matter hereof and may not be modified orally or in any other manner other than by written agreement signed by all parties hereto or their respective successors in interest. This Lease supersedes and revokes all previous negotiations, letters of intent, lease proposals, brochures, agreements, representations, promises, warranties, and understandings, whether oral or in writing, between the Parties or their respective representatives concerning the subject matter of this Lease.

L. **Representations.** Tenant acknowledges that except as set forth in this Lease (including all exhibits hereto), Landlord has not made any agreements, representations, warranties or promises with respect to the Premises.

M. **No Presumption Against Drafter.** The Parties understand, agree and acknowledge that this Lease has been freely negotiated by both Parties; and that in any controversy, dispute, or contest over the meaning, interpretation, validity, or enforceability of this Lease or any of its terms or conditions, there shall be no inference, presumption, or conclusion drawn whatsoever against either party by virtue of that party having drafted this Lease or any portion thereof.

N. **Headings; Interpretation.** The headings or titles to the sections or paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part thereof. All references in this Lease to the word “including” shall mean “including, without limitation”.

O. **Approvals.** Whenever the Lease requires an approval, consent, designation, determination or judgment by either Landlord or Tenant, such approval, consent, designation, determination or judgment (including those required in connection with assignment and subletting) shall not be unreasonably withheld, conditioned or delayed unless a different standard (such as sole discretion) is expressly provided for in this Lease, and in exercising any right or remedy hereunder, each party shall at all times act reasonably and in good faith.

P. **Reasonable Expenditures.** Any expenditure by a Party permitted or required under this Lease for which such Party is entitled to demand and does demand reimbursement from the other Party shall be reasonably incurred, and shall be substantiated by reasonable supporting documentation available for inspection and review by the other Party or its representative during normal business hours.

Q. **Exhibits.** All exhibits referred to herein are attached to this Lease and are incorporated herein by reference.

R. **Counterparts; Electronic Signatures.** This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one agreement. Each of the Parties to this Lease (i) has agreed to permit the use from time to time, where appropriate, of telecopy or other electronic signatures (including, without limitation, DocuSign or Adobe signature) in order to expedite the transaction contemplated by this Lease, (ii) intends to be bound by its respective telecopy or other electronic signature, (iii) is aware that the other will rely on such telecopied or other electronically transmitted signature, and (iv) acknowledges such reliance and waives any defenses to the enforcement of this Lease and the documents affecting the transaction contemplated by this Lease based on the fact that a signature was sent by telecopy or electronic transmission only.

S. **Force Majeure Delay.** As used herein, a "Force Majeure Delay" means any delay suffered by Landlord or Tenant in completing or causing to happen an act, obligation or duty to be undertaken by Landlord or Tenant under this Lease due to strikes, lock-outs, inability to procure materials, failure of power, governmental moratorium or other governmental action or inaction (including, without limitation, failure, refusal or delay in issuing permits, approvals and/or authorizations through no fault of the Party applying for the same), injunction or court order, pandemic or other public health crisis, riots, terrorism, fire, earthquake, or other natural disaster not the fault of the Party delayed in performing work or doing acts required under the terms of this Lease (but excluding delays due to financial inability). The occurrence of a Force Majeure Delay shall excuse the performance of the impacted Party for a period equal to any such delay 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 Delay. Notwithstanding the foregoing, Force Majeure Delay shall not excuse Tenant's obligations to pay Rent pursuant to this Lease.

T. **Tenant Financials.** Tenant represents and warrants that it is a wholly owned subsidiary of AstraZeneca plc ("Parent") and that as of December 31, 2023, Tenant represented approximately [****]% of Parent's total 2023 revenue of approximately $45 billion. Tenant further represents and warrants that as of the Effective Date, Tenant has sufficient current assets to pay its current liabilities as they become due and mature, and has access to adequate capital for its business, including lease obligations. Within no more than twenty (20) business days after written request by Landlord, which may be made once in any consecutive twelve (12) month period, Tenant shall execute a certificate to Landlord, its lender(s) and its/their successors and assigns and any prospective purchaser of the Property, updating Tenant's percentage of Parent's total revenue and the amount of Parent's total revenue as of the end of the then-most-recent fiscal year.

U. **OFAC**.

a. Landlord represents and warrants to, and covenants with, Tenant that (i) neither Landlord nor to its knowledge, (A) its affiliates acting in any capacity in connection with this Lease or (B) any person or entity with at least a twenty-five percent (25%) ownership interest in Landlord, currently are, or shall be at any time during the term hereof, in violation of any Antiterrorism Laws, including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and regulations of the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) related to Specially Designated Nationals and Blocked Persons (SDN's) (OFAC Regulations), and/or the USA Patriot Act; (ii) neither Landlord nor to its knowledge, (A) its affiliates acting in any capacity in connection with this Lease or (B) any person or entity with at least a twenty-five percent (25%) ownership interest in Landlord, is or shall be during the term

hereof be a "Prohibited Person," which is defined as follows: (1) a person or entity owned or controlled by, affiliated with, or acting for or on behalf of, any person or entity that is identified as an SDN on the then-most current list published by OFAC at its official website, http://www.treasury.gov/ofac/downloads/t11sdn.pdf, or at any replacement website or other replacement official publication of such list, and (2) a person or entity who is identified as or affiliated with a person or entity designated as a terrorist, or associated with terrorism or money laundering pursuant to regulations promulgated in connection with the USA Patriot Act; and (iii) Landlord has taken appropriate steps to understand its legal obligations under the Anti-Terrorism Laws and has implemented appropriate procedures to assure its continued compliance with such laws. A breach of such representations, warranties or agreements by Landlord shall not result in liability for damages or constitute material default hereunder provided that Landlord uses commercially reasonable efforts to: (A) cure the breach within 180 days of Landlord's discovery of the breach, to the extent that it can be cured; (B) avoid any future breach; and, (C) to comply with all such laws, regulations and orders. Notwithstanding the foregoing, if in Tenant's reasonable opinion Tenant is unable to use the Premises to conduct its business during any period the Landlord is in breach of the foregoing because of Landlord's breach of the foregoing, then (i) Rent shall be abated in its entirety until such interference has ended, and (ii) if such interference exceeds thirty (30) days, then Tenant may elect to terminate this Lease with written notice to Landlord.

b. Tenant represents and warrants to, and covenants with, Landlord that (i) neither Tenant nor to its knowledge, (A) its affiliates acting in any capacity in connection with this Lease or (B) any person or entity with at least a twenty-five percent (25%) ownership interest in Tenant, currently are, or shall be at any time during the term hereof, in violation of any Antiterrorism Laws, including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and regulations of the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) related to Specially Designated Nationals and Blocked Persons (SDN's) (OFAC Regulations), and/or the USA Patriot Act; (ii) neither Tenant nor to its knowledge, (A) its affiliates acting in any capacity in connection with this Lease or (B) any person or entity with at least a twenty-five percent (25%) ownership interest in Tenant, is or shall be during the term hereof be a Prohibited Person; and (iii) Tenant has taken appropriate steps to understand its legal obligations under the Anti-Terrorism Laws and has implemented appropriate procedures to assure its continued compliance with such laws. A breach of such representations, warranties or agreements by Tenant shall not result in liability for damages or constitute material default hereunder provided that Tenant uses commercially reasonable efforts to: (A) cure the breach within 180 days of Tenant's discovery of the breach, to the extent that it can be cured; (B) avoid any future breach; and, (C) comply with all such laws, regulations and orders.

V. **Existing Title Encumbrances.** Landlord and Tenant acknowledge that attached hereto as Exhibit F is a title report prepared by Chicago Title Company as of May 24, 2024 (the "Title Report") listing matters of record encumbering the Land. Landlord hereby represents to Tenant that to the actual knowledge of Landlord: (i) the following numbered exceptions listed in the Title Report are not applicable to the current use and configuration of the Premises: 5, 6, 14, 15, 23, 24, 25, 26, and 32; and (ii) Landlord is in compliance as of the Effective Date with the following numbered exceptions listed in the Title Report: 8, 19, 27, 33, 34, 35, 37, and 38. Tenant shall be required to comply during the term of the Lease with the following numbered exceptions listed in the Title Report: 8, 19, 27, 33, 34, 37, and 38.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Lease as of the Effective Date.

LANDLORD:

COMPLEX THERAPEUTICS LLC,
a Delaware limited liability company

By: /s/ Sandeep Laumas

Sandeep Laumas, Authorized Signatory

TENANT:

ASTRAZENECA PHARMACEUTICALS LP,
a Delaware limited partnership

By: /s/ Richard Kenny

Richard J. Kenny, Assistant Secretary

EXHIBIT A-1

DEPICTION OF PREMISES, BUILDINGS, EXTERIOR AREAS, AND PARKING AREAS

[****]

EXHIBIT A-2

LEGAL DESCRIPTION OF THE LAND

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOT 150 OF TRACT NO. 5692, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 60, PAGES 72 AND 73 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

LOTS 151 AND 152 OF TRACT NO. 5692, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 60, PAGES 72 AND 73 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

LOT 153 OF TRACT NO. 5692, IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 60 PAGES 72 AND 73 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 4:

LOT 154 OF TRACT NO. 5692, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 60, PAGES 72 AND 73 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL MINERALS, COALS, OILS, PETROLEUM AND KINDRED SUBSTANCES AND NATURAL GAS UNDER AND IN THAT PORTION OF SAID LAND LYING WITHIN THE BOUNDARIES OF TRACT NO. 1875, AS PER MAP RECORDED IN BOOK 19, PAGE 38 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS RESERVED OF RECORD.

APN: 2157-001-158

EXHIBIT B

LIST OF FURNITURE

[****]

EXHIBIT C

PUNCH LIST ITEMS

a. Landlord to refill Generator fuel by July 31, 2024.

b. Landlord to cover the actual cost of normal roof maintenance for the first 6 months for Building 1 (Building 1 roof is original from before Landlord acquired the Premises).

c. Within 30 days after the Commencement Date, Landlord shall provide additional reports as requested by Tenant (to the extent in Landlord's possession or control); Tenant shall submit its request for such additional reports within 5 business days after the Commencement Date.

d. From the Commencement Date until the earlier of (i) August 31, 2024, or (ii) the date the parties mutually agree that Landlord's assistance is no longer required, Landlord shall, at Landlord's cost, provide personnel to Tenant (e.g., make SPIN available) as reasonably necessary to help transition and organize the engineering documents needed to operate the Building.

e. Within 30 days after the Commencement Date, Landlord shall repair the crack in the epoxy flooring.

EXHIBIT D

LIST OF APPROVED GENERAL CONTRACTORS

[****]

EXHIBIT E

BASE RENT ACCOUNT WIRE INSTRUCTIONS

[****]

EXHIBIT F

TITLE REPORT

[****]

LICENSE AND COLLABORATION AGREEMENT

This **LICENSE AND COLLABORATION AGREEMENT** (the "**Agreement**") is entered into as of August 1, 2024 (the "**Effective Date**") between **IMMUNEONCO BIOPHARMACEUTICALS (SHANGHAI) INC.**, a corporation organized under the laws of the People's Republic of China, with a place of business at No.15, Lane 1000, Zhangheng Road, China (Shanghai) Pilot Free Trade Zone, ("**ImmuneOnco**"), and SynBioTx Inc., a Delaware corporation with a place of business at 3963 Maple Avenue, Suite 350, Dallas TX 75219 ("**SynBio**"). ImmuneOnco and SynBio are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, ImmuneOnco, a biopharmaceutical company, has developed certain bispecific antibodies targeting PD-L1 and VEGF including the product candidates known as IMM2510 and IMM2518, and certain monoclonal antibodies targeting CTLA-4 including the product candidate known as IMM27M, and owns or controls certain patent, know-how and other intellectual property rights relating to such product candidates and other bispecific antibodies targeting PD-L1 and VEGF; and

WHEREAS, SynBio wishes to obtain from ImmuneOnco, and ImmuneOnco is willing to grant to SynBio, an exclusive license to research, develop, manufacture and commercialize such product outside of China, all on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, SynBio and ImmuneOnco hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless the context otherwise requires, the terms in this Agreement with initial letters capitalized shall have the meanings set forth below:

1.1 "**Active Ingredient**" means any clinically active material that provides pharmacological activity in a pharmaceutical product (excluding formulation components such as coatings, stabilizers, excipients or solvents, adjuvants or controlled release technologies).

1.2 "**Accounting Standards**" means U.S. Generally Accepted Accounting Principles (GAAP) or the International Financial Reporting Standards (IFRS), as applicable.

1.3 "**Affiliate**" means, with respect to a Party, any Person that directly or indirectly controls, is controlled by or is under common control with such Party. As used in this definition, "control" (and, with correlative meanings, the terms "controlled by" and "under common control with") means the ownership of more than fifty percent (50%) of the outstanding voting securities thereof or an interest that results in the ability to direct or cause the direction of the management

and policies of such entity or the power to appoint more than fifty percent (50%) of the members of the governing body of such entity.

1.4 "**Applicable Laws**" means all statutes, ordinances, regulations, rules or orders of any kind whatsoever of any Governmental Authority that may be in effect from time to time and applicable to the activities contemplated by this Agreement.

1.5 [***]

1.6 "**Business Day**" means a day other than Saturday, Sunday or any day on which banks located in New York City, U.S., or Shanghai, China, are authorized or obligated to close. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified.

1.7 "**Calendar Quarter**" means the respective periods of three consecutive calendar months ending on March 31, June 30, September 30 and December 31, except that the first Calendar Quarter shall commence on the Effective Date and end on the first to occur of March 31, June 30, September 30 and December 31 after the Effective Date, and the last Calendar Quarter shall end on the last day of the Term.

1.8 "**Calendar Year**" means each twelve (12) month period commencing on January 1 and ending on December 31, except that the first Calendar Year shall commence on the Effective Date and end on the first December 31 to occur after the Effective Date, and the last Calendar Year shall end on the last day of the Term.

1.9 "**cGMP**" means all applicable current Good Manufacturing Practices, including, as applicable, the principles detailed in the U.S. Current Good Manufacturing Practices, 21 C.F.R. Parts 4, 210, 211, 601, 610 and 820, European Directive 2003/94/EC and Eudralex 4, the principles detailed in the International Conference on Harmonization ("**ICH**") Q7 guidelines, and the equivalent Applicable Laws in any relevant country or jurisdiction, each as may be amended and applicable from time to time.

1.10 "**Change of Control**" means, with respect to either Party: (a) a merger, acquisition, reorganization, or consolidation of such Party with a Third Party that results in the voting securities of such Party outstanding immediately prior thereto, or any securities into which such voting securities have been converted or exchanged, ceasing to represent more than 50% of the combined voting power of the surviving entity immediately after such merger, acquisition, reorganization, or consolidation; (b) a transaction or series of related transactions in which one or more Third Parties becomes the beneficial owner, directly or indirectly, of more than 50% of the combined voting power of the outstanding securities of such Party; or (c) a transfer to a Third Party of all or substantially all of its assets relating to this Agreement; provided that a Change of Control shall not include (x) the issuance and sale by either Party of its securities, (A) in an firmly underwritten initial public offering or (B) otherwise for bona fide financing purposes, or (y) transaction solely to change the corporate domicile of SynBio, or (z) any "spin-out" by SynBio by its majority shareholder, or reverse merger or any merger with a special-purpose acquisition company by either Party.

1.11 "**Clinical Trial**" means any clinical testing of a Product in human subjects, including but not limited to any Phase 1 Clinical Trial, Phase 1b Clinical Trial, Phase 2 Clinical Trial, Phase 2b Clinical Trial and Phase 3 Clinical Trial.

1.12 "**Commercialization**" or "**Commercialize**" means all activities directed to marketing, distribution, detailing or selling of pharmaceutical products (including importing and exporting activities in connection therewith), including all activities directed to obtaining pricing and reimbursement approvals for a Product.

1.13 "**Commercially Reasonable Efforts**" means, with respect to carrying out specific tasks and obligations of a Party under this Agreement, the use of reasonable, diligent, good faith efforts and resources as normally used by a similarly situated biopharmaceutical company of similar size and resources for a product having a similar stage of development or life cycle and is of similar market potential, taking into account relevant factors including measures of patent coverage, relative safety and efficacy, product profile, profitability, the competitiveness of the marketplace, the proprietary position of such product, the regulatory structure involved, and other relevant factors. Commercially Reasonable Efforts may vary over time, and will be determined on a country-by-country and Product-by-Product basis. Without limiting the foregoing, (a) in relation to Development activities, including for purposes of obtaining Regulatory Approval of a Product, "Commercially Reasonable Efforts" require that such Party: (i) assign responsibility for the relevant activities to specific employees who are responsible for progress and monitor such progress on a regular basis; (ii) set specific and meaningful objectives and timelines for carrying out such activities; and (iii) make and implement decisions and allocate resources consistent with the efforts described above; and (b) in relation to requiring an Affiliate or Third Party to conduct certain activities under this Agreement, "Commercially Reasonable Efforts" require that such Party oblige such Affiliate or Third Party to accept applicable terms and conditions equivalent to those set forth in this Agreement, and such Party exercises its rights and performs the obligations under any agreement therebetween in a commercially reasonable and timely manner so that the purpose of this Agreement will be achieved. [***]

1.14 "**Completion**" (including variations such as "**Complete**" and "**Completed**" and the like) means, [***]

1.15 "**Compound**" means (a) any bispecific antibodies Directed to both programmed death-ligand 1 (PD-L1) and vascular endothelial growth factor (VEGF) that are Controlled by ImmuneOnco as of the Effective Date or at any time during the Term, including the product candidates known as IMM2510, (b) any monoclonal antibodies Directed to cytotoxic t-lymphocyte associated antigen 4 (CTLA-4) that are Controlled by ImmuneOnco as of the Effective Date or at any time during the Term, including the product candidate known as IMM27M, and (c) biologically active fragments, variants or derivatives of such antibodies under the foregoing subclauses (a) and (b), such as any antibody-drug conjugate or radiotherapy, to the extent such fragments, variants or derivatives of the antibodies under the foregoing subclause (a) are Directed to (and only Directed to) PD-L1 and VEGF, and such fragments, variants or derivatives of the antibodies under the foregoing subclause (b) are Directed to (and only Directed to) CTLA-4.

1.16 "**Competing Product**" means [***]

1.17 "**Conditional Approval**" means, Regulatory Approval that requires, as a condition of such approval, additional (or a continuation of) Clinical Trials or clinical studies for a Product to obtain further safety or efficacy data, including, if applicable, accelerated approval in the United States, conditional approval in the EU or in mainland China, or their foreign equivalents.

1.18 "**Confidential Information**" of a Party means all Know-How, unpublished patent applications and other information, materials and data of a financial, commercial, business, scientific or technical nature of such Party that is disclosed by or on behalf of such Party or any of its Affiliates or otherwise made available to the other Party or any of its Affiliates, whether made available orally, in writing or in electronic or other form. The terms and conditions of this Agreement are the Confidential Information of both Parties.

1.19 "**Control**" or "**Controlled**" means, with respect to any Know-How, Patents or other intellectual property rights, that a Party has the legal authority or right (whether by ownership, license or otherwise, other than a license granted to such Party under this Agreement) to grant to the other Party a license, sublicense, access or other right (as applicable) under such Know-How, Patents, or other intellectual property rights, on the terms and conditions set forth herein, in each case without breaching the terms of any agreement with a Third Party. Notwithstanding the foregoing,

(X) in the event a Party undergoes a Change of Control transaction with one or more Third Parties (such Third Party(ies) and its/their Affiliates immediately prior to such Change of Control, collectively the "**Acquiring Entities**" and individually an "**Acquiring Entity**"), then such Party will not be deemed to "Control" any material, Know-How, Patents or intellectual property right that, prior to the effective date of such Change of Control, is owned or in-licensed by any Acquiring Entity that becomes an Affiliate of such acquired Party after the Effective Date as a result of such Change of Control or that any Acquiring Entity subsequently develops without accessing or practicing the Licensed Technology or SynBio Product Technology, as applicable, or Confidential Information of the other Party (such material, Know-How, Patents and other intellectual property right, collectively, the "**CoC IP**") unless (a) prior to the effective date of such Change of Control, such acquired Party or any of its Affiliates also Controlled such CoC IP, or (b) CoC IP owned or in-licensed by the applicable Acquiring Entity was not used in the performance of activities under this Agreement prior to the effective date of such Change of Control, but after the effective date of such Change of Control, such acquired Party or any of its Affiliates uses any such CoC IP in the performance of its obligations or exercise of its rights under this Agreement, in each of which cases ((a) and (b)), such CoC IP will be deemed "Controlled" by such acquired Party for purposes of this Agreement; and

(Y) that with respect to any Know-How, Patents or other intellectual property right acquired by a Party or any Affiliate thereof from a Third Party after the Effective Date (by ownership, license or other right), such Party or such Affiliate shall be deemed to "Control" such Know-How, Patents or other intellectual property right only if: (i) such Party or its Affiliate possesses the right to grant such access, disclosure, license, sublicense, or other right thereto to the other Party hereunder (if applicable) without being or becoming obligated to pay any consideration to such Third Party as a result of such grant; (ii) the other Party first agrees in writing to pay all royalties and other consideration that may become due to such Third Party as a result of the other

Party's or any of its Affiliates' or sublicensees' use or practice of such Know-How, Patents or other intellectual property right as applicable, under this Agreement (which shall be in addition to the other Party's obligation to pay all royalties and other consideration payable under this Agreement, if applicable); and (iii) the other Party acknowledges and agrees in writing that, notwithstanding Article 9 hereof, the first Party does not grant, or purport to grant, to the other Party, or have, or purport to have, any rights with respect to prosecution, maintenance, enforcement or defense of any such Patent that are not expressly granted by such Third Party to such first Party.

1.20 "**Cover**" means, with respect to a Patent and a particular product, composition, process, method, invention or other subject matter, that, in the absence of ownership of or a license under such Patent, the make, use, sale, offer for sale or importation of such product or composition or the practice of such process, method, invention or subject matter would infringe such Patent (if the Patent is still pending, treating such Patent as if issued).

1.21 "**Development**" or "**Develop**" means all development activities to obtain and maintain Regulatory Approval for a Product, including all pre-clinical studies, test method development and stability testing, toxicology, formulation, profiling, characterization, and Clinical Trials of a Product, manufacture process development, manufacturing scale-up, qualification and validation, quality assurance/quality control, CMC activities, distribution of a Product for use in Clinical Trials (including placebos and comparators), pharmacovigilance activities, adverse event reporting, statistical analyses, the preparation and submission of regulatory filings and all regulatory affairs related to any of the foregoing.

1.22 "**Directed to**" means, with respect to a target and any Compound or other compound, product or agent, that such Compound or other compound, product or agent binds to such target. For clarity, the foregoing shall not include incidental or non-specific binding activity, or any pathway effects.

1.23 "**Dollars**" or "**$**" means U.S. dollars, the lawful currency of the U.S.

1.24 "**EU**" means any and all countries that are officially recognized as member states of the European Union at any particular time. For the purpose of this definition, the United Kingdom shall be deemed to be a country within EU.

1.25 "**FDA**" means the U.S. Food and Drug Administration or its successor.

1.26 "**Field**" means all therapeutic and diagnostic uses in humans and animals.

1.27 "**First Commercial Sale**" means, with respect to any Product in any country or jurisdiction, the first sale of such Product to a Third Party for distribution, use or consumption in such country or jurisdiction after the Regulatory Approvals have been obtained for such Product in such country or jurisdiction. For clarity, First Commercial Sale shall not include any sale or transfer of a Product prior to receipt of Regulatory Approval, such as so-called "treatment IND sales," "named patient sales" and "compassionate use sales."

1.28 "**FTE**" means a full time equivalent employee (i.e., one fully-committed or multiple partially-committed employees aggregating to one full-time employee) employed or contracted by a Party or its Affiliates and assigned to perform specified work hereunder (such as providing assistance in clinical training, document review or drafting, etc.), with such commitment of time and effort to constitute one employee performing such work on a full-time basis, which for purposes hereof shall be [***], provided that any such employee who devotes less than [***] per year shall be treated as an FTE on a pro rata basis based on the number of actual hours worked divided by [***]. For clarity, FTEs shall not include information technology, human resources, financial or legal personnel.

1.29 "**FTE Costs**" means all costs and expenses actually incurred by a Party or its Affiliate for an FTE providing the applicable services and performing the specified work hereunder, which shall be calculated by multiplying the number of FTEs performing such activities by the applicable FTE Rate.

1.30 "**FTE Rate**" means (a) with respect to ImmuneOnco, [***], and (b) with respect to SynBio, [***].

1.31 "**GCP**" means all applicable Good Clinical Practice standards for the design, conduct, performance, monitoring, auditing, recording, analyses and reporting of Clinical Trials, including, as applicable (a) as set forth in the ICH Technical Requirements for Registration of Pharmaceuticals for Human Use Harmonized Tripartite Guideline for Good Clinical Practice (CPMP/ICH/135/95) and any other guidelines for good clinical practice for trials on medicinal products, (b) the Declaration of Helsinki (2013) as last amended at the 64th World Medical Association in October 2013 and any further amendments or clarifications thereto, (c) 21 C.F.R. Parts 50 (Protection of Human Subjects), 56 (Institutional Review Boards) and 312 (Investigational New Drug Application), as may be amended from time to time, and (d) the equivalent Applicable Laws, each as may be amended and applicable from time to time and in each case, that provide for, among other things, assurance that the clinical data and reported results are credible and accurate and protect the rights, integrity, and confidentiality of trial subjects.

1.32 "**GLP**" means all applicable Good Laboratory Practice standards, including, as applicable, as set forth in the then current good laboratory practice standards promulgated or endorsed by the U.S. Food and Drug Administration as defined in 21 C.F.R. Part 58, or the equivalent Applicable Laws in the applicable region or country, each as may be amended and applicable from time to time.

1.33 "**Governmental Authority**" means any court, commission, authority, department, ministry, official or other instrumentality of, or being vested with public authority under any law of, any country, region, state or local authority or any political subdivision thereof, or any association of countries.

1.34 "**ImmuneOnco Territory**" means China, including mainland China, Hong Kong, Macau, and Taiwan.

1.35 "**IND**" means any investigational new drug application, clinical trial application, clinical trial exemption or similar or equivalent application or submission to the applicable Regulatory Authority for approval to conduct clinical testing of a pharmaceutical product in humans.

1.36 "**Initiate**" means, with respect to a Clinical Trial, the dosing (either with a Product or placebo) of the first human subject or patient enrolled in such Clinical Trial. "**Initiation**" means the act of Initiating a Clinical Trial.

1.37 "**Invention**" means any data, results, discovery, finding, process, improvement, method, composition of matter, article of manufacture, patentable or otherwise, that is invented, reduced to practice, or otherwise generated by either Party exercising its rights or carrying out its obligations under this Agreement, whether directly or via its Affiliates, agents, contractors or sublicensees, including all rights, title and interest in and to the intellectual property rights therein.

1.38 "**IO Development Cost**" means, with respect to ImmuneOnco's conduct of any Development activities under the Collaboration Development Plan, any (a) out-of-pocket expenses paid to Third Parties by or on behalf of ImmuneOnco or its Affiliates and (b) ImmuneOnco's FTE Costs. IO Development Costs shall not include any expenses incurred in the Manufacture and supply of any Products to be used in the conduct of such Development activities under the Collaboration Development Plan.

1.39 "**IO Development IP**" means, means any Know-How or Patents arising from the conduct of the Collaboration Development Plan (whether or not such Know-How or Patents are necessary or reasonably useful for the Development, Manufacture or Commercialization of a Product in the Field in the SynBio Territory).

1.40 "**Know-How**" means any proprietary scientific or technical information, results and data of any type whatsoever, in any tangible or intangible form whatsoever, including databases, safety information, practices, methods, techniques, specifications, formulations, formulae, knowledge, know-how, skill, experience, test data including pharmacological, medicinal chemistry, biological, chemical, biochemical, toxicological and clinical test data, analytical and quality control data, stability data, studies and procedures, and manufacturing process and development information, results and data.

1.41 "**Licensed Know-How**" means all Know-How that is (a) Controlled by ImmuneOnco or its Affiliates as of the Effective Date or at any time during the Term, and (b) necessary or reasonably useful for the Development, Manufacture or Commercialization of a Product in the Field in the SynBio Territory.

1.42 "**Licensed Patents**" means all Patents that (a) are Controlled by ImmuneOnco or its Affiliates as of the Effective Date or at any time during the Term, and (b) Cover a Product (including composition of matter, methods of making and using) in the Field in the SynBio Territory. Licensed Patents existing as of the Effective Date ("**Existing Licensed Patents**") are set forth in **Exhibit A**.

1.43 "**Licensed Technology**" means Licensed Know-How and Licensed Patents.

1.44 "**MAA**" or "**Marketing Authorization Application**" means an application to the appropriate Regulatory Authority for approval to sell a pharmaceutical product in a particular country or jurisdiction and all amendments and supplements thereto, including New Drug Application (NDA) and Biologic License Application (BLA) and equivalent applications in country or jurisdiction outside the U.S., [***].

1.45 "**Major Markets**" mean, collectively, [***].

1.46 "**Manufacture**" and "**Manufacturing**" mean activities directed to the synthesis, manufacturing, processing, filling, finishing, packaging, labeling, quality control, quality assurance testing and release, post-marketing validation testing, inventory control and management, storing and transporting a Product or any intermediate thereof.

1.47 "**Manufacturing Cost**" means, with respect to a Product supplied by ImmuneOnco to SynBio:

(a) if a Product is Manufactured by ImmuneOnco's Third Party contract manufacturer, [***]

(b) if a Product is Manufactured by ImmuneOnco itself or its Affiliate, [***]

1.48 "**Milestone Indication**" means, with respect to a Product, any separately defined, well categorized class of human disease, syndrome, disorder or medical condition for which a separate Regulatory Approval is filed for such Product with the applicable Regulatory Authority in a given country. Notwithstanding the foregoing, each of [***].

1.49 "**Net Sales**" means the gross price billed or invoiced on sales of a Product by SynBio, its Affiliates, or sublicensees (each if applicable, the "**Selling Party**") for sale of such Product to a Third Party in the SynBio Territory, less following deductions actually incurred and borne by the Selling Party and not recovered by or refunded to the Selling Party:

[***]

Each of the amounts set forth above shall be determined from the books and records of the Selling Party in accordance with the Accounting Standards consistently applied. For the avoidance of doubt, if a single item falls into more than one of the categories set forth in clauses (a)-(g) above, such item may not be deducted more than once.

With respect to any sale of a Product in a given country or jurisdiction for less than fair market value or for any substantive consideration other than monetary consideration on arm's length terms (which has the effect of reducing the invoiced amount below what it would have been in the absence of such non-monetary consideration), for purposes of calculating the Net Sales under this Agreement, such Product shall be deemed to be sold exclusively for cash at the average Net Sales price charged to Third Parties for cash sales in such country or jurisdiction during the applicable reporting period (or if there were only de minimis cash sales in such country or

jurisdiction, at the fair market value as determined by the Parties in good faith based on pricing in comparable markets).

Sales between SynBio and its Affiliates and sublicensees shall be disregarded for purposes of calculating Net Sales except if such purchaser is an end user.

If a Product contains any Active Ingredient(s) that is not a Compound, then the Net Sales of such Product (a "**Combination Product**"), for the purpose of calculating royalties payments owed under this Agreement, shall be the Net Sales attributable to the Compound, which shall be calculated as follows: first, the actual Net Sales of such Combination Product shall be determined using the above provisions, and then such amount shall be multiplied by the fraction A/(A+B), where A is the invoice price (during the relevant royalty paying period in the relevant country) of such Product that contains the Compound at its sole Active Ingredient when sold separately in finished form (the "**Mono Product**"), and B is the total invoice price (during the relevant royalty paying period in the relevant country) of other Active Ingredient(s) in the Combination Product when sold separately in finished form. If there is no separate sale of either the Mono Product or other Active Ingredient(s), then A and B shall be their fair market values as reasonably determined by the Parties or, in the absence of agreement, pursuant to arbitration under Section 14.3.

1.50 "**NMPA**" means National Medical Products Administration of China (formerly known as the China Food and Drug Administration), or its successor.

1.51 "**Patents**" means all national, regional and international patents and patent applications, including divisions, continuations, continuations-in-part, additions, re-issues, renewals, extensions, substitutions, re-examinations or restorations, registrations and revalidations, and supplementary protection certificates and equivalents to any of the foregoing.

1.52 "**Person**" means any individual, partnership, limited liability company, firm, corporation, association, trust, unincorporated organization, governmental authority, or other entity.

1.53 "**Phase 1 Clinical Trial**" means the clinical study of a Product in healthy volunteers or patients to estimate the initial safety and tolerability of such Product and to determine the metabolism and the pharmacokinetic and pharmacodynamic actions of such Product, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness and on such Product's activity, or any human clinical trial of such Product that would otherwise satisfy the requirements of 21 § CFR 312.21(a) or corresponding foreign regulations.

1.54 "**Phase 1b Clinical Trial**" means any Phase 1 Clinical Trial, or the relevant portion thereof, designed to evaluate safety, efficacy, and pharmacokinetics for the purpose of confirming a recommended dose regimen of such Product for a Phase 2 Clinical Trial or Phase 3 Clinical Trial.

1.55 "**Phase 2 Clinical Trial**" means a clinical study conducted to evaluate the effectiveness and to explore the therapeutic efficacy of a Product for a particular indication or indications in patients with the disease or condition under study and to determine the common short-term side effects and risks associated with such Product and to determine the dose and

regimen for Phase 3 Clinical Trials, or any human clinical trial of such Product that would otherwise satisfy the requirements of 21 § CFR 312.21(b) or corresponding foreign regulations.

1.56 "**Phase 2b Clinical Trial**" means any Phase 2 Clinical Trial, or the relevant portion thereof, on sufficient numbers of patients to generate sufficient data to determine the safe and effective dosing range of such Product prior to the Initiation of a Phase 3 Clinical Trial.

1.57 "**Phase 3 Clinical Trial**" means a clinical study that is performed after preliminary evidence suggesting effectiveness of a Product has been obtained, and is intended to demonstrate or confirm the therapeutic benefit of such Product and to gather the additional information about effectiveness and safety that is needed to evaluate the overall benefit-risk relationship of such Product and to provide an adequate basis for marketing approval and for such Product's labeling and summary of such Product characteristics, or any human clinical trial of such Product that would otherwise satisfy the requirements of 21 § CFR 312.21(c) or corresponding foreign regulations.

1.58 "**Product**" means any pharmaceutical product that contains a Compound as an Active Ingredient, alone or in combination with other Active Ingredient(s) (provided that such other Active Ingredient is not proprietary to ImmuneOnco), in any formulation or dosage form and for any mode of administration.

1.59 "**Regulatory Approval**" means, with respect to a Product in a country or jurisdiction, all approvals, including pricing and reimbursement approvals in the EU but excluding pricing and reimbursement approvals in all other territories, from the Regulatory Authorities necessary to broadly market and sell such Product in such country or jurisdiction, including but not limited to any MAA. For clarity, Regulatory Approval shall include Conditional Approval.

1.60 "**Regulatory Authority**" means any applicable Government Authority responsible for granting any Regulatory Approvals for a Product.

1.61 "**Regulatory Exclusivity**" means any exclusive marketing rights or data exclusivity rights (other than Patents) conferred by any Regulatory Authority with respect to a pharmaceutical or medical product, including without limitation orphan drug exclusivity, new chemical entity exclusivity, data exclusivity, pediatric exclusivity, rights conferred in the U.S. under the Hatch-Waxman Act or the FDA Modernization Act of 1997, in EU member states under national implementations of Article 10 of Directive 2001/83/EC, and rights similar thereto in other country or jurisdiction.

1.62 "**Regulatory Material**" means any regulatory application, submission, notification, communication, correspondence, registration, approval and other filings made to, received from or otherwise conducted with a Regulatory Authority in order to Develop, Manufacture, market, sell or otherwise Commercialize a Product in a particular country or jurisdiction. For clarity, Regulatory Materials include IND, MAAs and Regulatory Approvals.

1.63 "**SynBio Product Technology**" means all Patents and Know-How (including Invention) that are Controlled by SynBio, its Affiliates or sublicensees as of the Effective Date or

during the Term of the Agreement that are necessary or reasonably useful in the Development, Manufacture or Commercialization of a Product in the Field. Such Patents in SynBio Product Technology, "**SynBio Product Patents**".

1.64 "**SynBio Territory**" means the entire world outside of the ImmuneOnco Territory.

1.65 "**Terminated Compound**" means the type of Compound (and all Products comprising such type of Compound) with respect to which this Agreement is terminated in the Terminated Territory. For clarity, a Terminated Compound is no longer a Compound from and after the effective date of the termination of this Agreement with respect to such Terminated Compound in the Terminated Territory.

1.66 "**Terminated Territory**" means (a) if this Agreement is terminated in its entirety, the SynBio Territory as a whole; or (b) if this Agreement is terminated with respect to one (1) or more county(ies) in the SynBio Territory (but not in its entirety), the county(ies), as applicable, with respect to which this Agreement has been terminated, as applicable.

1.67 "**Third Party**" means any Person other than ImmuneOnco, SynBio and Affiliates of either of them.

1.68 "**U.S.**" means United States of America, including all possession and territories thereof.

1.69 "**Valid Claim**" means a claim of (a) an issued and unexpired Patent (as may be extended through supplementary protection certificate or patent term extension or the like) that has not been revoked, held invalid or unenforceable by a patent office, court or other Governmental Authority of competent jurisdiction in a final and non-appealable judgment (or judgment from which no appeal was taken within the allowable time period) and which claim has not been disclaimed, denied or admitted to be invalid or unenforceable through reissue, re-examination or disclaimer or otherwise or (b) a patent application that has not been irretrievably cancelled, withdrawn or abandoned and that has been pending for less than [***].

ARTICLE 2
LICENSES

2.1 License to SynBio. Subject to the terms and conditions of this Agreement, ImmuneOnco hereby grants to SynBio (a) an exclusive (even as to ImmuneOnco or its Affiliates), royalty-bearing license, with the right to grant sublicenses through multiple tiers solely in accordance with Section 2.3, under the Licensed Technology to Develop, use, promote, sell, offer for sale, import and otherwise Commercialize the Products in the Field in the SynBio Territory, (b) an exclusive, royalty-free license, with the right to grant sublicenses through multiple tiers solely in accordance with Section 2.3, under the IO Development IP for all purposes in the SynBio Territory, and (c) a non-exclusive, royalty-bearing license, with the right to grant sublicenses through multiple tiers solely in accordance with Section 2.3, under the Licensed Technology to Manufacture and have Manufactured the Products anywhere in the world for the purpose of Developing and Commercializing the Products in the SynBio Territory.

2.2 License to ImmuneOnco. Subject to the terms and conditions of this Agreement, SynBio hereby grants to ImmuneOnco (a) an exclusive (even as to SynBio or its Affiliates), royalty-free, fully paid-up, transferable (only in connection with an assignment under Section 15.2) license, with the right to grant sublicenses through multiple tiers solely in accordance with Section 2.3, under the SynBio Product Technology to Develop, use, promote, sell, offer for sale, import and otherwise Commercialize the Products in the ImmuneOnco Territory, and (b) a non-exclusive, royalty-free, fully paid-up, transferable (only in connection with an assignment under Section 15.2) license, with the right to grant sublicenses through multiple tiers solely in accordance with Section 2.3, under the SynBio Product Technology to Manufacture and have Manufactured the Products anywhere in the world for the purpose of Developing and Commercializing the Products in the ImmuneOnco Territory.

2.3 Right to Sublicense. Subject to the terms and conditions of this Agreement, each Party shall have the right to grant sublicenses through multiple tiers under the license granted to it under Section 2.1 or Section 2.2 to its Affiliates and Third Parties, provided that:

(a) Each sublicense under the Licensed Technology or SynBio Product Technology, as applicable, shall be subject to a written agreement that is consistent with the terms and conditions of this Agreement; and

(b) the Party granting the sublicense shall provide a true and complete copy of each sublicense agreement to the other Party [***], provided that such Party shall have the right to redact from such copy any confidential or commercially sensitive terms to the extent not pertinent to either Party's rights or obligations under this Agreement or verification of compliance with the requirements of this Agreement. The Party granting the sublicense shall remain directly responsible for all of its obligations under this Agreement that have been delegated or sublicensed to any sublicensee. Any sublicensee conduct, act or omission that would have constituted a breach of this Agreement shall be imputed to the Party granting the sublicense and deemed a breach of this Agreement as if such conduct, act or omission had been directly attributable to the Party granting the sublicense. Neither Party shall grant a sublicense to any sublicensee that has been debarred or disqualified by a Regulatory Authority. For clarity, when referring to "sublicensee" of a Party under this Agreement, it refers to any Third Party to whom such Party or any of its Affiliates grants a sublicense of its's rights received under Section 2.1 or 2.2, as applicable, but excluding all subcontractors (such as, for example, contract research organizations, contract manufacturers, distributors, and service providers on a fee-for-service basis whether or not granted a sublicense to Develop or Manufacture any of the Compounds or the Products).

2.4 No Implied Licenses; Negative Covenant. Except as expressly set forth herein, no license or other right or interest under any Know-How, Patent or other intellectual property of a Party is granted (by implication or otherwise) to the other Party under this Agreement. SynBio shall not, and shall not permit any of its Affiliates or sublicensees to, practice any Licensed Technology outside the scope of the license granted by ImmuneOnco to SynBio under Section 2.1 of this Agreement. ImmuneOnco shall not, and shall not permit any of its Affiliates or sublicensees to, practice any SynBio Product Technology outside the scope of the license granted by SynBio to ImmuneOnco under Section 2.2 of this Agreement.

2.5 Exclusivity. During the Term and until [***], neither ImmuneOnco nor SynBio, nor any of their respective Affiliates or sublicensees shall, directly or indirectly [***].

2.6 Subcontracting. Each Party shall have the right to subcontract any of its activities under this Agreement to a Third Party, provided that ImmuneOnco shall not subcontract, without SynBio's consent, any Development activities under the Collaboration Development Plan in the ImmuneOnco Territory to a Third Party that is not agreed in the Collaboration Development Plan (each such subcontractor that is permitted under the Collaboration Development Plan or otherwise approved by SynBio, a "**Permitted Subcontractor**"). The activities performed by a subcontractor on behalf of ImmuneOnco or SynBio shall be made pursuant to a written subcontract specifying the work to be subcontracted, and containing provisions not conflicting with the terms and conditions of this Agreement, including with respect to confidentiality, regulatory obligations (if applicable), compliance and intellectual property. ImmuneOnco shall provide SynBio the opportunity to review any such subcontract to the extent applicable to performance of Collaboration Development prior to its execution. ImmuneOnco shall also provide SynBio the opportunity to (a) participate in meetings with, audits or inspections of, or other assessments of any Permitted Subcontractor and (b) review any draft and final reports prepared by such Permitted Subcontractor. Each Party shall be responsible and liable to the other Party for the performance of such Party's activities pursuant to this Agreement by its subcontractors and or any failure by its subcontractors to comply with the restrictions, limitations, and obligations set forth in this Agreement as if such performance or failure of such subcontractors were the performance or failure of such Party under this Agreement.

ARTICLE 3
GOVERNANCE

3.1 Alliance Managers. [***], each Party shall appoint (and notify the other Party of the identity of) a representative having the appropriate qualifications (including a general understanding of pharmaceutical development, manufacture and commercialization issues) to act as its alliance manager under this Agreement (the "**Alliance Manager**"). The Alliance Managers shall serve as the primary contact points between the Parties regarding the activities contemplated by this Agreement. The Alliance Managers shall facilitate the flow of information and otherwise promote communication, coordination and collaboration between the Parties, providing single point communication for seeking consensus both internally within each Party's respective organization, including facilitating review of external corporate communications, and raising cross-Party and/or cross-functional issues in a timely manner. Each Party may replace its Alliance Manager by written notice to the other Party.

3.2 Advisory Committee.

(a) **Formation**. [***], the Parties shall establish an advisory committee (the "**Advisory Committee**" or the "**AC**") to oversee and coordinate the Development, Manufacture and Commercialization of Products in the Field on a worldwide basis. Each Party shall appoint [***] representatives to the AC, each of whom shall be an officer or employee of the applicable Party having sufficient seniority within such Party to make decisions arising within the scope of the AC's responsibilities. Each Party may replace its AC representatives upon written notice to

the other Party. Each Party shall appoint one of its AC representatives to act as a co-chairperson of the AC. The role of the co-chairpersons shall be to convene and preside at meetings of the AC and to ensure the preparation of minutes, but the co-chairpersons shall have no additional powers or rights beyond those held by the other AC representatives.

(b) **Role**. The AC shall (i) provide a forum for the discussion of the Parties' activities under this Agreement; (ii) review and discuss the overall strategy for the Development, Manufacture and Commercialization of Product(s) in the Field in both the ImmuneOnco Territory and the SynBio Territory; (iii) coordinate and oversee technology transfer conducted under Sections 4.5 and 6.2; (iv) review, discuss and approve the Collaboration Development Plan and Potential Global Development Plan (if any) and amendments thereto; (v) review and discuss the Commercialization Plan and amendments thereto; (vi) establish subcommittees (such as Development subcommittee and Commercialization subcommittee) as necessary or advisable to further the purpose of this Agreement; and (vii) perform such other functions as expressly set forth in this Agreement or allocated to it by the Parties' written agreement.

(c) **Limitation of Authority**. The AC shall only have the powers expressly assigned to it in this Article 3 and elsewhere in this Agreement and shall not have the authority to: (i) modify or amend the terms and conditions of this Agreement; (ii) waive either Party's compliance with the terms and conditions of this Agreement; or (iii) determine any such issue in a manner that would conflict with the express terms and conditions of this Agreement.

(d) **Meetings**. The AC shall hold meetings at such times as it elects to do so, but in no event shall such meetings be held [***]. Thereafter, the AC shall hold meeting [***]. Each Party may call additional ad hoc AC meetings as the needs arise with reasonable advance notice to the other Party. Meetings of the AC may be held in person, by audio or video teleconference. In-person AC meetings shall be held at locations selected alternatively by the Parties. Each Party shall be responsible for all of its own expenses of participating in the AC meetings. No action taken at any AC meeting shall be effective unless at least one representative of each Party is participating in such AC meeting.

(e) **Non-Member Attendance**. Each Party may from time to time invite a reasonable number of participants, in addition to its representatives, to attend the AC meetings in a non-voting capacity; provided that if either Party intends to have any Third Party (including any consultant) attend such a meeting, such Party shall provide prior written notice to the other Party. Such Party shall also ensure that such Third Party is bound by confidentiality and non-use obligations consistent with the terms of this Agreement.

(f) **Decision Making**. All decisions of the AC shall be made by unanimous vote, with each Party's representatives collectively having one vote. If after reasonable discussion and good faith consideration of each Party's view on a particular matter before the AC, the AC cannot reach a decision as to such matter [***], such matter shall be referred to the Chief Executive Officer of ImmuneOnco and the Chief Executive Officer of SynBio (the "**Executive Officers**") for resolution. The Executive Officers shall promptly meet and use good faith efforts to resolve such matter. If the Executive Officers cannot resolve such matter [***], then [***]:

[***]

3.3 Establishment of Working Groups. The AC (or the Development subcommittee or Commercialization subcommittee) may establish teams or working groups to interact as needed to complete tasks assigned to them by the AC or such subcommittees; provided that the authority of such working groups will not expand beyond the authority of the AC or such subcommittees. Any such working groups will be operational and will not have any decision-making authority.

3.4 Discontinuation of AC. The activities to be performed by the AC shall solely relate to governance under this Agreement, and are not intended to be or involve the delivery of services. The AC shall continue to exist until the Parties mutually agree to disband the AC after the First Commercial Sale of a Product in both the ImmuneOnco Territory and the SynBio Territory. Once the Parties mutually agree to disband the AC in accordance with the foregoing sentence, the AC shall have no further obligations under this Agreement and, thereafter, the Alliance Managers shall be the contact persons for the exchange of information under this Agreement and decisions of the AC shall be decisions as between the Parties, subject to the same respective decision making rights and limitations set forth in Section 3.2(f) and other terms and conditions of this Agreement.

ARTICLE 4
DEVELOPMENT

4.1 General. Subject to the terms and conditions of this Agreement, (a) SynBio shall be responsible for the Development of Products in the Field in the SynBio Territory, including the performance of Clinical Trials of Products in the Field in the SynBio Territory necessary for Regulatory Approval, and (b) ImmuneOnco shall be responsible for the Development of Products in the ImmuneOnco Territory, including the performance of Clinical Trials of Products in the ImmuneOnco Territory necessary for Regulatory Approval.

4.2 Development Diligence. SynBio shall use Commercially Reasonable Efforts to Develop a Product and obtain Regulatory Approval of at least one (1) Product in the Field in the Major Markets. Without limiting the foregoing, SynBio shall, itself or through its Affiliates or sublicensee:

[***]

provided that, with respect to each of the Diligence Deadline, in the event SynBio is using Commercially Reasonably Efforts to Develop the Product but is unable to, or is reasonably expected not to, meet any of the Diligence Deadline due to any scientific, technical or regulatory issues that came up in the Development process at no fault of SynBio, SynBio may [***] by written notice to ImmuneOnco, and any subsequent Development Deadline based on the Effective Date subsequent to the Diligence Deadline being extended (if any) shall be extended accordingly.

4.3 Development Plans.

(a) All Development of a Product by or on behalf of ImmuneOnco in the ImmuneOnco Territory under this Agreement and funded by SynBio shall be conducted pursuant to a detailed written Development plan mutually agreed between the Parties (the "**Collaboration Development Plan**", such Development, "**Collaboration Development**") that sets forth (i) the roles and responsibilities of each Party and a description of the Development activities to be conducted, (ii) the estimated timeline for completion of such Development activities, (iii) an estimated budget of the IO Development Costs by Calendar Quarter (the "**Budget**") and (iv) other details of such Development activities (including all relevant Clinical Trials in the ImmuneOnco Territory, and the draft protocol of such Clinical Trials). For clarity, Collaboration Development does not include Global Development Activities. The Collaboration Development Plan shall be focused on efficiently Developing, obtaining and maintaining Regulatory Approval for and Commercialization of the Product in the ImmuneOnco Territory, while minimizing any material adverse impact on the Development, obtaining and maintaining Regulatory Approval or Commercialization of the Product in the SynBio Territory. As of the Effective Date, the Parties have agreed to the initial Collaboration Development Plan, which is attached hereto as **Exhibit B**. From time to time, but at least once every Calendar Quarter, either Party may propose updates or amendments to the Collaboration Development Plan in consultation with the other Party and submit such proposed updated or amended plan to the AC for review, discussion, and approval. Once approved by the AC, the updated or amended Collaboration Development Plan shall become effective.

(b) From time to time, subject to other terms and conditions of this Agreement, each Party, in its sole discretion, may develop and adopt a strategy and plan for Developing (including obtaining and maintaining Regulatory Approvals) the Products in its respective territory, a copy of which will be delivered to the other Party via the AC.

(c) The Parties will coordinate alignment with respect to all material aspects of its Development and regulatory activities for the Products in their respective territories.

4.4 Potential Global Development Activities.

(a) **Global Trial**. The Parties acknowledge and agree that the conduct of certain global Development activities in both ImmuneOnco Territory and SynBio Territory may become necessary or may be advisable to further Develop and/or to obtain Regulatory Approval for the Products in both the SynBio Territory and the ImmuneOnco Territory ("**Global Development Activities**", and such clinical trial, "**Global Trial**"). In this respect, either Party, through its representatives on the AC, may propose to conduct certain Global Development Activities at any time, providing a summary of the proposed activities to the other Party and an estimate of the anticipated costs to be incurred by the Parties based on the proposed Development activities, including with respect to any Global Trial, the trial design, indication and proposed enrollment in each of the ImmuneOnco Territory and the SynBio Territory. The Parties shall discuss such proposal via the AC in good faith and shall decide whether the Parties intend to collaborate for the conduct of the proposed Global Development Activities and if the Parties mutual decide to collaborate on the conduct of such Global Development Activities, the Party

proposing to conduct Global Development Activities shall prepare (after taking into consideration the other Party's input) a plan for the conduct of such Global Development Activities for the Parties to discuss and approve via the AC (which, for clarity, shall be subject to approval of both Parties at the AC, the "**Potential Global Development Plan**") which shall govern the Parties conduct of such Global Development Activities, each Party's responsibilities and the allocation of costs; provided that, (i) for each Global Trial, unless otherwise agreed by the Parties, SynBio or its designee will lead and be the sponsor of such Global Trial and shall be responsible for the conduct, at its sole cost, of such Global Trial or other Development activities in the SynBio Territory; ImmuneOnco shall, if applicable, act as the local agent of SynBio in the ImmuneOnco Territory and shall be responsible for the conduct, at its sole cost, of such Global Trial or other Development activities in the ImmuneOnco Territory, (ii) unless otherwise provided in this Agreement or agreed between the Parties, [***], or as otherwise agreed by the Parties in the Potential Global Development Plan, and (iii) as between the Parties, each Party shall own any and all clinical and non-clinical data generated in its respective territory or solely relating to its respective territory from such Global Development Activities, and each Party shall promptly disclose to the other Party pursuant to the Potential Global Development Plan such data owned by such Party, provided that (A) SynBio hereby grants to ImmuneOnco a right to use or reference such data owned by SynBio for the purpose of obtaining and maintaining Regulatory Approval for and the Commercialization of the Products in ImmuneOnco Territory, and (B) ImmuneOnco hereby grants to SynBio a right to use or reference such data owned by ImmuneOnco for the purpose of obtaining and maintaining Regulatory Approval for and the Commercialization of the Products in SynBio Territory.

4.5 Development Technology Transfer and Assistance.

(a) Promptly after the Effective Date, the Parties shall coordinate and agree to a technology transfer plan for ImmuneOnco to provide and transfer to SynBio the Licensed Know-How (including clinical data but excluding Manufacturing related Licensed Know-How, the transfer of which is governed by Section 6.2) for SynBio to initiate the Development of Products in the Field in the SynBio Territory.

(b) ImmuneOnco shall transfer such Licensed Know-How to SynBio in accordance with such technology transfer plan, and SynBio shall cooperate with ImmuneOnco to facilitate the receipt of such transfer of Licensed Know-How. Licensed Know-How shall be provided to SynBio in the English language to the extent such English version exists, and if SynBio requires any Licensed Know-How existing in language other than English to be provided in the English Language, out-of-pocket translation expenses therefor incurred by or on behalf of ImmuneOnco shall be at ImmuneOnco's expense, provided that out-of-pocket translation expenses up to [***] shall be reimbursed by SynBio.

(c) Pursuant to the technology transfer plan, ImmuneOnco shall also provide SynBio with reasonable technical assistance to help SynBio and/or its agents to understand and use such Licensed Know-How in connection with the Development of a Product, including reasonable access to ImmuneOnco's technical personnel involved in the research and Development of a Product. SynBio shall reimburse ImmuneOnco for both out-of-pocket cost and internal FTE Cost incurred by ImmuneOnco to provide such technical assistance, [***].

4.6 IO Development Costs. SynBio shall be solely responsible for all the costs and expenses it incurs to Develop a Product in the Field in the SynBio Territory and SynBio shall reimburse ImmuneOnco for all IO Development Costs it incurs in the performance of the Collaboration Development Plan in accordance with the Budget, provided that:

(a) Any Clinical Development Payment made by SynBio pursuant to Section 8.2 below shall be creditable against any IO Development Costs incurred by ImmuneOnco in the performance of the Collaboration Development Plan;

(b) the Parties shall, in each Calendar Quarter, (i) review and update the Budget for the subsequent Calendar Quarter(s) and (ii) review IO Development Costs for the last two (2) consecutive Calendar Quarters (a "**Budget Review Period**") and compare such IO Development Costs with the Budget;

(c) if ImmuneOnco anticipates any changes that will materially impact the Budget, ImmuneOnco shall promptly inform the AC of any such changes and the AC shall discuss if any adjustments to the Clinical Development Payments should be made.

(d) if ImmuneOnco anticipates that in any Calendar Quarter it will incur IO Development Costs in excess of the Budget for such Calendar Quarter, it shall bring such matter as early as possible to the AC and the Parties shall discuss in good faith the reason for such Budget overrun and mitigation actions. SynBio shall consider in good faith to reimburse such amount in excess of the Budget, but shall not be obligated to reimburse any excess amount if such excess amount was incurred by ImmuneOnco without SynBio's prior written consent and such excess amount shall be borne by ImmuneOnco; and

(e) notwithstanding anything contrary, and to the extent necessary for calculating IO Development Costs incurred under this Agreement or any amounts due to SynBio under Section 13.4(d), for IO Development Costs incurred by ImmuneOnco for clinical trials set forth in the initial Collaboration Development Plan ("**Initial Collaboration Clinical Trial**"), the IO Development Costs shall be equivalent to the number of patients who have received first dosing in the Initial Collaboration Clinical Trial multiplied by [***] and shall be deemed fully incurred by ImmuneOnco for a patient upon the first dosing of such patient.

4.7 Data Exchange and Use. In addition to its adverse event and safety data reporting obligations pursuant to Section 5.7, each Party shall promptly provide the other Party with copies of all data and results and all supporting documentation (e.g. protocols, CRFs, analysis plans) generated from its Development of a Product in the Field in its respective territory. SynBio shall have the right to use the data provided by ImmuneOnco for the purpose of obtaining and maintaining Regulatory Approval for and Commercializing a Product in the Field in the SynBio Territory. ImmuneOnco shall have the right to use the data provided by SynBio for the purpose of obtaining and maintaining Regulatory Approval for and Commercializing a Product in the ImmuneOnco Territory.

4.8 Development Records. Each Party shall maintain complete, current and accurate records of all Development work conducted by or on behalf of it for Products in the Field in its

respective territory, and all data and other information resulting from such activities. Such records shall fully and properly reflect all work done and results achieved in the performance of the Development activities in good scientific manner appropriate for regulatory and patent purposes. Each Party shall document all non-clinical studies and Clinical Trials in formal written study reports according to Applicable Laws and national and international guidelines (e.g., ICH, GCP, GLP, and cGMP). Each Party shall have the right to reasonably review and copy such records maintained by the other Party at reasonable times and to obtain access to the original to the extent necessary for regulatory and patent purposes or for other legal proceedings relating to the Products.

4.9 Development Reports. Each Party shall keep the other Party reasonably informed as to the progress and results of its and its Affiliates' and sublicensees' Development of Products in the Field in its respective territory. Without limiting the foregoing, the status, progress and results of the Development of Products in each Party's territory shall be discussed at regularly scheduled meetings of the AC (or a joint Development subcommittee established by the AC). [***], each Party shall provide the AC with a written report summarizing its Development activities and the results thereof, covering subject matter at a reasonable level of detail and sufficient to enable the other Party to determine such Party's compliance with its obligations hereunder (including, in the case of ImmuneOnco, its compliance with the Collaboration Development Plan). In addition, Each Party shall make available to the other Party such additional information about its Development activities as may be reasonably requested by such other Party from time to time.

ARTICLE 5
REGULATORY

5.1 General. SynBio shall have the sole right and responsibility to conduct all regulatory activities necessary for obtaining and maintaining Regulatory Approvals for the Products in the Field in the SynBio Territory, which regulatory activities shall be performed at SynBio's own cost and expense. Through the AC, each Party shall keep the other Party informed of regulatory developments related to the Products in its respective territory, including any decision by any Regulatory Authority regarding a Product.

5.2 Regulatory Transfer and Assistance. Upon a Party's reasonable request, the other Party shall provide such Party with reasonable assistance in connection with its regulatory activities for a Product in the Field in its territory, including the preparation and submission of Regulatory Materials for IND and MAA. Subject to Section 4.5(c), the Party requesting such assistance shall reimburse the other Party for both out-of-pocket cost and internal FTE Cost incurred by the other Party to provide such regulatory assistance.

5.3 Regulatory Approval Holder. Each Party shall apply for Regulatory Approvals of the Products in the Field in its respective territory in its own name and at its own cost and expense, and each Party shall be the named as the holder of such Regulatory Approvals in its respective territory. Neither Party shall seek Regulatory Approvals or submit any Regulatory Materials for the Products outside its respective territory, and nor shall either Party communicate with any Regulatory Authority outside its respective territory regarding a Product, unless necessary

for regulatory purposes in its territory or if so ordered by such Regulatory Authority, in which case such Party shall immediately notify the other Party.

5.4 Regulatory Materials. Between the Parties, all Regulatory Materials relating to the Products with respect to the territory of a Party that are generated during the Term by or on behalf of such Party or its Affiliate, sublicensee or designee, as well as all other Regulatory Materials that have been generated and filed by such Party or its Affiliate, sublicensee or designee during the Term in the its territory, shall be owned by and shall be the sole property and held in the name of such Party or its Affiliate, sublicensee or designee.

5.5 Regulatory Meetings. Each Party shall provide the other Party with reasonable advance notice [***] of any meeting or discussion with any Regulatory Authority in its respective territory related to a Product. The Party in whose territory such meeting or discussion occurs shall lead such meeting or discussion, provided however that the other Party or its designee shall have the right, but not the obligation, to attend and participate in such meeting or discussion. If the other Party elects not to attend such meeting or discussion, per its request the Party leading such meeting or discussion shall promptly provide such other Party with a written summary of such meeting or discussion.

5.6 Right of Reference. Each Party hereby grants to the other Party the right of reference (or right of access, if the applicable Regulatory Authority in the other Party's territory does not allow cross reference or otherwise requires access to the Regulatory Materials) to all Regulatory Materials Controlled by or on behalf of such Party pertaining to a Compound or Product. Each Party may use such right of reference to the other Party's Regulatory Materials for the purpose of seeking, obtaining and maintaining Regulatory Approval of a Product in the Field in its respective territory.

5.7 Adverse Events Reporting. Promptly following the Effective Date, but in any event no later than the Initiation of any Clinical Trial of a Product by or on behalf of SynBio, its Affiliates or sublicensees in the Field in the SynBio Territory, the Parties shall enter into a pharmacovigilance and adverse event reporting agreement setting forth the worldwide pharmacovigilance procedures for the Parties with respect to a Product, such as safety data sharing, adverse events reporting and prescription events monitoring (the "**Pharmacovigilance Agreement**"). Such procedures shall be in accordance with, and enable the Parties to fulfill, local and national regulatory reporting obligations under Applicable Laws. SynBio shall establish and maintain the global safety database for a Product at its own cost and expense, and shall provide ImmuneOnco with access to such global safety database free of charge. Each Party shall hold the primary responsibility for reporting quality complaints, adverse events and safety data related to a Product in its respective territory to such global database and to the applicable Regulatory Authorities in its respective territory, as well as responding to safety issues and to all requests of Regulatory Authorities in its respective territory related to a Product, in each case at its own cost and to the extent required by the Applicable Laws. Each Party agrees to comply with its respective obligations under the Pharmacovigilance Agreement and to cause its Affiliates, licensees and sublicensees to comply with such obligations.

5.8 Regulatory Audits and Inspection. Each Party shall promptly notify the other Party of any audit or inspection of it, its Affiliates, sublicensees or subcontractors by any Regulatory Authority relating to a Product and shall provide the other Party with all information pertinent thereto (including all copies of all notices, filings and correspondences received from or submitted to the Regulatory Authority in connection therewith), and to the extent permitted under Applicable Law, the other Party shall have the right, but not the obligation, to be present at any such audit or inspection.

5.9 Remedial Actions. Each Party shall notify the other immediately, and promptly confirm such notice in writing, if it decides to recall any Product or if it obtains information indicating that any Product may be subject to any recall, corrective action or other regulatory action by any Regulatory Authority or other Governmental Authority (a "**Remedial Action**"). The Parties shall assist each other in gathering and evaluating such information as is necessary to determine the necessity of conducting a Remedial Action. Each Party shall have sole discretion with respect to any matters relating to any Remedial Action in its respective territory, including the decision to commence such Remedial Action and the control over such Remedial Action. Each Party shall bear its own cost and expenses of any Remedial Action in its respective territory.

5.10 [***]

ARTICLE 6
MANUFACTURE AND SUPPLY

6.1 Manufacture and Supply by ImmuneOnco to SynBio.

(a) Before the completion of Manufacture technology transfer pursuant to Section 6.2 below, ImmuneOnco shall, either by itself or through its Affiliates or Third Party contract manufacturers, Manufacture and supply, and SynBio shall purchase from ImmuneOnco, all of SynBio's and its Affiliates', sublicensees' and sub-distributors' requirements of Compounds and Products for Development use in the Field in the SynBio Territory in accordance with the applicable Supply Agreement. For the avoidance of doubt, ImmuneOnco shall be solely responsible for, at its own costs, the Manufacture and supply of Compounds and Products required for the conduct of any Development activities under the Collaboration Development Plan.

(b) SynBio shall pay for a Product supplied by ImmuneOnco at a price equal to (i) the Manufacturing Cost [***], for Product supplied for Development use. This price does not include any sales, use, excise, value added, transfer or other taxes or duties levied or assessed by any Governmental Authority on the transfer and sale of the Compound and Product to SynBio, all of which shall be borne and paid by SynBio. SynBio shall be responsible for arranging shipping, insurance, export and import clearance, all at SynBio's own cost and expense.

(c) The Parties shall negotiate and enter into one or more supply agreements (each a "**Supply Agreement**") and related quality agreements for the Manufacture and supply of a Product by ImmuneOnco to SynBio, which agreements shall be consistent with the terms and conditions of this Agreement and shall include mutually agreed and customary terms for such agreements, such as detailed mechanism for forecast and ordering.

6.2 Manufacture Technology Transfer and Assistance. Promptly after the Effective Date, the Parties shall coordinate and agree to a Manufacturing technology transfer plan pursuant to which ImmuneOnco shall provide SynBio with reasonable technical assistance to enable SynBio or its contractor manufacturer to Manufacture a Product in the SynBio Territory. Such technical assistance may include access to ImmuneOnco's technical personnel involved in the Manufacture of a Product. SynBio shall reimburse ImmuneOnco for both out-of-pocket cost and internal FTE Cost incurred by ImmuneOnco to provide such technical assistance.

6.3 Manufacture by SynBio. After the completion of the Manufacture technology transfer pursuant to Section 6.2 above, unless otherwise agreed by the Parties, SynBio shall, either by itself or through its Affiliates, sublicensees or Third Party contractors, solely be responsible for the Manufacture and supply of all of SynBio's and its Affiliates' and sublicensees' requirements for Compounds and Products for Development and Commercialization use in the Field in the SynBio Territory, at SynBio's own cost and expense.

6.4 Cell Line License. SynBio acknowledges and agrees that it will, at its sole discretion and at its own costs and expenses, negotiate and obtain or cause to be negotiated and obtained the applicable commercial license for the manufacture cell line for Development, Manufacture and Commercialization of the Compounds and the Products in the Field in SynBio Territory if it wishes to use the relevant cell line used as of the Effective Date by ImmuneOnco to Manufacture the Compounds and the Products. A list of such cell lines and the applicable licensing entities is set forth on **Exhibit 6.4**. ImmuneOnco shall use Commercially Reasonable Efforts to facilitate such in-licensing by SynBio upon SynBio's request.

ARTICLE 7
COMMERCIALIZATION

7.1 General. Subject to the terms and conditions of this Agreement, each Party shall, either by itself or through its Affiliates, sublicensees or Third Party contractor(s), have the sole right and responsibility for the Commercialization of the Product in the Field in its respective territory, at its own cost and expense, including developing and executing a commercial launch plan, product marketing and promotion, marketing access and pricing strategy, negotiating with applicable Governmental Authorities regarding the price and reimbursement mechanisms, booking sales, product distribution, providing customer support (including handling medical queries), and performing other related functions.

7.2 Commercialization Diligence. SynBio shall use Commercially Reasonable Efforts to Commercialize any Product in the Field in each Major Market where Regulatory Approval for such Product has been obtained.

7.3 Commercialization Plan. [***], the Parties will work jointly and agree upon, via the AC (or a joint Commercialization subcommittee established by the AC), a written Commercialization plan, which shall consist of two parts: (a) a high-level global strategy and standards for Commercializing the Products in both the SynBio Territory and the ImmuneOnco Territory ("**Global Commercialization Strategy**") to be prepared by SynBio, and (b) a Commercialization plan for both the ImmuneOnco Territory and the SynBio Territory (collectively

with the Global Commercialization Strategy, the "**Commercialization Plan**") setting forth all major planned Commercialization activities, Product positioning, branding strategy, promotional materials, and Commercialization principles. Thereafter, from time to time, but at least once every year, the Parties shall work jointly via the AC to prepare updates or amendments to the Commercialization Plan to reflect changes in such plans, including those in response to changes in the marketplace, relative success of a Product, and other relevant factors influencing such plan and activities, and submit such update or amendment to AC for review and discussion before adopting such update or amendment. For clarity, any amendment to the Commercialization Plan relating to Commercialization activities in the ImmuneOnco Territory or activities primarily affecting Commercialization in ImmuneOnco Territory are subject to relevant final decision authority of ImmuneOnco under Section 3.2(f).

7.4 Coordination of Commercialization Activities. The Parties recognize that they may benefit from the coordination of certain activities in support of the Commercialization of a Product across their territories. As such, the Parties may coordinate such activities where appropriate, including scientific and medical communication and product positioning. If the Parties agree to jointly conduct any specific Commercialization activities for the benefit of a Product in both Parties' territories, the Parties shall negotiate and agree on the details of such activities, including allocation of responsibilities, budget and cost sharing. In addition, in order to ensure consistence across the territories, SynBio shall submit to the AC for review and approval any materials to be used in connection with the promotion and other Commercialization activities for a Product in the Field in the SynBio Territory.

7.5 Commercialization Reports. Each Party shall keep the other Party reasonably informed of its, its Affiliates' and sublicensees' Commercialization activities with respect to the Products in the Field in its respective territory. Without limiting the foregoing, each Party shall update the other Party at each regularly scheduled AC meeting regarding the Commercialization activities with respect to the Products in the Field in its respective territory. Each such update shall include a reasonably detailed summary of its, its Affiliates' and sublicensees' significant Commercialization activities with respect to the Products in the Field in its respective territory, covering subject matter at a level of detail reasonably required by the other Party.

ARTICLE 8
PAYMENTS AND MILESTONES

8.1 Upfront Payment. SynBio shall pay ImmuneOnco a one-time, non-refundable, and non-creditable upfront payment of US$10 million [***] after the receipt of ImmuneOnco' invoice for such payments which may be dated no earlier than the Effective Date.

8.2 Reimbursement of IO Development Costs. SynBio shall pay to ImmuneOnco such advanced reimbursement payments of IO Development Costs (each, a "**Clinical**

Development Payment") in such amounts and in accordance with such schedule as set forth in the table below:

	Payment Event	**Clinical Development Payment**
First Clinical Development Payment	[***]	[***]
Second Clinical Development Payment	[***]	[***]
Third Clinical Development Payment	[***]	[***]
Fourth Clinical Development Payment	[***]	[***]

Upon the occurrence of each payment event as set forth in the above table, ImmuneOnco shall submit an invoice to SynBio for the full amount of the corresponding Clinical Development Payment, which shall be due within [***] after SynBio's receipt of an invoice therefor from ImmuneOnco.

8.3 Development Milestone Payments. Following the first achievement of each development milestone event by SynBio, its Affiliates or its or their sublicensees, SynBio shall pay to ImmuneOnco the corresponding one-time, non-refundable and non-creditable milestone payment (each a "**Development Milestone Payment**") as set forth in the following table. Each milestone payment specified in this Section 8.3 is payable one-time only regardless of the number of times such milestone events are reached or by how many Products.

No.	**Development Milestone Event**		**Milestone Payment**
[***]	[***]		[***]
[***]	[***]		[***]
[***]	[***]		[***]
[***]	[***]		[***]
[***]	[***]		[***]
[***]	[***]		[***]
[***]	[***]	[***]	[***]
		[***]	[***]
[***]	[***]	[***]	[***]
		[***]	[***]
[***]	[***]	[***]	[***]
		[***]	[***]
[***]	[***]	[***]	[***]
		[***]	[***]

No.	Development Milestone Event		Milestone Payment
[***]	[***]	[***]	[***]
		[***]	[***]
[***]	[***]	[***]	[***]
		[***]	[***]
[***]	[***]	[***]	[***]
		[***]	[***]
	Total		**US$290.0 million**

SynBio's cumulative obligation under this Section 8.3 shall in no event exceed US$290 million. [***]

In the event that any milestone event set forth in #1-6 above with respect to a given territory has not been achieved at the time of achievement of a milestone event having a higher number than the skipped milestone event, then each skipped milestone event shall be deemed achieved at the time of achievement of the higher number milestone event.

[***]

SynBio shall give ImmuneOnco written notice of the achievement of each development milestone event in this Section 8.3 no later than [***] following achievement of such milestone. Following receipt of such notice, ImmuneOnco shall submit an invoice to SynBio for the full amount of the corresponding Development Milestone Payment(s) payable under this Section 8.3. Each such Development Milestone Payment shall be due within [***] after SynBio's receipt of an invoice therefor from ImmuneOnco.

8.4 Sales Milestone Payments. SynBio shall pay to ImmuneOnco each of the following one-time, non-refundable and non-creditable sales milestone payments after the end of the Calendar Quarter in which aggregated Calendar Year Net Sales of all Products in all countries in the SynBio Territory reach the corresponding thresholds for the first time (as set forth in the left column of the table below) (each a "**Sales Milestone Payment**") as follows:

No.	Sales Milestone Event	Milestone Payment
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

No.	Sales Milestone Event	Milestone Payment
[***]	[***]	[***]
[***]	[***]	[***]
	Total	**US$1,817.5 million**

Each Sales Milestone Payment in this Section 8.4 shall be payable only once upon the first achievement of such milestone in a given Calendar Year, and no amounts shall be due for subsequent or repeated achievements of such milestone in a subsequent Calendar Year. The maximum of all Sales Milestone Payments payable by SynBio to ImmuneOnco under this Section 8.4 shall not exceed [***]. SynBio shall give ImmuneOnco written notice of the achievement of each milestone event in this Section 8.4 [***]. Following receipt of such notice, ImmuneOnco shall promptly from receipt of notice, submit an invoice to SynBio for the full amount of the corresponding Sales Milestone Payment(s) payable under this Section 8.4. Each such Sales Milestone Payment shall be due [***]. For clarity, if more than one sales milestone events are achieved for the first time in a given Calendar Quarter, Sales Milestone Payments should be made for all such sales milestone events achieved in such Calendar Quarter.

8.5 Royalty Payments.

(a) **Royalty Rates**. During the Royalty Term, SynBio shall pay to ImmuneOnco a non-refundable, non-creditable, running royalty on the aggregate Calendar Year Net Sales by SynBio or any of its Affiliates or its or their sublicensees of all Products in the SynBio Territory at the following rates:

For that portion of annual Net Sale of all Products in the SynBio Territory	Royalty Rate
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

(b) **Royalty Term**. SynBio's obligation to pay royalties pursuant to this Section 8.5 shall continue, on a Product-by-Product and country-by-country basis, until the latest of: (i) the date that is ten (10) years after the First Commercial Sale of such Product in such country; (ii) the expiration of the last Valid Claim in the Licensed Patent in such country that Covers such Product (including composition of matter, method of making or using such Product, or any components thereof); and (iii) the expiration of the last Regulatory Exclusivity that covers such Product in such country (the "**Royalty Term**").

(c) **Royalty Reduction**.

[***]

(d) **Royalty Report and Payment**. [***], commencing with the first Calendar Quarter in which there is any sale of any Product anywhere in the SynBio Territory, SynBio shall provide ImmuneOnco with a report that contains the following information for the applicable Calendar Quarter, on a Product-by-Product and country-by-country basis: (i) the amount of gross sales of a Product, (ii) an itemized calculation of Net Sales showing separately each type of deduction provided for in the definition of "Net Sales," and (iii) a calculation of the royalty payment due on such sales in Dollars, including the exchange rate used in such calculation in accordance with Section 8.6. Concurrently with the delivery of the applicable quarterly royalty report, SynBio shall pay to ImmuneOnco in Dollars the royalties owed with respect to Net Sales for such Calendar Quarter.

8.6 Currency; Exchange Rate. All payments to be made by SynBio to ImmuneOnco under this Agreement shall be made in Dollars by bank wire transfer in immediately available funds to a bank account designated by written notice from ImmuneOnco. The rate of exchange to be used in computing the amount of currency equivalent in Dollars shall be made at the average of the closing exchange rates reported by the Wall Street Journal for the first, middle and last Business Days of the applicable reporting period for the payment due.

8.7 Late Payments. If ImmuneOnco does not receive payment of any sum due to it on or before the due date therefor, simple interest shall thereafter accrue on the sum due to ImmuneOnco from the due date until the date of payment at the interest rate of [***] per month, or the maximum rate allowable by Applicable Laws, whichever is less.

8.8 Financial Records and Audits. SynBio shall (and shall ensure that its Affiliates and sublicensees will) maintain complete and accurate records in accordance with Accounting Standards and in sufficient detail to permit ImmuneOnco to confirm the accuracy of Net Sales reported by SynBio and amounts payable under this Agreement. [***], such records shall be open for examination, during regular business hours, [***], and not more often than once each Calendar Year, by an independent certified public accountant selected by ImmuneOnco and reasonably acceptable to SynBio, for the sole purpose of verifying for ImmuneOnco the accuracy of the Net Sales and royalty reports provided by SynBio under this Agreement. ImmuneOnco shall bear the cost of such audit unless such audit reveals an underpayment by SynBio of more than [***] of the amount actually due during any Calendar Year, in which case SynBio shall reimburse ImmuneOnco for the costs of such audit. SynBio shall pay to ImmuneOnco any underpayment discovered by such audit [***], plus interest (as set forth in Section 8.7) from the original due date. SynBio shall include in each relevant sublicense granted by it a provision requiring the sublicensee to maintain records of sales of a Product made pursuant to such sublicense and to grant ImmuneOnco with access to such records to the same extent and under the same obligations as required of SynBio under this Agreement.

8.9 Tax Withholding.

(a) **Taxes on Income**. Each Party shall be solely responsible for the payment of all taxes imposed on its share of income arising directly or indirectly from the activities of the Parties under this Agreement. SynBio shall make all payments to ImmuneOnco from the U.S. and shall be responsible for transferring necessary fund from other countries in the SynBio Territory to the U.S. at its own expense (including all taxes imposed on such transfer).

(b) **Tax Cooperation**. The Parties agree to cooperate with one another and use reasonable efforts to avoid or reduce tax withholding or similar obligations in respect of royalties, milestone payments, and other payments made under this Agreement. Subject to Section 8.9(d) below, if SynBio is required by Applicable Laws to deduct and withhold taxes on any payment to ImmuneOnco, SynBio shall deduct those taxes from the remittable payment, pay the taxes to the proper tax authority in a timely manner, and promptly send proof of payment to ImmuneOnco. ImmuneOnco shall provide SynBio any tax forms that may be reasonably necessary in order for SynBio to not withhold tax or to withhold tax at a reduced rate under an applicable bilateral income tax treaty. ImmuneOnco shall use reasonable efforts to provide any such tax forms to SynBio in advance of the due date. Upon ImmuneOnco's request and to the extent permitted by Applicable Laws, SynBio shall provide reasonable assistance and cooperation to enable the recovery, for the benefit of ImmuneOnco, of withholding taxes or similar obligations resulting from payments made under this Agreement.

(c) **Indirect Tax**. All agreed remunerations or fees payable under this Agreement shall be understood as being exclusive of indirect tax (e.g., VAT, sales tax and similar tax) purposes, and SynBio, as the Party making the payment to ImmuneOnco, shall bear any such indirect tax and shall not deduct any indirect tax from payment to ImmuneOnco.

(d) **Taxes Resulting From SynBio Action**. If, as a result of any action by SynBio, including assignment or transfer of this Agreement, change in the residence of SynBio for tax purposes, change in the entity making such payment, or failure on the part of SynBio to comply with Applicable Laws or filing or record retention requirements, the amount of any tax that SynBio is required to deduct or withhold from a payment made by SynBio to ImmuneOnco under this Agreement is increased, then the sum payable by SynBio to ImmuneOnco shall be increased to the extent necessary to ensure that ImmuneOnco receives a sum equal to the sum that ImmuneOnco would have received had no such action occurred.

ARTICLE 9
INTELLECTUAL PROPERTY

9.1 Ownership of Inventions. Ownership of all Inventions shall follow inventorship, as determined in accordance with the rules of inventorship under the U.S. patent laws. Each Party shall solely own all Inventions invented or developed solely by or on behalf of such Party, including its, its Affiliates' and sublicensees' employees, contractors and/or agents. IO Development IP shall be solely owned by ImmuneOnco. The Parties shall jointly own all Inventions invented or developed jointly by both Parties and, except to the extent restricted by the licenses and other rights granted to other Party under this Agreement or any other agreement

between the Parties, each Party, as joint owners, shall be entitled to practice, license, assign and otherwise exploit its interest in the jointly owned Inventions without the duty of accounting or seeking consent from the other Party.

9.2 Patent Prosecution.

(a) As between the Parties, (i) SynBio shall have the first right (but not the obligation) to file, prosecute and maintain all Licensed Patents that Cover a Compound or a Product in the SynBio Territory, at SynBio's own cost and expense and in ImmuneOnco's name; (ii) ImmuneOnco shall have the first right (but not the obligation) to file, prosecute and maintain all other Licensed Patents in the SynBio Territory, at ImmuneOnco's own cost and expense; (iii) SynBio shall have the first right (but not the obligation) to file, prosecute and maintain all SynBio Product Patents in the ImmuneOnco Territory, at its own cost and expense. The Party exercising its first right to file, prosecute and maintain a Licensed Patent or a SynBio Product Patent in accordance with this Section 9.2(a) shall be referred to as the "**Prosecuting Party**" for such Patent ("**Prosecuted Patent**").

(b) The Prosecuting Party for a Prosecuted Patent shall consult with the other Party and keep the other Party reasonably informed of the status of such Prosecuted Patent in the relevant territory and shall promptly provide the other Party with all material correspondence received from any patent authority in the relevant territory in connection therewith. In addition, the Prosecuting Party shall promptly provide the other Party with drafts of all proposed material filings and correspondence to any patent authority in the relevant territory with respect to such Prosecuted Patent for review and comment prior to the submission, and shall consider in good faith any comments provided by the other Party.

(c) The Prosecuting Party for a Prosecuted Patent shall notify the other Party of any decision to cease prosecution and/or maintenance of such Prosecuted Patent in any country in any relevant country or region. The Prosecuting Party shall provide such notice at least thirty (30) days prior to any filing or payment due date, or any other due date that requires action in order to avoid loss of rights, in connection with such Prosecuted Patent in such country. In such event, the Prosecuting Party shall permit the other Party, at the other Party's discretion and expense, to continue the prosecution and maintenance of such Prosecuted Patent in such country in the relevant country or region. The other Party's prosecution or maintenance of such Prosecuted Patent in such country shall not affect the Parties' respective rights and obligations under this Agreement with respect to such Prosecuted Patent in such country other than those expressly set forth in this Section 9.2(c).

(d) Each Party shall provide the other Party all reasonable assistance and cooperation in the patent prosecution efforts under this Section 9.2, including providing any necessary powers of attorney and executing any other required documents or instruments for such prosecution. For clarity, ImmuneOnco retains the exclusive right (but not the obligation) to file, prosecute and maintain all Licensed Patents in the ImmuneOnco Territory, at ImmuneOnco's own cost and expense and SynBio retains the exclusive right (but not the obligation) to file, prosecute and maintain all SynBio Product Patents in the SynBio Territory, at SynBio's own cost and expense, in each case without the obligation to comply with clauses (b) and (c) above.

9.3 Patent Enforcement.

(a) Each Party shall promptly notify the other Party, if (i) it becomes aware of any alleged or threatened infringement of any Licensed Patent by a Third Party's development, manufacture, commercialization or exploitation of a Compound or Product in the Field in the SynBio Territory, and any related declaratory judgment, opposition, or similar action alleging the invalidity, unenforceability or non-infringement of any of the Licensed Patents in the Field in the SynBio Territory, or (ii) it becomes aware of any alleged or threatened infringement of any SynBio Product Patent by a Third Party's development, manufacture, commercialization or exploitation of a Compound or Product in the ImmuneOnco Territory, and any related declaratory judgment, opposition, or similar action alleging the invalidity, unenforceability or non-infringement of any of the SynBio Product Patents in the ImmuneOnco Territory (each in (i) or (ii), a "**Product Infringement**"). Promptly upon receipt of any such notice, the Parties (together with their respective intellectual property counsel) will confer with respect to whether and how to pursue an infringement action, subject to the terms and conditions set forth in clauses (b) through (f) below.

(b) As between the Parties, SynBio shall have the first right (but not the obligation) to bring and control any legal action to enforce the Licensed Patent against any Product Infringement in the SynBio Territory, at its own expense as it reasonably determines appropriate after consultation with ImmuneOnco. If SynBio does not bring such legal action within [***] after the notice provided pursuant to Section 9.3(a), ImmuneOnco shall have the right (but not the obligation) to bring and control any legal action in connection with such Product Infringement in the SynBio Territory at its own expense; but after consultation with SynBio and subject to the prior written consent of SynBio, which consent shall not be unreasonably conditioned, delayed or withheld.

(c) As between the Parties, ImmuneOnco shall have the first right (but not the obligation) to bring and control any legal action to enforce the SynBio Product Patent against any Product Infringement in the ImmuneOnco Territory, at its own expense as it reasonably determines appropriate after consultation with SynBio, but subject to the prior written consent of SynBio, which consent shall not be unreasonably conditioned, delayed or withheld. If ImmuneOnco does not bring such legal action within [***] after the notice provided pursuant to Section 9.3(a), SynBio shall have the right (but not the obligation) to bring and control any legal action in connection therewith in the ImmuneOnco Territory at its own expense, but after consultation with ImmuneOnco and such step-in right shall be subject to the prior written consent of ImmuneOnco, which consent shall not be unreasonably conditioned, delayed or withheld.

(d) At the request and expense of the Party bringing an action under Section 9.3(b) or 9.3(c) above or 9.3(f) below (the "**Enforcing Party**"), the other Party shall provide reasonable assistance in connection therewith, including by executing reasonably appropriate documents, cooperating in discovery and joining as a party to the action if required by Applicable Laws to pursue such action. In connection with any such enforcement action, the Enforcing Party shall keep the other Party reasonably informed on the status of such action and shall not enter into any settlement admitting the invalidity or non-infringement of, or otherwise impairing the other Party's rights in the Licensed Patents or SynBio Product Patents without the prior written consent

of the other Party. The other Party shall be entitled to separate representation in such enforcement action by counsel of its own choice and at its own expense.

(e) Any recoveries resulting from enforcement action relating to a claim of Product Infringement of Licensed Patents in the SynBio Territory or of SynBio Product Patents in the ImmuneOnco Territory shall be first applied against payment of each Party's costs and expenses in connection therewith. Any such recoveries in excess of such costs and expenses shall be retained by the Enforcing Party; provided that if SynBio is the Enforcing Party of Licensed Patents in the SynBio Territory, then such excess recoveries shall be deemed Net Sales and subject to royalty payment to ImmuneOnco under Section 8.5, and if ImmuneOnco is the Enforcing Party of SynBio Product Patents in the ImmuneOnco Territory, then [***] shall be paid by ImmuneOnco to SynBio, and if SynBio is the Enforcing Party of SynBio Product Patents in the ImmuneOnco Territory, then [***] shall be paid by SynBio to ImmuneOnco.

(f) ImmuneOnco shall have the exclusive right to bring and control any legal action to enforce (i) the Licensed Patents against any infringement that is not a Product Infringement, and (ii) the Licensed Patents against any infringement in the ImmuneOnco Territory, at ImmuneOnco's own expense and as ImmuneOnco reasonably determines appropriate, and ImmuneOnco shall have the right to retain all recoveries. SynBio shall have the exclusive right to bring and control any legal action to enforce (i) the SynBio Product Patents against any infringement that is not a Product Infringement, and (ii) SynBio Product Patent against any infringement in the SynBio Territory, at SynBio's own expense and as SynBio reasonably determines appropriate, and SynBio shall have the right to retain all recoveries

9.4 Defense of Licensed Patents. In the event that a Party receives notice of any claim alleging the invalidity or unenforceability of any Licensed Patent in the SynBio Territory, such Party shall bring such claim to the attention of the other Party, including all relevant information related to such claim. The Parties, through the AC (or a subcommittee or working group appointed pursuant to Section 3.3 as the Parties deem appropriate), shall discuss such claim. Where such allegation is made in an opposition, reexamination, interference or other patent office proceeding or a declaratory judgement action, then the provisions of Section 9.2 shall apply. Where such allegation is made in a counterclaim to an enforcement action brought under Section 9.3, then the provisions of Section 9.3 shall apply. Each Party shall provide to the Party defending any such rights under this Section 9.4 all reasonable assistance in such enforcement, at such defending Party's request and expense. The defending Party shall keep the other Party reasonably informed of the status and progress of such efforts, and shall reasonably consider the other Party's comments on any such efforts. Without the prior written consent of the other Party (not to be unreasonably withheld), neither Party shall enter into any settlement of any claim, suit or action that it defended under this Section 9.4 that admits the invalidity or unenforceability of any Licensed Patent, requires abandonment or limits the scope of any Licensed Patent or would limit or restrict the ability of either Party to Develop, manufacture or Commercialize a Product.

9.5 Infringement of Third Party Rights.

(a) Each Party shall notify the other Party of any allegations it receives from a Third Party that the Development, Manufacture or Commercialization of a Product in the Field in

the SynBio Territory under this Agreement infringes the intellectual property rights of such Third Party. Such notice shall be provided promptly, but in no event after more than fifteen (15) days following receipt of such allegations. Such notice shall include a copy of any summons or complaint (or the equivalent thereof) received regarding the foregoing. Thereafter, the Parties shall promptly meet to consider the claim or assertion and the appropriate course of action and may, if appropriate, agree on and enter into a "common interest agreement" wherein the Parties agree to their shared, mutual interest in the outcome of such potential dispute. Each Party shall assert and not waive the joint defense privilege with respect to all communications between the Parties.

(b) SynBio shall be solely responsible for the defense of any such infringement claims brought against SynBio, at SynBio's own cost and expense; provided, however, that the provisions of Section 9.3 shall govern the right of SynBio to assert a counterclaim of infringement of any Licensed Patents; and provided further that SynBio shall not enter into any settlement, consent to judgement or other voluntary final disposition in connection with such defense action without ImmuneOnco's consent (not to be unreasonably withheld or delayed). SynBio shall keep ImmuneOnco informed on the status of such defense action, and ImmuneOnco shall have the right (but not the obligation) to participate and be separately represented in such defense action at ImmuneOnco's own expense. ImmuneOnco shall have the right to control the defense of any infringement claim brought against ImmuneOnco, at ImmuneOnco's own expense.

9.6 Patents Licensed From Third Parties. Each Party's rights under this Article 9 with respect to the prosecution and enforcement of any Licensed Patent that is in-licensed by ImmuneOnco from a Third Party shall be subject to the rights retained by such Third Party to prosecute and enforce such Patent.

9.7 Patent Marking. SynBio shall mark a Product sold in the SynBio Territory with appropriate patent numbers in accordance with the applicable patent marking laws, and shall require all of its Affiliates and sublicensees to do the same.

ARTICLE 10
CONFIDENTIALITY; PUBLICATION; INFORMATION SHARING

10.1 Confidentiality. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing by the Parties, each Party agrees that, for the Term and for a period of [***] years thereafter, it shall keep confidential and shall not publish or otherwise disclose and shall not use for any purpose other than as provided for in this Agreement (which includes the exercise of any rights or the performance of any obligations hereunder) any Confidential Information of the other Party pursuant to this Agreement.

10.2 Exceptions. The foregoing confidentiality and non-use obligations shall not apply to any portion of the Confidential Information that the receiving Party can demonstrate by competent written proof:

(a) was already known to the receiving Party, other than under an obligation of confidentiality, at the time of disclosure by the other Party;

(b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving Party;

(c) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the receiving Party in breach of this Agreement;

(d) is subsequently disclosed to the receiving Party without imposing confidentiality obligations by a Third Party who has a legal right to make such disclosure; or

(e) is subsequently independently discovered or developed by the receiving Party without the aid, application, or use of the disclosing Party's Confidential Information, as evidenced by a contemporaneous writing.

10.3 Authorized Disclosure. Notwithstanding the obligations set forth in Section 10.1, a Party may disclose the other Party's Confidential Information and the terms of this Agreement to the extent:

(a) such disclosure is reasonably necessary: (i) for the filing or prosecution of Patents as contemplated by this Agreement; (ii) in connection with regulatory filings for a Product; or (iii) for the prosecuting or defending litigation as contemplated by this Agreement;

(b) such disclosure is reasonably necessary: (i) to such Party's directors, attorneys, independent accountants or financial advisors for the sole purpose of enabling such directors, attorneys, independent accountants or financial advisors to provide advice to the receiving Party, provided that in each such case on the condition that such directors, attorneys, independent accountants and financial advisors are bound by confidentiality and non-use obligations consistent with those contained in this Agreement; or (ii) to actual or potential investors, acquirors, licensors, licensees, collaborators or other business or financial partners (including royalty financing partners) solely for the purpose of evaluating or carrying out an actual or potential investment, acquisition, license, collaboration, financing or other business transaction; provided that in each such case on the condition that such disclosees are bound by confidentiality and non-use obligations consistent with those contained in the Agreement; or

(c) such disclosure is required by judicial or administrative process, provided that in such event such Party shall promptly inform the other Party such required disclosure and provide the other Party an opportunity to challenge or limit the disclosure obligations. Confidential Information that is disclosed by judicial or administrative process shall remain otherwise subject to the confidentiality and non-use provisions of this Article 10, and the Party disclosing Confidential Information pursuant to law or court order shall take all steps reasonably necessary, including seeking of confidential treatment or a protective order to ensure the continued confidential treatment of such Confidential Information.

10.4 Scientific Publication. Except to the extent required by Applicable Laws, ImmuneOnco shall not publish any peer-reviewed manuscripts, or give other forms of public disclosure such as abstracts and presentations, relating to a Product, including the data and results

of the Development of a Product, without SynBio's review and approval, which approval shall not be unreasonably withheld, conditioned, or delayed. A Party shall deliver to the other Party for review a copy of any proposed scientific publication or presentation relating to a Product contemplated for publication by such Party [***], and should consider comments of the other Party in good faith; the other Party shall have the right to require modifications of the proposed publication or presentation to protect its Confidential Information, which shall include for this purpose any information relating to the Development of a Product in the ImmuneOnco Territory. The other Party may also delay the submission of the proposed publication or presentation [***] as may be reasonably necessary to seek patent protection for the information disclosed in such proposed publication or presentation. Each Party agrees to acknowledge the contribution of the other Party and such other Party's employees in all publications as scientifically appropriate.

10.5 Publicity.

(a) The Parties have agreed on language of a joint press release announcing this Agreement, which is attached hereto as **Exhibit C**, to be issued by the Parties promptly after the Effective Date. Subject to the rest of this Section 10.5, no disclosure of the terms of this Agreement may be made by either Party, and no Party shall use the name, trademark, trade name or logo of the other Party, its Affiliates or their respective employee(s) in any publicity, promotion, news release or disclosure relating to this Agreement or its subject matter, without the prior express written permission of the other Party, except as may be required by Applicable Laws. Following the initial joint press release announcing this Agreement, either Party shall be free to disclose or publicize, without the other Party's prior written consent, the existence of this Agreement, the identity of the other Party, and those terms of this Agreement that have already been publicly disclosed in accordance herewith.

(b) A Party may disclose this Agreement and its terms in securities filings with the Securities Exchange Commission (or equivalent foreign agency) ("**SEC**") to the extent required by Applicable Laws after complying with the procedure set forth in this Section 10.5. In such event, the Party seeking such disclosure will prepare a draft confidential treatment request and proposed redacted version of this Agreement to request confidential treatment for this Agreement, and the other Party agrees to promptly (and in any event, [***]) give its input in a reasonable manner in order to allow the Party seeking disclosure to file its request within the time lines proscribed by applicable SEC regulations. The Party seeking such disclosure shall exercise commercially reasonable efforts to obtain confidential treatment of this Agreement from the SEC as represented by the redacted version reviewed by the other Party.

(c) Each Party acknowledges that the other Party may be legally required to make public disclosures (including in filings with the SEC or other agency) of certain material developments or material information generated under this Agreement and agrees that each Party may make such disclosures as required by Applicable Laws, *provided* that the Party seeking such disclosure first provides the other Party a copy of the proposed disclosure, and provided further that (except to the extent that the Party seeking disclosure is required to disclose such information to comply with Applicable Laws) if the other Party demonstrates to the reasonable satisfaction of the Party seeking disclosure, [***], that the public disclosure of previously undisclosed information will materially adversely affect the development and/or commercialization of a

Product being developed and/or commercialized, the Party seeking disclosure will remove from the disclosure such specific previously undisclosed information as the other Party shall reasonably request to be removed.

10.6 Equitable Relief. Each Party acknowledges that a breach of this Article 10 cannot reasonably or adequately be compensated in damages in an action at law and that such a breach shall cause the other Party irreparable injury and damage. By reason thereof, each Party agrees that the other Party shall be entitled, in addition to any other remedies it may have under this Agreement or otherwise, to preliminary and permanent injunctive and other equitable relief to prevent or curtail any breach of the obligations relating to Confidential Information set forth herein.

10.7 Attorney-Client Privilege. Neither Party is waiving, nor shall be deemed to have waived or diminished, any of its attorney work product protections, attorney-client privileges or similar protections and privileges or the like as a result of disclosing information pursuant to this Agreement, or any of its Confidential Information (including Confidential Information related to pending or threatened litigation) to the other Party, regardless of whether the disclosing Party has asserted, or is or may be entitled to assert, such privileges and protections. The Parties: (a) share a common legal and commercial interest in such disclosure that is subject to such privileges and protections; (b) are or may become joint defendants in proceedings to which the information covered by such protections and privileges relates; (c) intend that such privileges and protections remain intact should either Party become subject to any actual or threatened proceeding to which the disclosing Party's Confidential Information covered by such protections and privileges relates; and (d) intend that after the Effective Date both the receiving Party and the disclosing Party shall have the right to assert such protections and privileges.

10.8 Information Sharing. In connection with any public offering of SynBio's securities or any other transaction that would result in SynBio becoming subject to public reporting obligations, ImmuneOnco shall make reasonable efforts to cooperate with SynBio to make available documents, records, information, financial statements, etc. reasonably requested by SynBio for purposes of making required disclosures to the SEC or other regulatory bodies.

ARTICLE 11
REPRESENTATIONS AND WARRANTIES

11.1 Representations and Warranties of Each Party. Each Party represents, warrants, and covenants (as applicable) to the other Party as of the Effective Date that:

(a) it is a company or corporation duly organized, validly existing, and in good standing under the laws of the country or jurisdiction in which it is incorporated, and has full corporate power and authority and the legal right to own and operate its property and assets and to carry on its business as it is now being conducted and as contemplated in this Agreement;

(b) it has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder, it has taken all necessary corporate action on its part required to authorize the execution and delivery of the Agreement and the performance of its

obligations hereunder, and this Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, and binding obligation of such Party that is enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally;

(c) it is not a party to, and will not enter into during the Term, any agreement that would prevent it from granting the rights granted to the other Party under this Agreement or performing its obligations under the Agreement; and

(d) in the course of performing its obligations or exercising its rights under this Agreement, it shall comply with all Applicable Laws, in including as applicable, cGMP, GCP, and GLP standards, and shall not employ or engage any person or entity who has been debarred by any Regulatory Authority, or, to such Party's knowledge, is the subject of debarment proceedings by a Regulatory Authority.

11.2 Representations and Warranties of ImmuneOnco. ImmuneOnco represents, warrants, and covenants (as applicable) to SynBio as of the Effective Date, except as set forth on Exhibit D (Specific Disclosure by ImmuneOnco), that:

(a) it has the full right, power and authority under the Licensed Technology to grant the licenses to SynBio as purported to be granted under Section 2.1 of this Agreement; It has obtained or will obtain all PRC Government Approvals pursuant to Applicable Laws;

(b) it has not granted, and will not grant during the Term, any license or other right under the Licensed Technology that is inconsistent with the license granted to SynBio under Section 2.1, and [***];

(c) All Existing Licensed Patents are listed on **Exhibit A**; and each Existing Licensed Patent properly identifies each and every inventor of the claims thereof as determined in accordance with the laws of the jurisdiction in which such Existing Licensed Patent is issued or such application is pending and is (i) subsisting and is not invalid or unenforceable, in whole or in part and (ii) filed and maintained properly and correctly and all applicable fees have been paid on or before the due date for payment. The pending applications included in Existing Licensed Patents are being diligently prosecuted in the respective patent offices in accordance with Applicable Law. True, complete and correct copies of the file wrappers and other documents and materials relating to the prosecution, defense, maintenance, validity and enforceability of the Existing Licensed Patents requested by SynBio have been provided to SynBio. ImmuneOnco or its Affiliates, as applicable, is the sole and exclusive owner of all Existing Licensed Patents, free of any lien, encumbrance, charge, mortgage, liability, security interest or claim of ownership by any Third Party;

(d) ImmuneOnco has obtained, or caused its Affiliates, as applicable, to obtain, assignments from the inventors of all inventorship rights to all Existing Licensed Patents, and all such assignments are valid and enforceable;

(e) All inventor assignments with respect to inventions claimed in the Existing Licensed Patents have been properly executed as necessary at each respective patent office in the SynBio Territory in accordance with the Applicable Law, and each of ImmuneOnco, its Affiliates, or its or their licensees has paid all required inventor rewards and remuneration to its or their employees, contractors or other Person in connection with the Existing Licensed Patents;

(f) There are no pending, alleged or threatened, (i) inter partes review, post-grant reviews, interferences, re-examinations or oppositions involving the Existing Licensed Patents, or (ii) any inventorship challenges involving the Existing Licensed Patents that are in or before any patent office (or other governmental authority performing similar functions);

(g) As of the Effective Date, the Existing Licensed Patents represent all Patents that ImmuneOnco or its Affiliates own or otherwise have rights to relating to any Compound or Product, or the exploitation thereof (irrespective of the definition of "Control");

(h) To ImmuneOnco's knowledge, there is no Know-How owned by or otherwise in the possession or control of ImmuneOnco or any of its Affiliates that relates to any Compound or Product that is not within the Licensed Know-How;

(i) The Licensed Technology is not the subject of an upstream in-license agreement between ImmuneOnco and any Third Party, and no sublicenses are being granted to SynBio hereunder with respect to the Licensed Technology;

(j) Neither ImmuneOnco nor any of its Affiliates has previously entered into any definitive agreement, whether in writing or otherwise, that granted any Third Party any rights of reference under or access to the Regulatory Materials existing as of the Effective Date ("**Existing Regulatory Material**") or is expressly pertinent to the exploitation of any Compound or Product in the SynBio Territory; ImmuneOnco and its Affiliates have generated, prepared, maintained and retained all Existing Regulatory Material that is required to be maintained or retained pursuant to and in accordance with Applicable Law;

(k) To ImmuneOnco's knowledge, the practice by ImmuneOnco under the Licensed Technology or the Development by ImmuneOnco of any Compound or Product prior to the Effective Date does not infringe, misappropriate or otherwise violate any intellectual property rights or proprietary right of any Third Party;

(l) ImmuneOnco and its Affiliates have conducted, and their respective subcontractors have conducted, all Development of the Compounds and Products, including any and all pre-clinical studies related thereto, in all material aspects in accordance with Applicable Law;

(m) ImmuneOnco has, in its possession, at least the quantities of Compounds set forth on **Exhibit D** hereto.

(n) The inventions claimed by the Existing Licensed Patents and Licensed Know-How with respect to any Compound or Product were not conceived, reduced to practice,

discovered, developed or otherwise made in connection with any research activities funded, in whole or in part, by any grants, funds, and other money received from any Governmental Authority, and no Governmental Authority or academic institution has any right to, ownership of (including any "step-in" or "march-in" rights with respect to), or right to royalties for, or to impose any restriction on the assignment, transfer, grant of licenses or other disposal of the Existing Licensed Patents or Licensed Know-How (including any Existing Regulatory Material), or to impose any requirement or restriction on the exploitation of any Compound or Product as contemplated herein; and

(o) There is no adverse actions, claims, suits or proceedings against or owed by ImmuneOnco or any of its Affiliate, or that is pending or, to ImmuneOnco's knowledge, threatened, involving any Licensed Technology or any Compound or Product.

11.3 NO OTHER WARRANTIES. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR NON-MISAPPROPRIATION OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS, ARE MADE OR GIVEN BY OR ON BEHALF OF A PARTY. ALL REPRESENTATIONS AND WARRANTIES, WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE, ARE HEREBY EXPRESSLY EXCLUDED. Each Party acknowledges and agrees that the Compounds and the Products are the subject of ongoing research and development and that neither Party can assure the safety, usefulness or successful Development or Commercialization of a Product in the Field in the Territory.

ARTICLE 12
INDEMNIFICATION

12.1 Indemnification by SynBio. SynBio shall indemnify and hold harmless ImmuneOnco, its Affiliates, and their directors, officers, employees and agents (individually and collectively, the "**ImmuneOnco Indemnitee(s)**") from and against all losses, liabilities, damages and expenses (including reasonable attorneys' fees and costs) incurred in connection with any claims, demands, actions or other proceedings by any Third Party (individually and collectively, "**Losses**") to the extent arising from:

(a) the Development, Manufacture and Commercialization of a Product in the SynBio Territory by SynBio or any of its Affiliates or sublicensee, including product liability claims relating to a Product in the SynBio Territory; or

(b) the negligence, willful misconduct or breach of this Agreement by any SynBio Indemnitee;

except in each case to the extent such Losses arise out of the negligence, willful misconduct or breach of this Agreement by any ImmuneOnco Indemnitee.

12.2 Indemnification by ImmuneOnco. ImmuneOnco shall indemnify and hold harmless SynBio, its Affiliates, and their directors, officers, employees and agents (individually and collectively, the "**SynBio Indemnitee(s)**") from and against all Losses to the extent arising from:

(a) the Development, Manufacture and Commercialization of a Product in the ImmuneOnco Territory by ImmuneOnco or any of its Affiliates, licensees or sublicensee, including product liability claims relating to a Product in the ImmuneOnco Territory; or

(b) the negligence, willful misconduct or breach of this Agreement by any ImmuneOnco Indemnitee;

except in each case to the extent such Losses arise out of the negligence, willful misconduct or breach of this Agreement by any SynBio Indemnitee.

12.3 Indemnification Procedure. If either Party is seeking indemnification under Sections 12.1 or 12.2 (the "**Indemnified Party**"), it shall inform the other Party (the "**Indemnifying Party**") of the claim giving rise to the obligation to indemnify pursuant to such Section within ten (10) Business Days after receiving notice of the claim (it being understood and agreed, however, that the failure or delay by an Indemnified Party to give such notice of a claim shall not affect the indemnification provided hereunder except to the extent the Indemnifying Party shall have been prejudiced as a result of such failure or delay to give notice). The Indemnifying Party shall have the right to assume the defense of any such claim for which it is obligated to indemnify the Indemnified Party. The Indemnified Party shall cooperate with the Indemnifying Party and the Indemnifying Party's insurer as the Indemnifying Party may reasonably request, and at the Indemnifying Party's cost and expense. The Indemnified Party shall have the right to participate, at its own expense and with counsel of its choice, in the defense of any claim that has been assumed by the Indemnifying Party. Neither Party shall have the obligation to indemnify the other Party in connection with any settlement made without the Indemnifying Party's written consent, which consent shall not be unreasonably withheld or delayed. If the Parties cannot agree as to the application of Section 12.1 or 12.2 as to any claim, pending resolution of the dispute pursuant to Article 14, the Parties may conduct separate defenses of such claims, with each Party retaining the right to claim indemnification from the other Party in accordance with Section 12.1 or 12.2 upon resolution of the underlying claim.

12.4 Mitigation of Loss. Each Indemnified Party shall take and shall procure that its Affiliates take all such reasonable steps and action as are reasonably necessary or as the Indemnifying Party may reasonably require in order to mitigate any claims (or potential losses or damages) under this Article 12. Nothing in this Agreement shall or shall be deemed to relieve any Party of any common law or other duty to mitigate any losses incurred by it.

12.5 Limitation of Liability. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 12.5

IS INTENDED TO OR SHALL LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS UNDER SECTION 12.1 OR 12.2, OR DAMAGES AVAILABLE FOR BREACH OF SECTION 2.5 OR ARTICLE 10, OR DAMAGES AVAILABLE FOR A PARTY'S GROSS NEGLIGENCE, INTENTIONAL MISCONDUCT OR FRAUD.

12.6 Insurance. Each Party shall procure and maintain insurance, including product liability insurance, with respect to its activities hereunder and which is consistent with normal business practices of prudent companies similarly situated at all times during which any Product is being clinically tested in human subjects or commercially distributed or sold. Each Party shall provide the other Party with evidence of such insurance upon request and shall provide the other Party with written notice at least [***] prior to the cancellation, non-renewal or material changes in such insurance. Such insurance shall not be construed to create a limit of either Party's liability under this Agreement.

ARTICLE 13
TERM AND TERMINATION

13.1 Term. The term of this Agreement shall commence upon the Effective Date and continue in full force and effect, on a Product-by-Product and country-by-country basis, until the expiration of the Royalty Term for such Product in such country, unless earlier terminated as set forth in Section 13.2 below (the "**Term**"). Upon expiration (but not earlier termination) of the Royalty Term with respect to a particular Product in a particular country, the license granted by ImmuneOnco to SynBio under Section 2.1 with respect to such Product in such country shall continue and shall become non-exclusive, fully paid-up, royalty-free, perpetual and irrevocable. Notwithstanding the foregoing, the licenses granted by SynBio to ImmuneOnco under Section 2.2 shall survive upon the expiration of this Agreement and effective thereupon shall become a perpetual and irrevocable license.

13.2 Termination.

(a) **Termination by SynBio for Convenience**. At any time, SynBio may terminate this Agreement in its entirety or on a Product-by-Product and country-by-country basis by providing written notice of termination to ImmuneOnco, which notice includes an effective date of termination at least one hundred eighty (180) days after the date of the notice.

(b) **Termination for Material Breach**. If either Party believes that the other is in material breach of its material obligations hereunder or material breach of any representation or warranty set forth in this Agreement, then the non-breaching Party may deliver notice of such breach to the other Party. The allegedly breaching Party shall have [***] from the receipt of the notice to cure such breach. If the Party receiving notice of breach fails to cure that breach within the cure period set forth above, then the Party originally delivering the notice of breach may terminate this Agreement in its entirety upon written notice to the breaching Party, provided that, upon the breaching Party's request, the cure period shall be extended for another [***] if such material breach cannot be cured within the original cure period of [***], but the breaching Party commences actions to cure such material breach within such [***] and thereafter diligently continues such actions, and if within such extended [***] period the breach is not cured, then the

termination shall become effective upon the expiration of such extended [***] period; provided that, in the event of a material breach by SynBio, if the material breach and the subsequent failure to cure is with respect to (i) one or more countries in the SynBio Territory, but not all countries in the SynBio Territory or (ii) one or more types of Compound but not other types of Compounds (for example, such material breach is solely with respect to IMM27M or IMM2510, but not both), then ImmuneOnco shall not have the right to terminate this Agreement in its entirety, but shall have the right to terminate this Agreement solely with respect to (x) the country in which such material breach and failure to cure occurred, or (y) the type of Compound with respect to which such material breach and failure to cure occurred, and this Agreement shall remain in full force and effect with respect to all other countries in the SynBio Territory, and the other types of Compound (and all Products comprising such other types of Compound), as the case may be.

(c) **Termination for Insolvency**. Each Party shall have the right to terminate this Agreement in its entirety upon written notice to the other Party in the event that (i) such other Party files in any court or agency pursuant to any statute or regulation of any country or jurisdiction a petition in bankruptcy or insolvency or for reorganization or similar arrangement for the benefit of creditors or for the appointment of a receiver or trustee of such other Party or its assets, (ii) such other Party is served with an involuntary petition against it in any insolvency proceeding and such involuntary petition has not been stayed or dismissed [***], or (iii) such other Party makes an assignment of substantially all of its assets for the benefit of its creditors.

(d) **Termination for Patent Challenge**. In the event that SynBio or any of its Affiliates or sublicensees institutes, prosecutes or otherwise participates in (or in any way willfully and actively aids any Third Party in instituting, prosecuting or participating in), at law or in equity or before any administrative or regulatory body, any claim, demand, action or cause of action for declaratory relief, damages or any other remedy or for an enjoinment, injunction or any other equitable remedy, including any interference, re-examination, opposition or any similar proceeding, alleging that any claim in a Licensed Patent is invalid, unenforceable or otherwise not patentable or would not be infringed by SynBio's or its Affiliates' or sublicensees' activities absent the rights and licenses granted hereunder (collectively, a "**Patent Challenge**"), then ImmuneOnco shall have the right to (i) terminate this Agreement in its entirety upon [***] prior written notice, unless, prior to expiry of such [***] period, SynBio or its relevant Affiliate or sublicensee has filed a motion to withdraw or dismiss such action; or (ii) with respect to a Patent Challenge by a sublicensee, unless SynBio and its Affiliates terminate all licenses or other agreements with such sublicensee pursuant to which rights under this Agreement have been sublicensed by SynBio or its Affiliates as soon as possible ([***]), in which case ImmuneOnco shall not have the right to terminate this Agreement under this Section 13.2(d), terminate this Agreement in its entirety upon written notice to SynBio. For the avoidance of doubt, the following will not give rise to a right to terminate this Agreement by ImmuneOnco under this Section 13.2(d): any Patent Challenge asserted as a defense or counterclaim to an action first brought by ImmuneOnco or any of its Affiliates against SynBio or any of its Affiliates or sublicensees.

13.3 Alternative Remedy in Lieu of Termination. If ImmuneOnco is in material breach of Section 2.1, 2.5, or 11.2 of this Agreement and due to which SynBio has a right to terminate pursuant to Section 13.2(b), then, in lieu of terminating this Agreement, [***]. For the

avoidance of doubt, except as set forth in this Section 13.3, if SynBio exercises the alternative remedy set forth above in this Section 13.3, then all rights and obligations of both Parties under this Agreement will continue unaffected, unless and until this Agreement is subsequently terminated by either Party pursuant to this Article 13.

13.4 Effect of Termination. Upon any termination of this Agreement:

(a) **Licenses**. All licenses and other rights with respect to the Terminated Compound and Terminated Territory granted by ImmuneOnco to SynBio hereunder shall terminate, and SynBio and its Affiliates, and sublicensees shall cease all use of Licensed Technology and all exploitation of any Terminated Compound in the Terminated Territory, except to the extent required to fulfill its rights and obligations under this Section 13.4. Notwithstanding the foregoing, the licenses granted by SynBio to ImmuneOnco under Section 2.2 shall survive upon the termination of this Agreement and effective thereupon shall become a perpetual and irrevocable license, unless this Agreement is terminated in its entirety by SynBio pursuant to Section 13.2(b).

(b) **Settlement of Payments**. Each Party shall immediately pay or cause to be paid to the other Party all sums which at the date of termination are due and payable to the other Party under this Agreement.

(c) **Inventory**. SynBio, its Affiliates and its sublicensees shall, at request of ImmuneOnco, transfer Products comprising the Terminated Compound that has been Manufactured or is in the process of being Manufactured at the time of termination to ImmuneOnco at a price equal to the Manufacture Cost (*mutatis mutandis*).

(d) **Refund of Clinical Development Payments**. ImmuneOnco shall promptly refund to SynBio any remaining amount of Clinical Development Payments that have been paid to ImmuneOnco by SynBio but have not been credited against IO Development Costs that have been incurred by ImmuneOnco in the in the performance of the Collaboration Development Plan by the effective date of such termination.

(e) [***]

[***]

(f) [***]

(g) [***]

(h) **Return of Confidential Information**. Each Party shall (and shall cause its Affiliates and sublicensees to) promptly return or destroy (at the other Party's election) all tangible materials comprising, bearing or containing any Confidential Information of such Party that are in the other Party's or its Affiliates' or sublicensees' possession or control. Effective upon such termination, all Confidential Information solely relating to the Terminated Compounds or Products containing Terminated Compounds shall be the Confidential Information of ImmuneOnco (and

ImmuneOnco shall be deemed to be the disclosing Party and SynBio shall be deemed the receiving Party with respect thereto).

13.5 Survival. Expiration or termination of this Agreement shall not relieve the Parties of any obligation accruing prior to such expiration or termination. Without limiting the foregoing, the following provisions shall survive the termination or expiration of this Agreement for any reason: Sections 8.8, 9.1, 13.4, 13.5, and Article 1, Article 10 (for such period of time as set forth in Section 10.1), Article 14, and Article 15.

13.6 Termination Not Sole Remedy. Termination is not the sole remedy under this Agreement and, whether or not termination is effected and notwithstanding anything contained in this Agreement to the contrary, all other remedies shall remain available except as agreed to otherwise herein.

ARTICLE 14
DISPUTE RESOLUTION

14.1 Disputes. The Parties recognize that disputes as to certain matters may from time to time arise during the Term which relate to either Party's rights and/or obligations hereunder. It is the objective of the Parties to establish procedures to facilitate the resolution of disputes arising under this Agreement in an expedient manner by mutual cooperation and without resort to litigation. To accomplish this objective, the Parties agree to follow the procedures set forth in this Article 14 to resolve any controversy or claim arising out of, relating to or in connection with any provision of this Agreement, if and when a dispute arises under this Agreement.

14.2 Internal Resolution. With respect to all disputes arising between the Parties under this Agreement, including, without limitation, any alleged breach under this Agreement or any issue relating to the interpretation or application of this Agreement, if the Parties are unable to resolve such dispute [***], the Parties shall refer such dispute to the Executive Officers of the Parties for attempted resolution by good faith negotiations within [***] after such notice is received.

14.3 Binding Arbitration.

(a) Subject to Section 14.3(f) below, if the Parties fail to resolve the dispute through escalation to the Executive Officers under Section 14.2, and a Party desires to pursue resolution of the dispute, the dispute shall be submitted by either Party for resolution in arbitration administered by Singapore International Arbitration Centre ("**SIAC**") under its arbitration rules and procedures then in effect.

(b) The arbitration shall be conducted by a panel of three arbitrators experienced in the pharmaceutical business: [***], each Party shall select one person to act as arbitrator and the two Party-selected arbitrators shall select a third arbitrator (who shall be the chairperson of the arbitration panel) [***]. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be appointed by SIAC. If, however, the aggregate award sought by the Parties is no more than [***] and equitable relief is not sought,

the arbitration shall be conducted by a single arbitrator agreed by the Parties (or appointed by SIAC if the Parties cannot agree).

(c) The seat and location of the arbitration shall be Singapore and the language of the proceedings shall be English. The arbitral tribunal shall determine the dispute by applying the provisions of this Agreement and the governing law set forth in Section 15.5. The Parties agree that any award or decision made by the arbitral tribunal shall be final and binding upon them and may be enforced in the same manner as a judgment or order of a court of competent jurisdiction.

(d) By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue, at the request of a Party, a pre-arbitral injunction, pre-arbitral attachment or other order to avoid irreparable harm, maintain the status quo, preserve the subject matter of the dispute, or aid the arbitration proceedings and the enforcement of any award. Without prejudice to such provisional or interim remedies in aid of arbitration as may be available under the jurisdiction of a competent court, the arbitral tribunal shall have full authority to grant provisional or interim remedies and to award damages for the failure of any Party to the dispute to respect the arbitral tribunal's order to that effect.

(e) Unless otherwise decided in the arbitration award, each Party shall bear its own attorney's fees, costs, and disbursements arising out of the arbitration, and shall pay an equal share of the fees and costs of the administrator and the arbitrator.

(f) Notwithstanding anything in this Section 14.3, in the event of a dispute with respect to the validity, scope, enforceability or ownership of any Patent or other intellectual property rights, and such dispute is not resolved in accordance with Section 14.2, such dispute shall not be submitted to an arbitration proceeding in accordance with this Section 14.3, unless otherwise agreed by the Parties in writing, and instead either Party may initiate litigation in a court of competent jurisdiction in any country in which such rights apply.

ARTICLE 15
MISCELLANEOUS

15.1 Force Majeure. Neither Party shall be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement to the extent such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party, including embargoes, war, acts of war (whether war be declared or not), insurrections, riots, pandemic, civil commotions, strikes, lockouts or other labor disturbances, fire, floods, or other acts of God or any other deity, or acts, omissions or delays in acting by any Governmental Authority. The affected Party shall notify the other Party of such force majeure circumstances as soon as reasonably practical, and shall promptly undertake all reasonable efforts necessary to cure such force majeure circumstances.

15.2 Assignment.

(a) Except as express permitted herein, this Agreement may not be assigned or otherwise transferred, nor may any right or obligation hereunder be assigned or transferred, by

either Party without the prior written consent of the other Party. Any attempted assignment not in accordance with this Section 15.2 shall be null and void and of no legal effect. Any permitted assignee shall assume all assigned obligations of its assignor under this Agreement. The terms and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, the Parties and their respected successors and permitted assigns.

(b) Notwithstanding the foregoing, either Party may, without consent of the other Party, assign this Agreement and its rights and obligations hereunder, (i) in whole or in part to an Affiliate of such Party, or (ii) in whole to its successor-in-interest in connection with the sale of all or substantially all of its stock or its assets to which this Agreement relates, or in connection with a merger, acquisition or similar transaction.

15.3 Severability. If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties shall in such an instance use their best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

15.4 Notices. All notices which are required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by internationally recognized overnight courier, sent by registered or certified mail, postage prepaid, return receipt requested, or sent by email, to the address set forth below:

If to ImmuneOnco:

ImmuneOnco Biopharmaceuticals (Shanghai) Inc.
Attn: [***]
Email: [***]

with a copy to:

JunHe LLP
26/F, HKRI Centre One, HKRI Taikoo Hui, 288 Shimen Road (No.1)
Shanghai 200041, P. R. China.
Attn: [***]
Email: [***]

If to SynBio:

SynBioTx, Inc.
3963 Maple Avenue, Suite 350, Dallas, TX 75219
Attn: CEO
Email: [***]

with a copy to:

Cooley LLP
One Freedom Square
Reston Town Center, 11951 Freedom Drive
Reston, VA 20190-5656 U.S.A.
Attention: [***]
Email: [***]

or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such notice shall be deemed to have been given: (a) when delivered if personally delivered on a Business Day (or the next Business Day, if delivered on a non-Business Day); (b) on the third (3rd) Business Day after dispatch if sent by internationally recognized overnight courier; (c) on the seventh (7th) Business Day following the date of mailing if sent by mail, or (d) upon confirmation of receipt by the other Party, if sent by email.

15.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Singapore, without giving effect to any choice of law principles that would require the application of the laws of a different jurisdiction. The application of the U.N. Convention on Contracts for the International Sale of Goods is excluded.

15.6 Foreign Corrupt Practices Act Compliance.

(a) **Compliance with FCPA**. The U.S. government imposes and enforces prohibitions on the payment or transfer of anything of value to governments, government officials, political parties or political party officials (or relatives or associates of such officials) ("**FCPA Covered Person**") for the purpose of illegally influencing them, whether directly or indirectly, to obtain or retain business. This U.S. law is referred to as the Foreign Corrupt Practices Act ("**FCPA**"), and it can have application to conduct of a U.S. corporation's foreign subsidiaries, employees, agents and distributors. A summary of the law and related information can be found at http://www.justice.gov/criminal/fraud/fcpa. By signing this Agreement, each Party represents, warrants and covenants (as applicable) to it that:

(i) it is familiar with the provisions and restrictions contained in the FCPA;

(ii) it shall comply with the FCPA in the Development, Manufacture and Commercialization of a Product under this Agreement;

(iii) it shall not, in the course of its performance under the Agreement, offer, promise, give, demand, seek or accept, directly or indirectly, any gift or payment, consideration or benefit in kind to any FCPA Covered Person that would or could be construed as an illegal or corrupt practice;

(iv) it is not an FCPA Covered Person or affiliated with any FCPA Covered Person; and

(v) it shall immediately notify ImmuneOnco of any attempt by any FCPA Covered Person to directly or indirectly solicit, ask for, or attempt to extort anything of value from SynBio, its Affiliates or sublicensees, and shall refuse any such solicitation, request or extortionate demand except a facilitating payment as expressly permitted under the FCPA.

(b) **Compliance Certificate**. From time to time upon request from the other Party, each Party shall submit a compliance certificate in the form reasonably requested by the requesting Party that (i) it fully understands its obligations under this Section 15.6 and any other applicable laws and regulations mentioned herein or as may come into existence from time to time after the Effective Date; (ii) it has been complying with this Section 15.6 and any other applicable laws and regulations mentioned herein or as may come into existence from time to time after the Effective Date; and (iii) it shall continue to comply with this Section 15.6 and any other applicable laws and regulations mentioned herein or as may come into existence from time to time after the Effective Date.

(c) **No Action**. In no event shall any Party be obligated under the Agreement to take any action or omit to take any action that such Party believes, in good faith, would cause it to be in violation of any applicable laws and regulations, including the anti-bribery laws referenced in this Section 15.6.

(d) **Audit**. Subject to Applicable Laws, in the event that a Party has reason to believe that a breach of any obligation of the other Party under this Section 15.6 has occurred or may occur, such Party shall have the right to select an independent third party to conduct an audit of the other Party and review relevant books and records of the other Party, to satisfy itself that no such breach has occurred. Unless otherwise required under applicable laws and regulations or by order of a competent court or regulatory authority, such Party shall ensure that the selected independent third party shall keep confidential all audited matters and the results of the audit. Subject to Applicable Laws, such Party does reserve the right to disclose to the U.S. or foreign government, its agencies and/or any other government or non-government party, information relating to a possible violation by the other Party of any applicable law, including a violation of the FCPA or any other applicable anti-bribery law.

15.7 Entire Agreement; Amendments. The Agreement, together with the Exhibits attached hereto, contains the entire understanding of the Parties with respect to the subject matter hereof. All express or implied agreements and understandings, either oral or written, with regard to the subject matter hereof (including the licenses granted hereunder) are superseded by the terms of this Agreement. Neither Party is relying on any representation, promise, nor warranty not expressly set forth in this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by authorized representatives of both Parties hereto.

15.8 Headings. The captions to the several Sections hereof are not a part of this Agreement, but are merely for convenience to assist in locating and reading the Sections of this Agreement.

15.9 Independent Contractors. It is expressly agreed that ImmuneOnco and SynBio shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture or agency. Neither ImmuneOnco nor SynBio shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other Party, without the prior written consent of the other Party.

15.10 Waiver. The waiver by either Party of any right hereunder, or the failure of the other Party to perform, or a breach by the other Party, shall not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise.

15.11 Cumulative Remedies. No remedy referred to in this Agreement is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to in this Agreement or otherwise available under law.

15.12 Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement shall be construed against the drafting Party shall not apply.

15.13 Business Day Requirements. In the event that any notice or other action or omission is required to be taken by a Party under this Agreement on a day that is not a Business Day then such notice or other action or omission shall be deemed to be required to be taken on the next occurring Business Day.

15.14 English Language. This Agreement is in the English language only, which language shall be controlling in all respects, and all versions hereof in any other language shall be for accommodation only and shall not be binding upon the Parties. All communications and notices to be made or given pursuant to this Agreement, and any dispute proceeding related to or arising hereunder, shall be in the English language. If there is a discrepancy between any translation of this Agreement and this Agreement, this Agreement (i.e., the English version) shall prevail.

15.15 Further Actions. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as necessary or appropriate in order to carry out the purposes and intent of this Agreement.

15.16 Construction. Except where the context expressly requires otherwise, (a) the use of any gender herein shall be deemed to encompass references to either or both genders, and the use of the singular shall be deemed to include the plural (and vice versa), (b) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation",

(c) the word "will" shall be construed to have the same meaning and effect as the word "shall", (d) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (e) any reference herein to any person shall be construed to include the person's successors and assigns, (f) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to Sections, Schedules, or Exhibits shall be construed to refer to Sections, Schedules or Exhibits of this Agreement, and references to this Agreement include all Schedules and Exhibits hereto, (h) the word "notice" means notice in writing (whether or not specifically stated) and shall include notices, consents, approvals and other written communications contemplated under this Agreement, (i) provisions that require that a Party, the Parties or any committee hereunder "agree", "consent" or "approve" or the like shall require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail and instant messaging), (j) references to any specific law, rule or regulation, or Section, section or other division thereof, shall be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof, and (k) the term "or" shall be interpreted in the inclusive sense commonly associated with the term "and/or."

15.17 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. Each Party shall be entitled to rely on the delivery of executed facsimile copies of counterpart execution pages of this Agreement and such facsimile copies shall be legally effective to create a valid and binding agreement among the Parties.

{Signature Page Follows}

IN WITNESS WHEREOF, the Parties intending to be bound have caused this License and Collaboration Agreement to be executed by their duly authorized representatives as of the Effective Date.

IMMUNEONCO BIOPHARMACEUTICALS (SHANGHAI) INC.

By: /s/ Wenzhi Tian

Name: Wenzhi Tian

Title: CEO and Chairman of Board

Date: 8/1/2024

SYNBIOTX, INC.

By: /s/ Bronson Crouch

Name: Bronson Crouch

Title: CEO

Date: 7/31/2024

List of Exhibits

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Bronson Crouch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Instil Bio, Inc.;

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

Date: August 13, 2024

/s/ Bronson Crouch

Bronson Crouch

Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Sandeep Laumas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Instil Bio, Inc.;

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

Date: August 13, 2024

/s/ Sandeep Laumas

Sandeep Laumas

Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

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

In connection with the quarterly report of Instil Bio, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bronson Crouch, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended (the "Exchange Act"); and

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

/s/ Bronson Crouch

Name: Bronson Crouch

Title: Chief Executive Officer
(Principal Executive Officer)

Date: August 13, 2024

This certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18 of the Exchange Act. Such certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Exhibit 32.2

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

In connection with the quarterly report of Instil Bio, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sandeep Laumas, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended (the "Exchange Act"); and

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

/s/ Sandeep Laumas

Name: Sandeep Laumas
Title: Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Date: August 13, 2024

This certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18 of the Exchange Act. Such certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.